Edelweiss
Ideas create, values protect
ECL Finance Ltd.

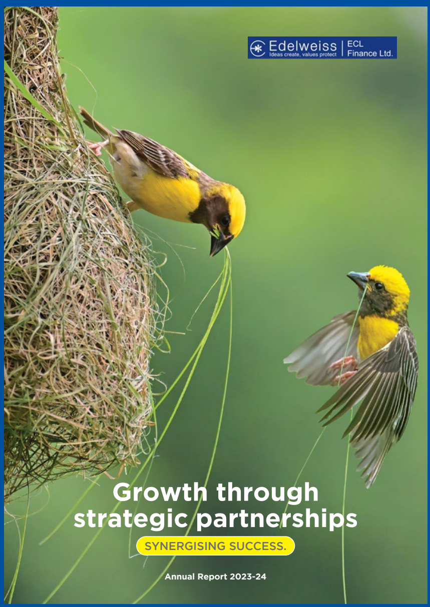
Growth through strategic partnerships

SYNERGISING SUCCESS.

Annual Report 2023-24

What best describes our mSME story is the craftsmanship of weaver birds coming together to build their nest.

The Baya Weaver Bird exemplifies extraordinary talent and perseverance in crafting its nest from twigs, grass, and leaves. Similarly, our commitment to MSME reflects a dedication to fostering their growth and success. As an asset-light company, ECLF partners with other financial institutions to work together for mutually beneficial outcomes. By collaborating closely, we support mSMEs on their journey, contributing to their stories of economic prosperity, excellence, and resilience.



ON THE Cover

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LETTER FROM THE Managing Director

> Our vision is to be a trusted financial partner to the micro and small enterprises in their journey toward success.

Dear Shareholders,

I am pleased to share our progress over the past year—a year marked by growth, transformation, and a steadfast commitment to our mission. We pivoted strategically, adapting our approach while staying true to our goals. By expanding into new segments, customizing our offerings, and reaching a broader customer base, we are aligning our journey with the aspirations of a progressive India.

Reflecting on this journey, I am filled with pride and gratitude for the remarkable strides we've made together. Our team has remained unwavering in our purpose: to generate value for all our stakeholders—**our clients, our partners, our employees, our community and others.**

Taking a Collaborative Approach with Partnerships

Over the past year, we have taken decisive steps to build a more profitable business, streamlining our operations and focusing on our core strength—strategic partnerships in the MSME space. Despite a decline in total revenue for FY 2024 due to the orderly run-down of our wholesale portfolio, our net profit has increased by over 21%, underscoring the success of our model and commitment to operational efficiency. This approach has strengthened our financial position, enhanced shareholder value, and improved key metrics like ROAE, ROAA, and EPS.

Our strategic alliances with banks, particularly through co-lending arrangements, have revolutionized the financial landscape in India. With total AUM projected to reach nearly INR 1 lakh crore and an annual growth rate exceeding 35%, these partnerships are more critical than ever, enabling banks to meet their priority sector lending targets while leveraging NBFCs' reach and customization. Our collaboration with Direct Selling Agents (DSAs) further expands our reach and capital-efficient growth, connecting us with customers at the last mile and providing tailored financial solutions to a broader audience.

Our employees are at the heart of this transformative model, driving sustainable growth and operational excellence. By operating on an asset-light business model, we mitigate ALM risks and offer competitive loan pricing, serving a better cohort of credit customers. Our commitment to our people ensures that we not only achieve our business objectives but also build a resilient and motivated workforce.

Looking ahead, we are confident that these strategic partnerships will continue to play a crucial role in expanding access to credit and fueling the growth of the Indian economy. Our foresight in pioneering co-lending agreements with prominent public sector banks has placed us in a strategic position of advantage, enabling us to deliver exceptional value to all stakeholders. Our network of channel partners, including DSAs, remains critical to widening our reach. This year, we engaged more than 200 to 300 channel partners across multiple cities, ensuring they are well-equipped to champion our offerings and connect us with businesses that can benefit from our flexible and customized loan products.

I believe that our success is a testament to the strong synergies we have built with our partners—banks, DSAs, and our people. This collaborative approach continues to drive profitable business growth and enhance our impact on the financial landscape.

Looking forward, our agility and expertise will continue to empower us to tailor loan solutions for underserved segments within the MSME sector. By forging strategic partnerships, embracing innovative financial solutions, and safeguarding the best interests of all stakeholders, we are confident in our ability to play a vital role in India's growth story.

In closing, I want to extend my heartfelt gratitude to every member of the ECL Finance. Every individual continuation has played an important role in achieving success. In the face of challenges, our people have shown exceptional resilience and a constant zeal to excel, learn, and grow; and we look forward to building on this success in the years to come.

> Our strategic alliances with banks, particularly through co-lending arrangements, have revolutionized the financial landscape in India.

Together, we are poised to reach new heights of excellence while maintaining our identity as a trusted financial partner for India's burgeoning micro and small enterprises sector—ready to turn their visions into reality.

Sincerely,

Phanindranath K

Phanindranath Kakarla
Managing Director

The ingenuity of seagulls

serves as a fitting analogy for our approach.

Just as these resourceful birds meticulously scan their surroundings and adjust their flight patterns to capture opportunities, we are committed to identifying and seizing every opportunity to deliver exceptional value for our stakeholders. Much like seagulls who swoop at the perfect moment, our financial highlights reflect our ability to combine foresight with opportunity, shaping our path for the future and establishing our distinct presence in the MSME lending space. This journey is underpinned by our unwavering commitment to compliance and governance, ensuring that every step we take aligns with our ethical standards and regulatory requirements.

FINANCIAL Highlights

We have worked in FY24 to make our balance sheet stronger. This has resulted in debt reduction, improved our Capital adequacy ratio, reduced our NPAs and helped us show consistent profitability

₹27,691 million

Net worth

₹1,08,282 million

Balance Sheet Size

₹1,352 million

Profit after tax

2.56%

GNPA

1.40%

NNPA

2.34

D/E ratio

40.68%

CAPAD

PILLARS THAT HELP US Stand Strong

Throughout the course of the past year, our commitment to operational excellence in loan processing journey has yielded significant improvements in efficiency, accuracy, customer satisfaction and delight. Our seamless processes, enhanced technology integration and dedicated team efforts have been pivotal in achieving these results for business excellence.

Seamless processes

We have re-engineered our loan processing workflow to eliminate bottlenecks and reduce turnaround times. By adopting lean principles and continuous improvement methodologies, we have minimised redundancies and optimised each step of the process. This has not only increased our processing speed but also improved our capacity to handle a higher volume of applications with accuracy.

Technology integration

Our investments in cutting-edge technology have been instrumental in enhancing our loan processing operations. The Paperless Digital Journey, coupled with automation tools, has significantly reduced manual interventions, lowered the risk of errors and improved data accuracy. Additionally, the use of predictive analytics has helped us better manage risks and make more informed lending decisions.

Customer satisfaction

One of the most significant outcomes of our focus on operational excellence has been the enhancement of customer satisfaction. Our streamlined processes and faster turnaround times have resulted in a more efficient and pleasant experience for our customers. Additionally, we have implemented robust feedback mechanisms to continuously track and improve our services based on customer feedback. On the back of these efforts, we have achieved a Net Promoter Score (NPS) of 77, which reflects enhanced customer satisfaction.

Strong results and impact

As a result of these initiatives, we have achieved a notable reduction in loan processing times, a decrease in errors and a surge in overall customer satisfaction scores. These improvements have not only sharpened our competitive edge but have also contributed to our strong financial performance.

leveraging

technology

for data-driven decision-making exemplifies our commitment to innovation.

Just as swans use their remarkable underwater vision to detect subtle shifts in the water and navigate unseen challenges, we employ advanced technology to collect comprehensive data, meticulously assess situations, and gain a clear perspective beyond complexities. This approach enables us, much like a swan, to tackle challenges effectively, make well-informed decisions, and continually advance towards growth and innovation.

A FOCUSED APPROACH to Technology

ECLF is involved in effectively leveraging technology to drive innovation, improve operational efficiency, enhance the customer experience and ensure regulatory compliance.

At ECLF, we focus on deploying advanced technology for-

1

Strategic alignment

To align technology initiatives with the organisation's strategic objectives

2

Digital transformation

Technology plays a crucial role in driving digital transformation initiatives within ECLF. Led by this conviction, we have adopted emerging technologies such as low-code platforms, artificial intelligence, machine learning and data analytics to enable focused innovation

3

IT governance and risk management

We have established a robust IT governance framework and implemented effective risk management practices. Some of our efforts include ensuring compliance with regulatory requirements, implementing effective security controls, managing cybersecurity risks and safeguarding customer data

4

Customer experience enhancement

At our Company, enhancing customer experience is at the core of our technology-driven initiatives. We are committed to leveraging cutting-edge digital solutions to streamline services, personalize interactions, and provide seamless, intuitive experiences across all touchpoints. From customer support to secure, real-time transactions, our focus is on creating a frictionless journey that not only meets but exceeds customer expectations. By continuously innovating and adapting to evolving needs, we aim to build lasting relationships and deliver unparalleled value to our clients.

5

Data management and analytics

We consider data to be a valuable asset in establishing robust data management and analytical capabilities.

Our tech adoptions

The following application implementations are crucial milestones in our journey towards self-sufficiency and regulatory compliance. They have enabled us to optimise our operations, improve productivity and stay ahead in a rapidly evolving NBFC business landscape.

Cloud adoption

Migrating to cloud technology ensured high availability, scalability and resilience of our business applications, with employees being able to securely access information from anywhere, using any device and at any time

Unified collaboration suite

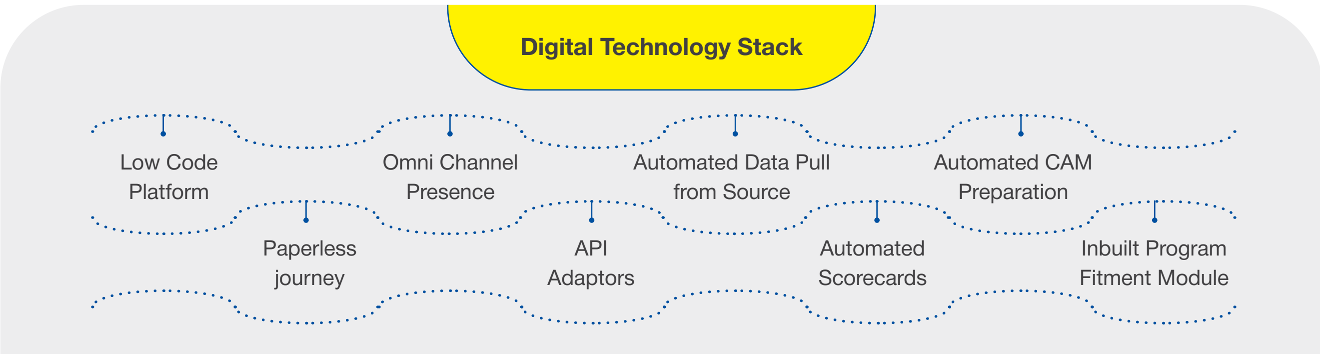
The deployment of a unified collaboration suite helped improve employee productivity

Intelligent automation

To streamline processes and incorporate changes into our systems, we drove intelligent automation using low code software development tools

Artificial intelligence

Leveraging advanced Machine Learning algorithms, we have deployed models for evaluating risks, performing AML checks, doing customer KYC, identifying frauds and more; thereby building efficiencies in our business.



Low Code Platform - our tech stack is based on a low code architecture, which allows for an agile development methodology aimed at lower GTMs and increased flexibility in getting our development need list churned off

Omnichannel Presence - while we started off developing an internally built Loan Origination System for end-to-end loan processing, with time we understood the need for scaling our login funnel. This is why we have come up with the Channel Partner Portal, our Direct-to-Consumer (D2C) DIY Platform, to expand our omnichannel footprint

Data Pull from Source - we have an API integration layer coupled with our Application layer. This API layer houses different data pull from source APIs, which in turn has helped us collect data pertaining to KYC and demographics for both individual and non-individual customers

Automated Credit Assessment Memo (CAM) Preparation - we have APIs that enable us to assess banking and financial statements and integrate them into our standard CAM, resulting in lower CAM preparation time and higher quality output

Paperless Journey - We have made great progress in creating a smooth, paperless process for our Business Installment Loan. Using various APIs, we can automatically gather customer data with their consent. The Credit Assessment Memo (CAM) is then automated, and a Business Rule Engine helps generate the scorecard. After that, we complete the process with a video personal discussion (PD), online KYC verification, and electronic signing.

API Adaptor - as we operate on an asset-light business model, it is imperative that we have in place an integration pipe with our partner banks for our co-lending business. In keeping with this, we deploy an API adaptor that helps us plug in to Partner Bank systems while also enabling us to integrate with different digital partner systems

Automated Scorecards - we have in-built scorecards that are configured in our Business Rule Engine. Leveraging our low code tech stack, we are able to configure new scorecards or make changes to the existing ones

Programme Lending - implementing an in-built Business Rule Engine and configurable scorecard module helps us create an internal marketplace programme fitment module. This enables us to gauge the fitment of a case to the programme in a single attempt.

Prioritising regulatory compliance to effectively embrace digital transformation

As we continue to embrace digital transformation, we ensure adherence to the RBI's master direction on the Information Technology framework and relevant regulations governing data privacy, consumer protection, anti-money laundering (AML) and Know Your Customer (KYC) norms. We have also implemented automated digital solutions for regulatory reporting.

Collaborations

We partner with fintech firms, technology providers and other stakeholders to optimise our customer onboarding journey.

Recently, we have implemented various new applications within our organisation by replacing old or group applications. These developments signify our commitment to becoming self-sufficient and compliant with regulatory requirements. Here are the details of the applications and their progress-

CashTrea

replaced Apollo

To enhance our treasury operations, we have replaced the previous system, Apollo, with CashTrea. CashTrea offers advanced features and functionalities, empowering us to optimise cash management, improve liquidity forecasting and mitigate financial risks. This transition ensures better control and visibility over our treasury activities.

BALM

(Regulatory Reporting)

To meet our regulatory reporting obligations, we have implemented the Banking and Accounting Log Manager (BALM). This solution simplifies the process of generating and submitting regulatory reports, ensuring compliance with regulatory requirements.

Oracle Fusion

replaced Oracle EBS

In our pursuit of operational excellence, we have upgraded from Oracle EBS to Oracle Fusion, our new enterprise resource planning (ERP) system. This migration enables us to leverage modern tools and technology for more efficient financial management, procurement and supply chain operations. Oracle Fusion provides a robust platform to support our organisational growth and scalability.

Finnone Neo

Replaced Finnone

We have upgraded Finnone to Finnone Neo, a more advanced and comprehensive loan origination and management system. This transition has enabled us to enhance the efficiency of our lending processes, improve the customer experience and ensure compliance with regulatory guidelines.

Strengthening IT security

At ECLF, we regularly bolster our Information Security Management Systems (ISMS) and have a dedicated team that is always equipped to counter cyberattacks and data breaches. To stay ahead of the technology curve and safeguard sensitive data, we have a comprehensive defence strategy in place to avert cyberattacks such as phishing emails, malicious links, harmful files and more. This has been accomplished through-

- **Cloud-based email and web filtering services -**
  These solutions enable protection against sophisticated email attacks such as phishing and dangerous attachments, as well as prevent users from accessing malicious and other unwanted web content

- **Web application firewall –**
  Secures our business-critical applications by filtering malicious traffic, as well as offering protection against denial of service (dos)/ distributed denial of service (ddos) attacks that prevent users from accessing online business resources

- **Network security –**
  Next Generation (NG) firewalls, along with Intrusion Prevention Systems (IPS), are in place to defend against any breaches to our network

- **Endpoint protection –**
  Cloud-delivered next gen offers anti-malware protection against cyber threats. It offers real-time protection against known as well as unknown attacks, leveraging both AI and ML. Endpoints have also been tightened to limit the attack surface, which includes desktops, laptops and servers

- At ECLF, we maintain
  round-the-clock vigilance
  for monitoring cyberthreats through partners and manual scanning of the environment for emerging threats

- Incident response management services from the 'Big Four' firms provide rapid and effective response in the unlikely event of a cyberattack

- We have also adopted a
  zero-trust security model.
  This new model requires strict identity verification for every person and device trying to access resources on a private corporate network, regardless of whether they are sitting within or outside of the corporate perimeter

- Further, regular
  vulnerability assessment and penetration testing,
  a review of segregation of duties and other audit and compliance testing(s) have ensured that our information assets are safe

- **An awareness programme**
  is conducted for all our personnel by using the digital channel implemented to ensure cybersecurity. Our team members are required to undergo a mandatory online learning module on information security and affirm that they have understood and are aware of the protocols to be followed. Regular information security-related flyers/e-mailers are also sent to all employees for awareness and training purposes

- As a best practice, we will continue to focus on the automation of security orchestration to respond to cyber incidents through our 24X7 Security Operations Centre (SOC)

- During FY 2024, an
  Information System (IS) audit
  was also conducted by a CERT-in-empanelled audit firm. The areas audited were, namely, user access management, patch management, business continuity and disaster recovery, data protection and the information security management system framework, including cyber security. The audit observations are awaited.

Better customer engagement through data analytics

As we reflect on the past year, we find ourselves in awe of the transformative power of digital technology and data analytics. This has been a year of reinvention, marked by the successful adoption of these technologies, and the positive impact on our operations and customer engagement has been profound.

In an era where data is the new oil, our strategic decision to invest in a Digital Lending Platform (DLP) based on a microservices architecture has proven pivotal. This platform has revolutionized our customer onboarding process, reducing complexities, and significantly improving user experience. Since its inception, more than 40K customers have been processed through DLP. The platform has also acted as a catalyst for the transition to a more data-centric approach, underscoring our belief that data-driven insights are integral to our success.

Our vision has always been to make data-based decision-making the norm rather than the exception. This year, we have made significant strides towards realizing this vision. We have improved our credit costs by leveraging analytics-based underwriting scorecards and models, leading to reduction in bad debts.

We have embarked on an ambitious journey of analytics-led process redesign. By prioritizing applications through analytics, we have been able to redesign processes to be more streamlined and efficient. This has also led to the automation of several processes, reducing our file processing time and significantly reducing operational costs.

Our commitment to using data and analytics extends to our marketing and customer engagement efforts. By understanding customer behavior and preferences, we were able to tailor our offerings, leading to an increase in customer satisfaction and loyalty.

At the heart of our transformation has been our unwavering focus on the customer. Every decision, every strategy is designed with the customer at the center. Our customers are more than just numbers to us; they are our partners in success. By leveraging technology and analytics, we aim to create an environment that empowers them, caters to their financial needs, and ensures their success.

Looking ahead, we remain committed to pushing the boundaries of what is possible with digital technology and data analytics. As we continue to evolve and adapt, we promise to uphold our vision of data-based decision-making and customer-centricity.

Benefits of our tech-driven initiatives

Our technology-driven initiatives have yielded measurable benefits, positively impacting our product offerings and operational cost structures-

- Improved handling techniques have substantially minimised data-loss risks during critical processes such as customer onboarding
- We have achieved greater efficiencies in digital asset management, ensuring quicker access and better security of stored data
- Continuous upgrades and integrations have led to numerous enhancements in our product suite, increasing both functionality and customer satisfaction
- Incorporating the latest technological advancements has resulted in a notable reduction in the costs associated with the ownership and maintenance of various applications, freeing up resources for strategic reinvestment.

ACHIEVEMENTS OF OUR Supply Chain Finance Vertical

Our Supply Chain Finance vertical, which commenced operations in FY 2022-23, witnessed an outstanding performance during the reporting period. This segment has not only boosted revenue and profitability but has also made a considerable impact on our co-lending volumes in a relatively short period of time.

This achievement can be credited to diversifying our client base while maintaining exceptional portfolio quality throughout. Looking ahead, we are committed to scaling this venture and preserving stringent asset quality standards. This result validates our approach to originating Priority Sector Assets and reaffirms our commitment to long-term growth.

Vast channel network

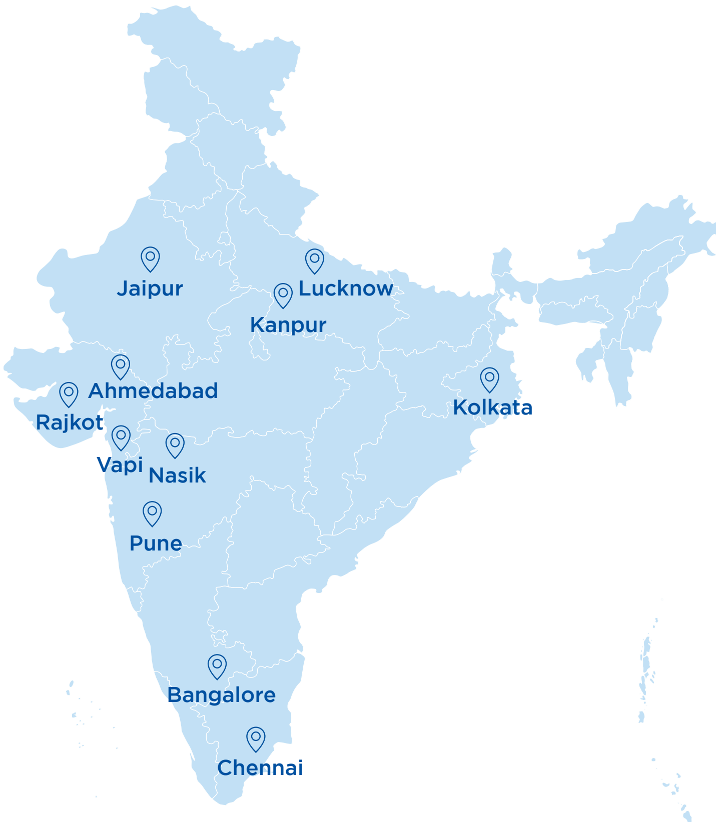
ECL Finance's Channel Meet and Greet Event- Fostering connections across 11 locations.

In FY 2023-24, we organised Channel Meet and Greet events, across 11 locations nationwide. These events served as a pivotal platform for forging robust connections and unlocking synergies between our company and our diverse channels. With an ambitious aim to bolster relationships and enhance collaboration, the events recorded enthusiastic participation from diverse channels representing various regions.

Locations and participation

The event inspired insightful interactions across Nasik, Kolkata, Rajkot, Jaipur, Chennai, Bangalore, Ahmedabad, Pune, Lucknow, Kanpur and Vapi. Each location served as a hub of energy and engagement, creating a conducive environment for meaningful exchanges.

The participation numbers highlight the immense enthusiasm and engagement surrounding the event-



The participation numbers highlight the immense enthusiasm and engagement surrounding the event-

1

Networking galore

The event served as an opportune platform for channels to network extensively, establishing new connections and strengthening existing ones

2

An in-depth presentation of our offerings

The event enabled us to showcase the nuances of our specialised loan products, which are designed to address the unique needs of the underserved mSME sector

3

Insightful sessions

Engaging sessions and workshops were conducted, providing channels with valuable insights into market trends, product innovations and strategic directions

4

Interactive discussions

Thought-provoking discussions were facilitated, enabling channels to exchange perspectives, share best practices and brainstorm innovative solutions

5

Recognition and appreciation

We took the opportunity to recognise the outstanding contributions of our channels, promoting a sense of appreciation and camaraderie

6

Encouraging collaboration

The event laid the groundwork for enhanced collaboration and synergy between ECL Finance and our channels, setting the stage for mutual growth and success.

Future endeavours

As we continue to prioritise partnerships, such initiatives will remain integral to our pursuit of excellence. The Channel Meet and Greet events will enable us to keep nurturing long-standing relationships with our channels, driving collective success in the dynamic landscape of financial services.

Impact made

1

Increased Logins and Higher Disbursement Volume

One of the most tangible outcomes of the Channel Meet and Greet event has been the subsequent surge in login activity. The connections forged and insights shared during the event have spurred heightened engagement among our stakeholders, leading to a notable increase in logins. which in turn translated into a commendable uptick in disbursement volume. The event's role in catalysing this surge in activity demonstrates its positive impact over our distribution network.

2

New Channel Inquiries and Expanded Reach

The event has also garnered the interest of new Channels eager to explore the array of products we offer. The vibrant exchange of ideas and the showcasing of our offerings during the event have piqued the curiosity of prospective partners, prompting them to reach out and inquire about collaboration opportunities. This influx of inquiries represents a promising avenue for amplifying our market reach.

3

Revitalised productivity of dormant Channels

Perhaps most significantly, the Channel Meet and Greet events have breathed new life into dormant Channels. Channels that were previously inactive or under-utilised have undergone a remarkable transformation, spurred by the energy and inspiration gleaned from the events. The connections made and the knowledge shared during the event have reignited their passion and drive, propelling them towards greater productivity and contribution. This resurgence in the effectiveness of dormant Channels have not only bolstered our salesforce but also underscored the transformative power of fostering meaningful connections and nurturing engagement within our ecosystem.

CUSTOMER Experiences

At ECL Finance, we prioritise customer experience as a fundamental driver of business success. Our commitment to maintaining a customer-centric approach is evident in our streamlined complaint resolution process, resulting in a notable reduction in complaint ratios despite increasing query volumes. We empower our customers with convenient online resolution options, enhancing self-service capabilities through our web portal for tasks like account management and document updates.

Also, we have launched an omnichannel service model, which has facilitated seamless onboarding and request fulfilment, as reflected in our impressive National Net Promoter Score (NPS) of 77 for FY 2023-24. We continue to innovate with online NACH registration and payment options, ensuring that our services evolve in tandem with changing customer needs. Our team remains dedicated to improving our product offerings and promoting financial literacy through effective communication and educational initiatives.

Voices of our Customers

আমরা আন্তরিকভাবে এডেলউইসের প্রতি আমাদের কৃতজ্ঞতা প্রকাশ করছি। ঋণের মেয়াদকালে যেভাবে ইডিলউইস আমাদের সমর্থন করেছে, তা প্রশংসনীয়।

আপনাদের পেশাদারিত্ব এবং গ্রাহক সন্তুষ্টির প্রতি সজাগ দৃষ্টি সত্যিই অনুকরণীয় ।

আমরা এডেলউইসের সাথে ভবিষ্যতে আরো কাজ করতে উন্মুখ থাকবো ।

Arup Datta,
(Rcross Pharmacy Private Limited),Kolkata

मैं इस ऋण की पूरी अवधि के दौरान आपकी सेवाओं और सहयोग के लिए अपनी सराहना व्यक्त करना चाहता हूं। आपका समर्थन मेरे व्यापार की वृद्धि और सफलता में सहायक रहा है।

Mohammed Jahangir
(National Cycle Stores), Patna

ा संपूर्ण प्रवासात तुमच सहकार्यबद्दल आम्ही मनापासून कौतुक करतो. तुमच आदरणीय संस्थेसोबत काम करताना आनंद झाला आणि आम्ही भविष्यात संभाव सहकार्याची अपेक्षा करतो.

Gajabi Kapil Suryanayan ,
(Shree Mahalaxmi Traders), Aurangabad

Thank you, Edelweiss, for your outstanding support. Your professionalism and dedication to customer satisfaction are impressive. We look forward to working with you again in the future.

Amarjeet Mahto
(Bhola Transport Service),New Delhi

Like a well-orchestrated flock of birds relying on intricate communication and synchronised movements to navigate vast distances, our people adapt swiftly to challenges and collectively steer the organisation forward. As the flock of birds adjusts their formations and manoeuvres to optimise air currents and avoid obstacles, our dynamic teams leverage diverse perspectives, different ideas and expertise to strengthen an inclusive culture that prepares us to realise shared objectives.

PEOPLE & CULTURE

At ECLF, we believe that the key to our success lies in fostering a collaborative and inclusive culture. Just like a flock of birds soaring together in perfect formation, our strength comes from working harmoniously towards a common goal. Open communication and mutual trust are the pillars of our teamwork, enabling us to align individual aspirations with our mission effectively.

Embracing diverse perspectives is essential for driving innovation. Our team members bring unique skills and viewpoints, and by leveraging this diversity, we can develop creative solutions to complex challenges. Encouraging cross-functional collaboration helps us promote a culture of continuous learning and growth.

Celebrating our collective achievements reinforces the importance of collaboration and strengthens our community. Recognizing the contributions of each team member fosters a sense of belonging and motivation. Together, we are building a stronger and more resilient organization, ready to tackle any challenge and reach new heights of success

> *Within our organization, we foster a culture that celebrates diversity and individuality, while embracing collaboration – thus energizing the individual as well as the collective.*

- Shama Asnani
Chief Human Resources Officer

FOSTERING AN INCLUSIVE AND Collaborative Culture

Creating consistency, fairness, and equity

Well-defined HR policies are vital to promote equity, an empathetic, regulated, and fair working environment in the organization. Employee friendly policies and benefits such as parental leaves, bereavement leaves, health emergency leaves, mediclaim insurance, initiatives that promote work-life balance, etc. collectively exemplify our commitment of supporting our people in line with their life stages and personal needs. Our HR policies are concrete expressions of our pledge to build a fair and equitable workplace. They also serve as our organization's ethical compass through guidelines such as the code of conduct, thus reinforcing our commitment to operate with unyielding integrity and transparency, by clearly defining acceptable behaviors and procedures.

Strengthening Connect

At ECLF we believe that it is our people's psychological connection with the organization that will drive their efforts and commitment to go the extra mile. It is therefore vital to create thought-through platforms and a culture that encourages a sense of inclusion and sharing of information, views and one that promotes diversity of ideas. Formation of Executive Committees (Exco) consisting of leadership members for strategy formulation and implementation, Townhalls by management for sharing mission critical objectives and organizational updates with teams, Business Meets, Branch visits by leadership, Social Committees consisting of nominated employees who ideate on and drive engagement initiatives, etc. are some of the platforms created to keep our people informed and connected with organizational level happenings, updates, and expectations. We also put consistent efforts in connecting with external entities such as Campuses which are grounds for potential employee pool, through campus connect and internship programs. Opportunities for voluntary involvement in CSR initiatives enable our employees to find fulfillment in giving back to society and stay connected to their social purpose.

Capturing people's pulse

For continuously enhancing organizational culture and practices, it is critical to have seamless bottom-up channels of communication. We have set in place various platforms that enable our people to share their views, feedback, and inputs.

Best Place to Work intervention consisted of a series of Focus Group Discussions (FGDs) with leaders & high performers to share their varied perspectives and brainstorm on key focus areas of improvement in work environment, processes and practices. Voice of Employee (VOE) Survey was rolled-out to measure engagement levels across the organization, resulting in encouraging participation and overall engagement score. The outcomes of the survey provided us priority areas to focus on, to help enhance organizational climate.

Creating a Culture of Recognition

We are committed to building a mindset of excellence and exemplifying ECLF values. Recognition interventions not only motivate our highfliers to aim farther but also ignite drive and passion among all colleagues to strive for the best. The Working GEM (where GEM stands for Going the Extra Mile) is an award program recognizing outstanding contributions on a quarterly basis. Shooting Stars is a platform to applaud and celebrate quick wins over a time horizon of two months.

Building Capabilities

Our people are our greatest asset, driving our business forward. We've prioritized people development through a culture of continuous learning and skill-building. 'Siksha' is our Learning & Development Academy under which we focus on holistic capability and skill development of our people across functional, behavioural and technical domains, as well as induction of new joiners to ensure faster acclimatization and productivity.

Knowledge and experience sharing sessions, structured training plan for freshers, are regular interventions to ensure that we foster a learning culture. The Learning framework facilitates our team members in honing their skills, keeping abreast with the industry dynamics, and forging ahead in their professional journeys.

Developing Leaders

Building leadership strength and creating a pipeline for future leadership roles has been core to our people strategy. Longterm initiatives promoting leadership engagement and development are pursued to expand leadership capacity. Assessment & Development Centres, Executive Coaching and Individual Development Plans (IDPs) have helped us build leadership strength and creation of talent pipeline for facilitating Succession Planning.

An aspirational forum for high-performing, high-potential employees at mid-management level named 'CEO Circle' is a year-long program providing these employees opportunities for development, exposure, and increased organizational visibility. Such initiatives help us spot young talent and intervene at the right juncture for shaping them into future leaders.

Propelling Performance

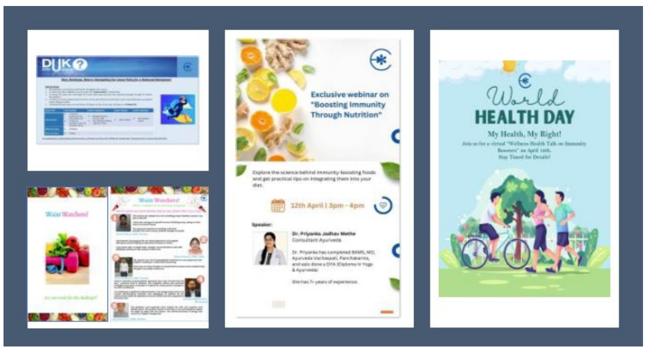
'What gets measured gets done' is an adage on performance measurement, that we at ECLF follow steadfastly. Performance management for us is a year-long process, starting with goal setting, regular performance conversations and concluding with a sharp evaluation process to differentiate performance and identify talent. To constantly enhance performance management process, we have been focusing on process improvements, streamlining performance rating tools and training employees on driving effective performance conversations and building a high-performance culture. Our constant endeavor has been to provide an enabling environment for performance to improve and thrive.

Leveraging Data

At ECLF we recognize that data orientation is vital for effective decision making. Our emphasis on data-driven decision making and insight generation through comprehensive dashboards underscores this point. Data on people processes ranging from hiring, to performance, engagement, development, and attrition is closely tracked and monitored in order to provide deep understanding of the effectiveness of our processes and enabling us to course correct.

Promoting Wellbeing

Holistic wellbeing of employees is a priority for us and initiatives taken in the Employee Wellness space are designed to focus on overall mental and physical health and wellbeing. Health talks and webinars conducted with leading medical professionals, health camps conducted on premises and annual executive health check-ups play a proactive role in supporting our people with their health concerns and goals. Our flagship Nutrition program 'What The Health – Waist Watchers' led by a renowned nutrition expert provides bespoke diet and nutrition plans to promote healthy lifestyle and fitness.



Jump-Start Friday is an initiative providing employees two free hours on the first Friday of the month to pursue their non-work passions. The idea is to promote holistic well being and work-life balance. Our people leverage this platform to pursue their personal interests such as photography, painting, cooking, etc. and also form interest groups across functions to pursue sports initiatives.

Playing and staying together

Employees who are mentally and physically energized add to the spirit of the workplace. Indoor sports initiatives such as Carrom and Table Tennis and outdoor sports such as Cricket Tournaments are regularly conducted, drawing enthusiastic participation from employees.

Celebrating wins, milestones & events

We leverage every opportunity to foster a vibrant work environment by celebrating important milestones and special days. 'Bandhan', our tenure award program recognizes long-standing commitment of our people.

Business milestone achievements are celebrated with great gusto and contributions are appreciated and recognized. Games organized on the floors, fun activities such as Treasure Hunts, festive celebrations across branches are received with great enthusiasm, bringing teams together and further solidifying bonds.

Reaching out to our extended families

One of the biggest anchoring factors of an employee's commitment and contribution to the workplace is the support from their family. We at ECLF recognize the irreplaceable role played by our employees' family in providing them the strength and support to add value to our organization.

Extension of Mediclaim coverage to family members, letters to the family on promotion or role-elevation of the employee and on them completing long-tenure with the organization, extending engagement initiatives such as art & talent competitions, appreciation on special days such as Women's day, etc. to family members are some of the numerous ways in which we hold the employees' families close to us, recognizing the important position they occupy as part of our larger eco-system.

Achieving Industry Benchmarks

At ECLF, we strive to set and achieve superior standards of performance and work ethic, which have over the years garnered respect and accolades within the industry. Resilience and an indomitable spirit to thrive in conducive as well as challenging environments have been our hallmarks. In the past fiscal year, we have had the privilege of receiving 'The Resilient Organization of the Year' recognition at India Credit Risk Management Summit & Awards 2024, that stands as a testament to our determined journey towards excellence. Such recognitions amplify our resolution to constantly elevate our benchmarks and aim for greater milestones.

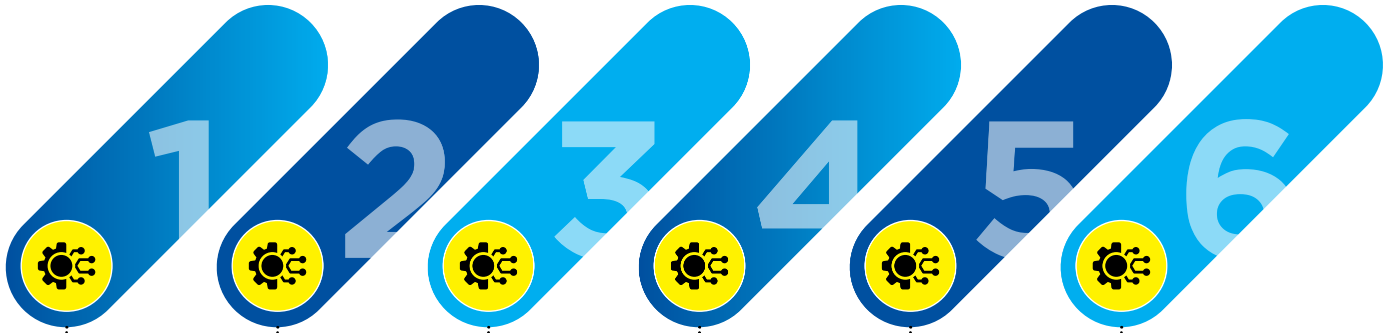
OUR PEOPLE AT ECLF

Business Milestone achievement with CBOI - Expressing our gratitude to Central Bank of India on crossing the remarkable milestone of 750 Crs of disbursement

Group Photo of employees in Lords Cricket Ground, London

RISK AND Compliance

Our enterprise risk management framework, known as the 'eleven-risk vector framework,' formalizes the continuous process of assessing, managing, and mitigating risks across business verticals. This comprehensive approach ensures that risks are effectively identified and addressed, promoting stability and resilience throughout our operations.



MARKET RISK

- Tracking positions, value at risk and asset duration
- Monitoring asset liability mismatch and collateral margins
- Diversification in borrowing sources
- Compliance with regulatory limits

FRAUD RISK

- Anti-fraud framework with proactive reporting
- Regular training and awareness campaigns
- Striot due diligence on borrowers

INFORMATION AND CYBER RISK

- Adoption of industry best practices
- Quick response team for mitigating information and oyber risks

BUSINESS CONTINUITY RISK

- Preparedness for pandemics, natural calamities, and acts of terrorism
- Robust Business Continuity Plan

OPERATIONAL RISK

- Balancing operational risk at key points
- Review and strengthening of oritical processes
- Exception management and risk control self-assessment

CREDIT RISK

- Comprehensive client assessment
- Counterparty and collateral evaluation
- Diversified exposure within limits
- Selection of quality collateral

Our Compliance and Governance philosophy emphasises adherence to regulatory and legal requirements, aiming to uphold business ethics, effective oversight and stakeholder value enhancement. We cultivate a culture of accountability, transparency and ethical conduct throughout the Company. This policy outlines overarching principles and a commitment to achieving compliance in both letter and spirit.

BOARD OF Directors

Rashesh Shah

Chairman

Rashesh Shah is Chairman of the Edelweiss Group, 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, and 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, which is India's apex industry association and is also on the Board of Directors for the Indian Institute of Foreign Trade (IIFT) as well as the Executive Committee of IPF (Indian Police Foundation). 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

Aalok Gupta

Independent Director

Aalok Gupta possesses over three decades of banking experience, with a particular focus on retail and SME businesses. He has held positions in foreign banks such as Bank of America and HSBC, as well as private Indian banks including HDFC Bank and YES Bank. Aalok Gupta's notable assignment was as MD & CEO of MUDRA, the nodal agency for the Pradhan Mantri Mudra Yojana, which refinances banks, NBFCs, and MFIs. Currently, he serves as a mentor with GDC-IIT, Madras, promoting entrepreneurial thinking in STEM institutions across India.

Aalok graduated from Indian Institute of Management, Ahmedabad after his Bachelor's degree in Mechanical Engineering from Delhi College of Engineering.

Atul Pande

Independent Director

Atul Pande has a varied industry experience spanning more than 25 years. In the initial two decades of his professional career, Atul worked across sectors such as FMCG, BPO, Financial Services and Television. Atul is an avid traveller and passionate about outdoor sports. Some of Atul's key professional assignments have been Business Director – GE Capital, MD Citicorp – Maruti, MD Cholamandalam Investment and CEO – Ten Sports.

An MBA from Indian Institute of Management, Ahmedabad, Atul is also an Engineering Graduate.

Biswamohan Mahapatra

Independent Director

Biswamohan Mahapatra's illustrious career spans over three decades. He retired as Executive Director of the Reserve Bank of India (RBI) in August 2014. During his tenure at RBI, he oversaw banking regulation, policy, and supervision. Following his retirement, he served as an Advisor to RBI on the new bank licensing process. Biswamohan Mahapatra has represented RBI at various national and international forums and chaired several RBI committees. Notably, he played a significant role as Member-Secretary to the Committee responsible for introducing a financial holding company structure in India. He was also involved in formulating Basel-II and BaselIII regulations. Additionally, he serves as an Independent Director on the Boards of various companies and was recently 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, and an MBA from the University of Delhi.

Sameer Kaji

Independent Director

Sameer Kaji's has over three decades of experience that spans industries and geographies. His key focus areas have been growth strategy, mergers & acquisitions, operational improvement, and transformation, to name a few. He has played a significant part in assisting companies in their business development by providing out of box solutions, while bringing resolutions to complex management, manufacturing, or financial issues. In his experience, he has acted as an advisor to many companies such as Adani Group and McKinsey. He has been associated with a gold mine owned by Rio Tinto in Reno, Nevada as a Director, and also led the disinvestment and management transition programmes. He was also the Chairman & Managing Director, RAS Propack Lamipack, which was founded by him and led a 500+ FTE company to a successful IPO (40x over-subscribed).

Sameer is a Management Graduate from Babson F.W. Olin Graduate School of Business.

Shiva Kumar

Independent Director

Shiva Kumar served as Managing Director at the State Bank of Bikaner & Jaipur, which has now merged with the State Bank of India. His tenure at the State Bank of India included the role of Deputy Managing Director and various other positions. Shiva Kumar played a pivotal role in a business process re-engineering project in collaboration with McKinsey & Company, transforming India's largest bank. He led their credit card project and set up the metal gold business for the bank. Additionally, he represented the Associate Banks on the Managing Committee of the Indian Banks' Association. In recognition of his contributions, Shiva Kumar received the 'Business Leadership Award' from the Institute of Public Enterprises in 2013.

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

Ravi Raja Gopal

Nominee Director

Mr. Ravi Rajagopal has thirty-five years' experience with two leading organizations, Diageo PLC, global leader in premium drinks, in London (1996-2015) and ITC, India's largest consumer business (1979-1995). Core experience and strong skill set in Finance, Controls and Risk. Senior roles in Strategy, General Management and M&A. Operating experience and exposure to many countries across Europe, Asia, South America and Africa. Reputation for building strong relationships coupled with an ability to connect the dots and possessing a keen commercial instinct.

He is a Chartered Accountant (India), Cost Accountant (India) and a B. Com graduate from Madras University. He has also done Advanced Management Program from the Harvard Business School.

Phanindranath Kakarla

Managing Director

Phanindranath Kakarla has spent over two decades in the financial services industry has been an integral part of the Edelweiss team for over eight years. Throughout his tenure, he has held various roles, including Head of Corporate Services Group, Head of Human Resources for the Group, Chief Operating Officer, and Chief Finance Officer for ECL Finance Limited. Phanindranath brings comprehensive experience in banking, asset management, and driving organisational transformation encompassing people, processes, and technology. His previous engagements include leading roles at prominent banks such as HSBC, JPMorgan Chase, and Deutsche Bank, among others.

An MBA graduate from the Indian Institute of Management, Calcutta, Phanindranath also holds an Engineering Degree from the Indian Institute of Technology, Bombay.

Mehernosh Tata

Executive Director

Mehernosh has over 22 years of experience in the Consumer and Commercial Banking space. At Edelweiss, he has led the digital transformation agenda and built a culture that is driven by data and analytics. He has steered the Co-Lending agenda for Edelweiss in partnership with multiple banks to ensure the business remains asset light.

He is a qualified Chartered Accountant, articled from PWC, and a Certified Coach for Consumer Lending and Banking concepts.

Kashmira Mathew

Executive Director

Ms. Kashmira Mathew, Senior Executive Vice President at Edelweiss, is a qualified Company Secretary with over 27 years' experience in the Banking & Financial Services industry spanning across Compliance, Legal and Company Secretarial functions including expertise in Regulatory & Financial Crime Compliance.

Before joining Edelweiss over 8 and a half years ago, she worked for 19 years across various entities and businesses of the HSBC Group including Wholesale and Retail Capital Markets, NBFC, Insurance, Asset Management, Private Banking, Retail Banking and Wealth Management.

Board's Report

To
The Members of
ECL Finance Limited,

The Directors hereby present their 19th Annual Report on the business, operations and the state of affairs of the Company together with the Audited Financial Statements for the year ended March 31, 2024:

Financial Highlights (Standalone)

(₹ in million)

Particulars	2023-24	2022-23
Total Income	**12,737.53**	**16,021.96**
Total Expenditure	10,893.31	14,678.69
(Loss)/Profit before tax	**1,844.22**	**1,343.27**
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	492.35	234.86
(Loss)/Profit after tax	**1,351.87**	**1,108.41**
Other Comprehensive Income/(Loss)	(424.31)	(8.36)
Add: Profit and Loss account balance broughtforward from previous year	6,067.19	4,904.54
Profit available for appropriation	6,994.75	6,004.59
Appropriations		
- ESOP charge	47.51	21.42
- Impact of Lease accounting	-	-
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(270.37)	(221.70)
- Transfer from revaluation reserve	51.04	30.29
- Transfer from Debenture Redemption Reserve	543.37	232.59
- Impairment reserve	-	-
- Deemed distribution during the year	-	-
Surplus carried to balance sheet	**7,366.30**	**6,067.19**
Net worth (Net worth = Equity share capital + Other equity)	**27,691.08**	**26,716.01**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2023 and March 31, 2022, accordingly, no amount is required to be transferred to the impairment reserve.

Information on the state of affairs of the Company

Information on the Operational and Financial performance, amongst others, is given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure I and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, ("Listing Regulations") and the provisions of the RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended from time to time.

During the year there was no change in the nature of business of the Company.

Reserves and Surplus

The details of the Reserves and Surplus are given in the Financial Statements attached herewith.

Share Capital

During the year, there was no change in the Authorized Share Capital and Paid-up Share Capital of the Company. As at March 31, 2024, the Authorized Share Capital and Paid up Share Capital of the Company stands at ₹ 6,740 million and ₹ 2,138.27 million respectively.

Dividend

With a view to conserve the resources of the Company, the Directors are not recommending any dividend for the year ended March 31, 2024.

Finance & Credit Rating

Your Company continued to borrow funds from various sources including Commercial Papers and bank borrowings.

During the year, the Company raised ₹ 440 crores and ₹ 961 crores by way of Term Loans and Commercial Papers (non-episodic) respectively. The funds from term loans have been utilized for business disbursements in line with the overall Company strategy. The outstanding bank borrowings as on March 31, 2024, stood at ₹ 1,412 crores.

The Company enjoys credit ratings from various Rating Agencies. The details of the credit ratings are furnished in the Notes to the Financial Statements as well as in the Corporate Governance Report of the Company.

Subsidiaries, Joint Ventures and Associate Company

During the year, neither did your Company have any Subsidiary or Associate Company, nor did it enter into any Joint Venture Agreement under the provisions of the Companies Act, 2013 ("the Act").

Our network of offices

We operate through a wide network of 34 offices as of March 31, 2023, spread across 15 States and 2 Union Territory. The reach of our branches allows us to service our existing customers and attract new customers. We service products through each of our offices, which reduces operating costs and improves total sales. Our spread-out office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoon or droughts.

Loans, Investments and Guarantees

The Company is a NBFC registered with the Reserve Bank of India. During the year, the Company did not give any guarantee. Further, the provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees or providing security are not applicable to the Company.

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.

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 https://eclfinance.edelweissfin.com/investor-relations/.

Particulars of contracts or arrangements with the Related Parties as prescribed in Section 188 of the Act in Form AOC -2 is annexed to this Report as Annexure II. All the Related Party Transactions as required under the applicable Accounting Standards are reported in the financial statements.

Material changes and commitments, if any, affecting the financial position of the Company

No Material changes and commitments, affecting the financial position of the Company have occurred between the end of the Financial Year to which the Financial Statement relates (i.e. March 31, 2024) and the date of the Report.

Annual Return

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2024 in Form MGT-7, is available on the website of the Company at the link: https://eclfinance.edelweissfin.com/investor-relations/.

Directors and Key Managerial Personnel

(i) Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section. Accordingly, the Company confirms that in the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 and that the Independent Directors are independent of the Management. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

(ii) Change in Directors

a. Mr. Kunnasagaran Chinniah resigned as Independent Director of the Company with effect from close of business hours on May 19, 2023, due to other professional commitments. The Board place on record their appreciation for the services rendered by Mr. Kunnasagaran Chinniah during his tenure as a Director of the Company. Mr. Kunnasagaran Chinniah has confirmed that there were no material reasons for his resignation other than reason mentioned herein.

b. Ms. Anita George resigned as Nominee Director of the Company with effect from close of business hours on August 10, 2023. The Board place on record their appreciation for the services rendered by her during her tenure as a Director of the Company.

c. The Board appointed Mr. Ravi Rajagopal as Additional (Nominee) Director of the Company through a resolution passed by circulation on June 10, 2023. This appointment was subject to and with effect from the receipt of approval of Reserve Bank of India. The same was received on August 10, 2023. The Members also, at their 18th AGM held September 27, 2023, approved his appointment as Nominee Director.

d. Mr. Rashesh Shah and Mr. Deepak Mittal retired by rotation at the 18th AGM of the Company held on September 27, 2023, and being eligible, were re-appointed by the Members at the aforesaid AGM.

e. Mr. Deepak Mittal, Vice Chairman (in Executive Capacity) of the Company and Mr. Venkatchalam

Ramaswamy, Vice Chairman and Non-Executive Director of the Company, tendered their resignation with effect from close of business hours on November 2, 2023. The Board place on record their appreciation for the services rendered by them during their tenure.

f. The Board appointed Ms. Kashmira Mathew as Additional (Executive) Director of the Company at its meeting held on November 3, 2023. This appointment was subject to and with effect from the receipt of approval of Reserve Bank of India. The same was received on January 4, 2024. The Members also, at their Extraordinary General Meeting held on March 28, 2024, approved her appointment as Executive Director. Considering the expertise and experience of Ms. Kashmira Mathew, the Board is of the opinion that her association would immensely benefit the Company.

There were following changes in the Key Managerial Personnel of the Company:

Name of the KMP	Nature of Change	Effective Date
Mr. Deepak Mittal	Resigned as Vice Chairman (In Executive Capacity)	November 2, 2023
Ms. Kashmira Mathew	Appointed as Executive Director	January 4, 2024

Number of Board Meetings held

During the year under review, seven Board Meetings were convened and held, the details of which are given in the Corporate Governance Report, which forms part of this Report (Annexure III). The intervening gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Nominations & Remuneration Policy and Criteria for making payment to Non-Executive Director The Company has formulated a Nomination & Remuneration Policy ("Policy") as per the provisions of Section 178 of the Companies Act, 2013. The said Policy is placed on the website of the Company at https://eclfinance.edelweissfin.com/investor-relations/. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The Policy, inter-alia, provides for criteria for payment to Executives and Non-Executive Directors, Board diversity etc.

Evaluation of the performance of the Board

The Board has framed a Board Evaluation Policy ("the Policy") for evaluating the performance of the Board, Chairman, Directors and the Committees of the Board. The said Policy is placed on the website of the Company at https://eclfinance.edelweissfin.com/investor-relations/.

The Policy inter-alia provides the criteria for performance evaluation and authorizes the Nomination and Remuneration Committee to prescribe criteria/framework for Board Evaluation. Accordingly, the Nomination & Remuneration Committee has prescribed a detailed methodology/approach for the aforesaid evaluations. Based on the same, the performance was evaluated for the financial year ended March 31, 2024. The Independent Directors at their meeting reviewed the performance of the Board, Non-Independent Directors and Board Chairperson. The Board of Directors in its meeting evaluated the performance of Independent Directors, performance of Board and its Committees along with flow of information for conducting meetings of Board/Committees. The Nominations & Remuneration Committee also evaluated the performance of all Directors.

Internal Financial Controls and Internal Control System

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. The Company has a robust Internal Audit Team in place.

Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the Management believes that adequate Internal Financial Controls exist in relation to its Financial Statements.

Risk Management

Risk management is an integral part of the Company's business strategy. The company maintains a robust risk management framework/policy to identify, assess, manage, prioritize, monitor and report risks. It makes decisions based on a conscious and careful risk-return trade-off in line with the defined strategy and within its risk appetite. It ensures financial stability and continuity of the business by monitoring its risk profile periodically and ensuring risk management activities are executed effectively to manage the overall Risk levels within approved limits.

The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel. Further details on the same are given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure I.

Committees of the Board

The Board of Directors has constituted the following Board Committees:

i. Audit Committee.
ii. Stakeholders Relationship Committee.
iii. Corporate Social Responsibility Committee.
iv. Nomination and Remuneration Committee.
v. Risk Management Committee.
vi. IT Strategy Committee.
vii. Asset Liability Management Committee.

For details on the Committee composition, number of meetings held and attendance of the Committee members, please refer to the Corporate Governance Report (Annexure III).

Joint Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act) and RBI circular ("Circular") dated 27th April 2021 on the Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), M/s. Chetan T. Shah & Co LLP and M/s. V.C Shah & Co. LLP are the current Joint Auditors of your Company.

The Statutory Audit Report does not contain any qualifications, reservations and adverse remarks.

Secretarial Audit

The Board had appointed M/s Alwyn Jay & Co., Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2024.

The report issued by the Secretarial Auditors is attached herewith as Annexure IV. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

Prevention of Sexual harassment of Women at Workplace

The Company prohibits any form of sexual harassment, and any such incidence is immediately investigated, and appropriate action is taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has in place, a corporate policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (the 'Policy') and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("POSH Act"). The Company also has in place an Internal Committee constituted under POSH Act and Rules made thereunder to look into all complaints of sexual harassment made by an Aggrieved Person provided the sexual harassment has taken place at workplace or in the course of official duties.

There was no complaint filed during the financial year and no complaint was pending at the end of the financial year.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

A. Conservation of energy

(i) Steps taken or impact on conservation of energy:

The operations of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy:

- Quarterly /Periodic maintenance of Air Conditioners are carried out for better performance and to control power consumption across branches.
- Electrical Planned Preventive Maintenance is performed at the branches to ensure that the health of the Electrical set-up is maintained, which in turn conserves energy.
- changed the HVAC schedule running operation which reduces the unnecessary running of Air conditioners

(ii) the steps taken by the Company for utilizing alternate source of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.

(iii) the capital investment on energy conservation equipment - Nil

B. Technology absorption

(i) The efforts made towards technology absorption:

Our commitment to technology absorption is comprehensive and multifaceted, reflecting our dedication to operational excellence and market leadership:

- We have undertaken substantial efforts to refine and enhance our business workflows, ensuring that technology absorption directly contributes to the streamlined operation of all company functions.
- The company has aggressively phased out outdated legacy applications, replacing them with digital workflows and modern technology solutions. This transition is pivotal in reducing system complexity and improving operational agility.
- Our approach to technology is dynamic, focusing on the ongoing engineering of better solutions while eliminating outdated and isolated systems. This strategy is crucial in maintaining continuous operations and eliminating any risks related to business continuity.

- We are committed to full-scale digitization and digitalization across all business verticals, embracing a digital-first approach that enhances our responsiveness and service delivery.
- Implementing a cloud-first strategy has been a transformative step for our IT infrastructure, enabling scalability, cost efficiency, and the integration of cutting-edge technologies.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The technology-driven initiatives have yielded measurable benefits, significantly impacting our product offerings and operational cost structures:

- Improved handling techniques have substantially minimized data-loss risks during critical processes such as customer onboarding.
- We have achieved greater efficiencies in digital asset management, ensuring quicker access and better security of stored data.
- Continuous upgrades and integrations have led to numerous enhancements in our product suite, increasing both functionality and customer satisfaction.
- Streamlining technology use has resulted in notable reductions in the costs associated with the ownership and maintenance of various applications, freeing up resources for strategic reinvestment.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable

- There have been no instances of technology importation in the last three financial years, as our focus has remained on developing in-house solutions and leveraging available cutting-edge technology to meet our operational needs.

(iv) The expenditure incurred on Research and Development:

a) While our company does not operate a dedicated R&D department, our proactive adoption of innovative technologies such as low-code/no-code development platforms enable rapid deployment of solutions tailored to market demands.

Our Company operates in a highly automated environment and makes use of the latest technologies to support various operations. It has in place a governance framework, information security practices and a business continuity plan to mitigate information technology-related risks. It is also guided by the Information Security Policy and Cyber Security Policy laid down by RBI Master Direction - Information Technology Framework for the NBFC Sector. Alongside that we are also guided by an independent assurance team within Internal Audit which provides assurance on the management of information technology-related risks. In addition, employees mandatorily and periodically undergo information security training and sensitization exercises.

C. Foreign exchange earnings and outgo

There were no foreign exchange earnings during the year. There was outgo of ₹ 18.41 million (previous year: ₹ 13.92 million).

Secretarial Standards

The Company has complied with applicable provisions of the Secretarial Standards issued by Institute of Company Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Other Disclosures

- No disclosure is required in respect of the details relating to the issue of Equity Shares with differential rights as to dividend, voting or otherwise and Sweat Equity Shares, as the Company has not issued these types of shares.
- There were no significant or material orders passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the Company's operations in future.
- Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year. There was no instance of one-time settlement with any Bank/Financial Institution in respect of loan taken by the Company.
- There was no revision in the financial statements of the Company.
- Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.

Deposits

The Company neither held any public deposits at the beginning of the year nor has it accepted any public deposits during the year.

Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations, the Company has in place a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and to take suitable steps to investigate and correct the same. Directors, employees, vendors, customers or any person having dealings with the Company may report non-compliance of the Policy to the reporting platforms as mentioned in the policy. The copy of the Policy is available on https://eclfinance.edelweissfin.com/investor-relations/.

The Directors and the Management personnel maintain confidentiality of such reporting and ensure that the whistleblowers are not subjected to any discrimination. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism. No person was denied access to the Audit Committee during the year.

Particulars of Employees

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 Alwyn Jay & Co., Company Secretaries, on compliance with the conditions of Corporate Governance during the financial year ended March 31, 2024, is provided in Annexure III and forms part of this Report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (the Act), your Directors confirm that:-

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) accounting policies have been selected and applied consistently and judgments and estimates made, 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, 2022 and profit and loss of the Company for the financial year ended on that date;

(iii) proper and sufficient care has 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 have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Debenture Trustees

SBICAP Trustee Company Limited

202, Maker Tower – E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400020
Tel: + 022 4302 5555 Fax: +91 22 4302 5500
E-mail: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Ms. Savitri Yadav

Axis Trustee Services Limited

2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.
Tel:- 022 2425 5215 / 5216
E-mail: debenturetrustee@axistrustee.com
Website: www.axistrustee.com
Contact Person: Chief Operating Officer.

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
Contact Person: Mr. Vitthal Nawandhar

Acknowledgments

The Board of Directors wish to acknowledge the continued support extended and guidance given by the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Ministry of Corporate Affairs, Banks, other Government authorities and other stakeholders. The Board would like to acknowledge the support of its customers, investors and members. 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 of Directors
ECL Finance Limited

	Phanindranath Kakarla	**Mehernosh Tata**
Date: May 8, 2024	Managing Director	Executive Director
Place: Mumbai	DIN: 02076676	DIN: 08603284

ANNEXURE I

Management Discussion and Analysis Report

The reported year witnessed the global economy grappling with various macroeconomic challenges, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. However, the global economy demonstrated remarkable resilience, achieving a growth rate of 3.2%. According to the 'World Economic Report' published by the IMF in April 2024, the global economy is anticipated to sustain its growth at 3.2% for both CY 2024 and CY 2025, while the median headline inflation is expected to decline from 2.8 % at the end of 2024 to 2.4 % at the end of 2025. With inflation reaching its target levels, economic activities are anticipated to steadily gaining momentum.

Notwithstanding a sluggish global economy, the Indian economy maintained its position as the fastest-growing economy in the world. After a better-than-expected GDP of 7.6% in FY 24, the Reserve Bank of India (RBI) projects a 7% real GDP growth for the upcoming financial year 2024–25. An increase from the previously projected 6.6%, this anticipated increase can be primarily attributed to robust domestic demand and strong growth in the manufacturing and services sectors.

According to the data released by National Statistics Office (NSO), India's retail inflation rate dropped to 5.09% in February 2024, the lowest in four months. It also registered a slight drop of 0.01% from January 2024. The current inflation remains within the tolerance band set by the RBI. According to the IMF, inflation will further decrease to 4.6% in FY25 and to 4.2% in FY26.

The transmission of the rate hikes determined by the Monetary Policy Committee (MPC) between May 2022 and February 2023 still continues and is expected to weigh on demand next fiscal. On the other hand, regulatory actions to tame unsecured lending will have a bearing on credit growth.

ECL Finance Outlook to grow in the MSME Lending Space

India's Micro, Small and Medium Enterprises (MSME) sector plays a pivotal role in the nation's economy, contributing significantly with over 36.2% of the manufacturing output. In FY 23-24 (up to Nov 2023), the export share of MSME specified products constituted a significant 45.83% of all India exports, rising significantly from 43.59% in FY 22-23. While the number of MSMEs is expected to grow from 6.3 crore to approximately 7.5 crore, but only 2.5 crore have accessed credit from formal sources thus far. This translates to a substantial unmet credit gap of USD 530 Billion as of Jan-24.

The surge in economic activity, driven by policy interventions and governmental schemes, has fuelled demand for commercial loans, witnessing a notable 29% increase in the quarter spanning Jul-Sep 2023, as compared to the corresponding period the previous year. Concurrently, credit supply to MSMEs demonstrated a robust 20% year-on-year (YoY) volume growth in the same quarter, signifying enhanced lender confidence and increased opportunities.

ECL Finance intends to capitalise on these growth opportunities and increase its market share in the MSME – PSL lending segment. We envision to become the most trusted financial partner to India's small and micro enterprises in their journey to success.

ECL Finance Overview

Incorporated on July 18, 2005, ECL Finance Limited (ECLF) is a Public Limited Company. It is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India.

Our Company has obtained a certificate of registration dated April 24, 2006, bearing Registration No. N- 13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence business of Non-Banking Financial Institution, but not accepting public deposits subject to the conditions mentioned in the Certificate of Registration.

At ECLF, with the aim to meet the evolving demands of diverse customer needs, we offer a wide range of products.

MSME Lending Landscape

Demand: According to estimates, less than 40% of MSMEs avail credit from formal financial systems. Currently, the credit gap for MSMEs is about INR 28 lakh Crore but it is anticipated to increase further as the informal sector enterprises transition into the formal sector. This can prove to be a promising market for the NBFC sector as it can capitalise on the rising need for credit and financial services, particularly among underserved segments such as small and micro businesses.

Co-lending: It is anticipated that the co-lending model will remain a key lending module for both banks and NBFCs in FY25. Of the current overall co-lending book at present, the unsecured MSME loans make up 13% while the secured MSME loans comprise ~20%. With recalibration in growth of personal loans following increase in risk weight, it is expected that the share of personal loan could decline in FY25 and that of MSME and home loans would increase.

Democratization of credit: SEBI approved the proposal to reduce the ticket size for bond investments to INR 10,000 (instead of INR 1 lakh) in case of private placements. As more than 90% of issued corporate debt is privately placed, this will accelerate the democratization of the corporate bond markets and broaden fund-raising process while simultaneously aiding the identification of new set of investors.

Geographical Expansion: NBFCs can leverage advanced technologies and inventive distribution channels such as mobile application or web portals to steadily expand its outreach, especially in places where the presence of traditional banks is scarce.

Technology Adoption: The rise of digitalisation has been a driving force behind the NBFC sector growth. Upon adopting digital platforms, some of the NBFCs have been able to broaden customer base, streamline operations by use of process automation and enable the development of innovative financial products and services. As more NBFCs embrace advanced technology and progress towards digital transformation, it is anticipated to increase efficiency, improve risk management and reduce costs.

Market Challenges: During economic recessions or slowdowns, businesses and individuals may face financial difficulties, leading to higher default rates on loans and credit facilities extended by NBFCs. This can result in increased credit risk. Prolonged geopolitical turmoil, with the continuation of Russia-Ukraine war and emergence of Middle East crisis due to conflict between Israel and Iran, are expected to rise in inflation.

Regulatory and Compliance Risk: NBFCs operate in a highly regulated environment and are subject to various regulatory requirements, including capital adequacy, governance, reporting, and consumer protection. Regulatory and compliance risks arise from non-compliance with applicable laws, regulations and industry standards. It can lead to penalties, sanctions by the regulators, tarnishing the Company's reputation.

Interest Rate Volatility: Fluctuations in interest rates can affect NBFCs' profitability, asset valuations and borrowing costs. Rising interest rates can increase debt-servicing burdens for borrowers, leading to higher defaults and credit risks for NBFCs. The delay in expected rate cuts by RBI and other global regulators could stretch the NBFC margins for a longer period in FY25.

Monsoon: Owing to the uneven and sub-par monsoons and the decline in crop output in FY24, the ongoing weakness in rural demand is likely to spill over into the first half of FY25. However, estimates indicate a potential for a favourable monsoon in FY25.

Fund raising: Dependency on external funding sources exposes NBFCs to liquidity risks, particularly during liquidity crunches or market uncertainties. NBFCs' reliance on bank funding in FY25 is expected to come down in coming quarters, driven by a pickup in alternate sources of funding (for example, bond market or securitization). This could potentially affect fund raising by "A" rated and below NBFCs.

Core Capabilities

Leveraging the strong foundation laid in previous years, we have made substantial strides in enhancing our origination and underwriting capabilities to better serve the micro, small and medium enterprise (mSME) sector. We have made strategic investments in infrastructure, technology and talent to streamline processes, ensuring improved efficiency, agility and responsiveness to the evolving needs of our customers. Our relentless efforts enabled us to effectively navigate market dynamics and seize opportunities for growth while maintaining our unwavering commitment to maintaining credit quality and robust risk management.

FY2024 witnessed a commendable growth in our business with the inclusion of new partners to our existing co-lending partner banks. We have also introduced a diverse range of products offering under both Secured loans and Unsecured business loans.

Amidst our growth trajectory, we remained steadfast in our commitment to maintaining credit quality. While capitalizing on the growth opportunities, rigorous underwriting standards, coupled with a focus on risk management, enabled us to uphold the integrity of our loan portfolio.

Furthermore, our adopted digital processes and analytical tools enhanced accuracy and streamlined processes, driving sustainable growth and value creation for both the organisation and our esteemed customers.

Channel Partners

In FY2024, ECL Finance intensified its engagement with channel partners, recognising their vital role in driving origination and expanding market reach. We take pride in having nearly 5,500 channel partners with us and our aim for FY25 is to engage and activate. We would continue to dedicate our efforts towards fostering collaborative relationships and providing them with the necessary support and resources to succeed.

To incentivize and acknowledge the contributions of our channel partners, we have implemented a well-defined rewards and recognition programme. This programme motivates our partners to achieve their targets and excel in their performance, ultimately driving mutual success and growth.

Notably, our Channel Meet and Greet events that took place in 11 cities, garnered an overwhelming response from our valued partners. We believe that these events played a crucial role for fostering collaboration with the Channel partners, facilitating knowledge exchange, and promoting business growth.

We are committed to enhancing our origination capabilities by leveraging our wider product suite across multiple process points. The diverse range of products we offer provides our channel partners with greater flexibility and opportunities to cater to the varied needs of their clients effectively.

Strategic Initiative - Drivers of growth

In FY2024, ECLF introduced several strategic initiatives aimed at utilising its unique asset-light model to drive growth and efficiency in lending to the micro, small, and medium enterprise (mSME) segment, through the co-lending model. The reported year saw significant progress across key objectives, resulting in tangible outcomes. Observing our growth metrics, we are well positioned for continued success in the future.

Strengthened Co-lending Partnerships

We have successfully expanded our network by forming new partnerships with two new Bank/NBFCs for CLM and BLM origination. This strategic move increased our ability to reach a wider customer base and offer them with more product variants.

Enhanced Portfolio Performance

We have implemented rigorous credit quality enhancement measures, including regular reviews of scorecard and parameterised approaches. Further, we have substantially increased our investment in collection infrastructure and advanced data analytics tools, resulting in improved credit risk management and enhanced recovery efforts.

We aim to maintain a proactive approach to mitigate potential risks and optimise our performance, resulting in sustained portfolio quality throughout FY2024.

Advanced Digital Lending Capabilities

We have made significant strides in our digitalization jouney. We have developed our DLP platform, invested and gone live with a new Loan Management System (LMS).

Looking forward, we expect to go live with two new key digital initiatives as follows:

Business Partner Portal – This will streamline processes, reducing turnaround time for the customers and improving the experience for both partners and the borrowers.

We intend to digitalise the entire business loan journey with no manual intervention or paperwork. This will result in lower opex and support rapid business growth.

Fostered Data-Led Decision Making

At ECLF, we have successfully cultivated a data-led decision-making culture across the organisation, leveraging advanced analytics for various aspects of the lending operations.

We utilise data analytics to source direct customers, improve customer retention strategies, develop robust scorecards for underwriting and prioritising new cases at early stages. Through the strategic utilization of data-driven insights, we have been able to boost operational efficiency and develop effective risk management strategies.

Awards and Recognition

During the year under review, ECL Finance Limited has received some of the most prestigious industry awards. These awards are a testament to our commitment to excellence in the MSME lending space.

- We are honored as the "Best NBFC in Co-lending" by the India NBFC Summit & Awards 2023. This award acknowledges our pioneering role in co-lending financing.
- We also take pride in receiving the title of "Most Trusted Service Provider for the BFSI Sector" at the CXO Summit & Awards 2023. This award reflects our commitment towards maintaining reliability and incorporating customer-centric approach in our financial services.
- Additionally, ECL Finance also received the "The Resilient Organization of the Year" award at the India Credit Risk Management Summit & Awards March 2024. This highlights our steadfastness and adaptability in navigating challenging market conditions.

Key Financial Performance Highlights

(₹ in million)

Particulars	**FY2024**	**FY2023**
Total Income	**12,738**	**16,022**
Total Expenditure	10,894	14,679
(Loss)/Profit before Tax	**1,844**	**1,343**
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	492	235
(Loss)/Profit after Tax	**1,352**	**1,108**
Other Comprehensive Income/(Loss)	-424	-8
Add: Profit and Loss account balance brought forward from previous year	6,067	4,905
Profit available for appropriation	6,995	6,005
Appropriations		
- ESOP charge	47	21
- Impact of Lease accounting		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-270	-222
- Transfer from revaluation reserve	51	30
- Transfer from Debenture Redemption Reserve	543	233
- Impairment reserve		
- Deemed distribution during the year		
Surplus carried to balance sheet	**7,366**	**6,067**
Net worth (Net worth = Equity share capital + Other equity)	**27,691**	**26,716**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2024, and March 31, 2023, accordingly, no amount is required to be transferred to the impairment reserve.

Summary of ECL Finance standalone financial highlights during FY2024:

- Total Revenue Rs. 12,738 million (Rs. 16,022 million for FY 2023), down 20.50%
- Profit after Tax Rs. 1,352 million (Rs. 1,108 million for FY 2023),up 21.96%
- Networth Rs. 22,165.18 million (Rs. 20,840* million at the end of FY 2023)*
- Return on Average Equity 4.97% (4.24% for FY 2023)
- Return on Average Assets 1.18% (0.82% for FY 2023)
- EPS Rs.0.63 (Rs.0.52 for FY 2023) (FV Rs.1.00 per share)

*net of Deferred Tax Assets.

INCOME

Fund Based Revenue

Fund based revenue comprises of interest income and revenue from treasury and dividend income.

Interest income continued to be a major contributor to the gross revenue from operations at Rs. 5,432.57 million as against Rs. 10,163.70 million during the previous year, constituting around 42.65% of the total revenue from operations. Decrease in interest income is due to reduction in average loan book during the year.

Net profit on fair value changes on financial instrument stood at Rs. 6210.68 million as against Rs 4,052.68 million during the previous year, constituting 48.76% of total revenue from operations.

Fee & Commission

Our fee & commission revenue was Rs.736.07 million for the year, compared to Rs. 835.80 million in FY 2023.

Net Revenue

For NBFCs, like banking industry, the concept of Net Revenue (net of interest cost) is another way of analysing the performance. This is because interest cost, as with all Banks and large NBFCs, should reflect above the expenses line. On a net revenue basis, our fee and commission for FY 2024 was Rs. 736.07 million (Rs. 835.80 million for FY 2023). The Interest Income and Fund based revenue, i.e. net of interest cost, all the interest cost being for fund-based revenue, was Rs.2,988.72 million (Rs. 4,030.50 million for FY 2023). Thus, the total net operating revenue for FY 2024 was Rs. 3,726.19 million (Rs. 4,866.30 million for FY 2023). In addition, the 'Other Income' for FY 2024 was Rs.356.81 million, compared to Rs. 969.78 million in FY 2023.

EXPENSES

Our total costs for FY 2024 was Rs. 10,893.31 million (Rs. 14,678.69 million in FY 2023), down by 25.79%.

Credit Cost

During the current year, the Company has recorded for the year ended March 31, 2024, an amount of Rs. (2731.69) million towards impairment on financial instruments, Rs. 2,562.92 million towards loss on derecognition of financial instrument.

Employee benefit expenses

Employee benefit expenses for FY 2024 were Rs.780.59 million. (Rs. 782.05 million in FY 2023)

Other expenses

Other expenses including depreciation and amortisation for FY 2024 were Rs. 1,626.96 million (Rs. 1,844.83 million in FY 2023), down by 11.81%.

PROFIT AFTER TAX

The Company has posted profit after tax of Rs.1,351.87 million for FY 2024 against profit after tax of Rs. 1,108.41 million for FY 2023.

The Company has not paid any dividend in FY 2024.

Analysis of Profitability

The Company has posted profit after tax of Rs. 1,351.87 million for FY 2024 which has improved from FY 2023, primarily due to net profit/(loss) on fair value changes on financial instrument in FY 2024.

Balance Sheet Gearing

For an NBFC like ECLF, financial capital is one of the most important resources. We believe that a strong balance sheet imparts unique ability to our Company, strengthening our ability to meet demands of our diversified clientele base, capture any episodic opportunities and be able to raise debt capital whenever required. ECLF has a total net worth of Rs.22.17 billion as at the end of FY 2024 compared to Rs. 20.84 billion at the end of FY 2023. Amount of debt on the Balance Sheet as on March 31, 2024 was Rs.70.31 billion (Rs. 100.68 billion as on March 31, 2023), a Gearing Ratio of 2.34 times. The gross Balance Sheet size at the end of FY 2024 was Rs.108.28 billion compared to Rs. 146.44 billion a year ago.

The asset quality of the overall credit book continued to remain under control in spite of headwinds with Gross NPLs at 2.56% and Net NPLs at 1.40% as on March 31, 2024, compared to 1.96% and 1.16% respectively a year ago. The specific Provision Coverage Ratio (PCR) on Gross NPLs was 45.43% at the end of FY 2024 compared to 40.99% at the end of FY 2023. Total Provision Cover including the expected credit loss provision on stage I and II assets is 164.40% at the end of this year compared to 467.83% at the end of FY 2023.

Capital Adequacy Ratio

As per the Non-Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. Our CRAR over the period of last three years is as under:

Particulars as on	March 31, 2024	March 31, 2023	March 31, 2022
C R A R prescribed by RBI %	15	15	15
Total CRAR	**40.68%**	**30.84%**	**30.50%**
Out of which:			
Tier I	20.34%	15.82%	16.38%

Cautionary Statement

Statements made in this Annual Report may contain certain forward-looking statements, which are tentative, based on various assumptions on the Edelweiss Group's and ECLF's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The discussion relating to financial performance, balance sheet, asset books of the Company 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 in the interest of easier understanding. Numbers have been re-casted, wherever required. Prior period figures have been regrouped/reclassified wherever necessary. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else.

Business Segment-Wise Performance Highlights

Wholesale Book Reduction

In FY2024, we continued our proactive strategy made at the group level of scaling down the Wholesale lending book in the NBFCs. This was envisaged to be achieved through a combination of organic repayments and sell down.

Our rigor on the resolution plans continued to witness material inflows through the year. Augmented by robust investor demand, the wholesale book reduced to approximately ₹41 billion, reflecting a ~42% decrease from the previous fiscal year. During the current fiscal year, we have generated substantial net liquidity through recoveries, resolution and sell downs.

During the year FY2024, we executed a large-structured transaction with a global institutional investor which accelerated the book reduction. Additionally, pursuant to RBI's notification on investments in AIFs, the company has exited all AIFs, through a combination of partial unwinding and sale of AIF holdings.

The reduction was also driven by the continued momentum in the real estate sector which displayed strong performance even in the current year. Registered double-digit growth in both demand and new supply with new supply is at an all-time high and sales velocity sustaining momentum. The reported year had been a testament to the longevity and tailwinds in India's growth story. As per JLL research, residential sales in CY2024 to exceed by 10-15% whereas sales to be backed by quality launches by the developers. Additionally, launches of new residential projects are expected to strengthen further through new land acquisitions in strategic locations and growth corridors.

We continue to actively engage with global institutional investors for asset monetisation which will further reduce our Wholesale loan book.

Enterprise Risk Management

At ECLF, we prioritize responsible governance and ethical behavior. Our organizational culture emphasizes risk awareness, with employees taking responsibility for the risks ECLF faces. We aim to continually improve our controls and provide ongoing training to keep employees informed about the company's risk tolerance.

The management is focused on strengthening the balance sheet and achieved a major rundown on the Wholesale lending book which reduced by % ~85% from Mar'23 (FY23). Additionally, real estate concentration in the Wholesale lending book has been reduced significantly.

ECLF's current business strategy is to focus on an asset- light business model and scale up the retail book through CLM partnerships. The Company tightened its underwriting norms and enforcement processes to improve the asset quality. Moving forward, it will continue to leverage data analytics to foster a data-led decision-making culture and focus on simplifying processes and digitalisation.

The Company is very cautious in managing its Liquidity risk. We consistently maintain a liquidity cushion well above 10-12% throughout the year. All stock ratios and other Liquidity Risk indicators are monitored very closely and have been within the prescribed limits. A high LCR has been maintained at all times.

Additionally, the Company is constantly engaging with all employees to create awareness regarding information and cyber security. Various workshops are conducted throughout the year and emails, mentioning do's and don'ts, are circulated frequently within the organisation. Adequate checks and controls are in place to handle Data Loss Prevention (DLP) cases and provide brand protection. Additionally, all DLP breaches are handled with sensitivity and strict disciplinary actions are taken wherever necessary.

Overall, the Company is highly committed to robust risk governance practices, ensuring long-term sustainability of the business.

Internal Control Policies and their Adequacy

The Edelweiss Group maintains a strong compliance culture across all its business entities, recognizing that transparency and trust with stakeholders are essential. At ECLF, we view compliance as fundamental to good corporate citizenship. Our internal controls align with business requirements, operational scale, and applicable laws to ensure efficient business conduct.

These controls provide reasonable assurance for maintaining proper accounting practices, accurate financial statements, safeguarding resources, preventing and detecting fraud, ensuring operational effectiveness, reliable financial reporting, and compliance with relevant regulations, including section 134 (5) (e) of the Companies Act 2013.

Human Resources

At ECLF, we recognise the value of our people as their relentless hardwork are the driving force behind our success. We are dedicated to providing an ethical and productive work environment that empowers our employees to thrive. Therefore, all our effort is focused towards enhancing the overall employee experience. We relentlessly undertake initiatives to contribute towards their personal and professional development.

Every stage of an employee's journey, whether pre-boarding, on-boarding, integration or beyond, is carefully planned and we provide them with all the resources required to succeed. We believe in providing the best experience to our employees, right from rolling out the offer letters to the employees. We also regularly check-in with our new onboarded employees to ensure a seamless transition into the organisation.

With the aim to create a well-balanced culture, our people friendly policies, supported by strong organisational values, have enabled us to stay ahead of the curve. We provide flexible leaves options, health programmes, opportunities for employees to pursue hobbies, job rotation an equitable and secure work environment and a strong focus on healthy-work life balance.

We understand that continuous growth and development is crucial for the success of an organisation. Thereby, our learning umbrella, Siksha, is one such platform that caters to diverse learning needs and covers subject matters across domain, behavioural and technical topics.

Apart from implementing trainings to acquire new skills, we encourage on-job learning through internal movements, vertical and lateral. A dedicated career platform facilitates these internal movements, enabling employees to pursue aspirational roles.

We highly value our people and the work they provide to us. Therefore, acknowledging their achievements is a significant part of our culture. Our robust reward and recognition program enables us to applaud their important milestones. Other platforms also recognise both upcoming talent and tenured employees, fostering a merit-based culture.

Our teams will always be our biggest strength and will continue to inspire us to adopt the best people practices.

Technology

ECLF believes in effectively leveraging technology to drive innovation, improve operational efficiency, enhance customer experience and ensure regulatory compliance.

Technology Leadership at ECLF is focused on

Strategic Alignment: We align our technology initiatives with the organisation's strategic goals and objectives.

Digital Transformation: With the advent of technology, ECLF is taking significant strides towards digital transformation. We have adopted emerging technologies such as low-code platforms, artificial intelligence, machine learning and data analytics, to propel the growth of our business further.

IT Governance and Risk Management: We have established a robust IT governance framework and effective risk management practices, ensuring compliance with regulatory requirements, implementing effective security controls, managing cyber risks and safeguarding customer data.

Customer Experience Enhancement: We prioritise providing our customers with the best customer experience through our technology-driven initiatives.

Data Management and Analytics: At ECLF, we consider data as one of our most valuable assets. Thereby, we have established robust data management and strengthened our analytical capabilities to safeguard the data.

Resilience of our Technology

At ECLF, the key pillars of our technological resiliency have been:

Cloud adoption: We have migrated towards cloud technology to ensure high availability, scalability, and resiliency of our business applications. Our employees can securely access information from anywhere, using any device and at any time.

Unified collaboration suite: We have deployed a unified collaboration suite to enhance the productivity of our employees.

Intelligent Automation: ECLF utilises intelligent automation to develop new experiences and deliver process changes rapidly through low code software development tools.

Artificial Intelligence: Leveraging advanced Machine Learning algorithms, we have deployed models for evaluating risks, performing AML checks, performing KYC for customers, and identifying frauds, improving efficiencies in our business.

Regulatory Compliance: As we continue to embrace digital transformation, we have ensured adherence to RBI's master direction on Information Technology framework, relevant regulations governing data privacy, consumer protection, anti-money laundering (AML) and Know Your Customer (KYC) norms. We have successfully implemented automated digital solutions for regulatory reporting.

Collaboration and Partnerships: We have been in collaboration with fintech firms, technology providers and other stakeholders to streamline our customer on-boarding journey.

At ECLF, we have always strived towards becoming self-reliant and ensuring compliance with regulatory requirements. To further our commitment, we have replaced our old applications with various new, more robust applications.

Here are the details of the applications and their progress

CashTrea (Replaced Apollo)

To enhance our treasury operations, we have implemented CashTrea, replacing the previous system, Apollo. CashTrea offers advanced features and functionalities, empowering us to optimise cash management, improve liquidity forecasting and mitigate any financial risks. This transition ensures better control and visibility over our treasury activities.

Oracle Fusion (Replaced Oracle EBS)

In our pursuit of achieving operational excellence, we have upgraded from Oracle EBS to Oracle Fusion. Our new enterprise resource planning (ERP) system allows us to leverage modern tools and technology for more efficient financial management, procurement and supply chain operations. Oracle Fusion provides a robust platform to support our scalability and accelerates organisational growth.

BALM (Regulatory Reporting)

We have implemented BALM (Banking and Accounting Log Manager) to meet our regulatory reporting obligations. This solution simplifies the process of generating and submitting regulatory reports, ensuring proper compliance with regulatory requirements.

Finnone Neo - Replaced Finnone

We have upgraded from Finnone to Finnone Neo, a more advanced and comprehensive loan origination and management system. This transition has enabled us to enhance the efficiency of our lending processes, improve customer experience, and ensure compliance with regulatory guidelines.

These measures lead the digital transformation journey for ECLF, driving technological innovation, enhancing operational excellence and promoting sustainable growth in the rapidly evolving financial landscape.

Information Security

Our efficient team consistently upgrades our robust Information Security Management Systems (ISMS) to counter the ever-increasing threat of cyber-attacks and data breaches. We have developed an in-depth defence strategy to block cyber-attacks including phishing mails, malicious links and files among other things.

We have implemented the following:

- **Cloud based email and web filtering services:** These solutions provide protection against sophisticated email attacks such as phishing and dangerous attachments. It also prevent users from visiting malicious or other risky web content.
- **Web application firewall:** Our web application firewall secures our business-critical applications by filtering malicious traffic. It also offers protection against denial of service (do's) and distributed denial of service (dont's) attacks that prevent users from accessing online business resources.
- **Network security:** NG (Next Generation) Firewalls along with IPS (Intrusion Prevention Systems) are in place to block any network attacks.
- **Endpoint protection**: We implement cloud delivered next-gen anti-malware protection against cyber threats. It offers a real time protection against known as well as unknown attacks leveraging AI & ML. Endpoints, which includes desktops, laptops and servers, have also been secured to reduce the attacks.

ECLF has round-the-clock vigilance for monitoring cyber threats through partners or through manual scanning of the environment for emerging threats. We also utilise incident response management services from 'Big-Four' firms to provide rapid and effective response in the unlikely event of a cyber-attack.

We have adopted a zero-trust security model, requiring strict identity verification for every person and device trying to access resources on a private corporate network, regardless of their location. Furthermore, regular vulnerability assessment and penetration testing, review of segregation of duties, other audit, and compliance testing(s) have ensured that the organisation's information assets are safe and secure.

We also conduct awareness programmes for all of our employees regarding cyber security. Our employees are required to undergo a mandatory online learning module on information security. It is essential for the employees to affirm that they have understood and are aware of the protocols to be followed. Regular information security related flyers and e-mails are also sent to all employees for awareness and training purposes.

We understand our reliance on digital technologies, therefore, we focus on security orchestration to respond to cyber incidents through our 24X7 Security Operations Centre (SOC). During FY 2024, an Information System (IS) audit is conducted by a CERT-in empanelled audit firm. The areas audited were, inter alia, user access management, patch management, business continuity and disaster recovery, data protection and the information security management system framework including cyber security.

Customer Experience

We have always believed that customer satisfaction is the cornerstone of a successful business. Therefore, to align with the motto, at ECLF, we have always focused on embracing a customer-centric approach. To further align our business with the agenda, we have also implemented various measures to make the process for solving a query hassle free. Consumers can resolve their queries online, enhancing customer experience significantly.

Some customer-centric achievements during FY2024

- **Enhanced First Time Right resolution rates:** 85% achievement (FY2024) as against 62% (FY2023) resulting in improvement of overall customer satisfaction
- Positive National Net Promoter Score (NPS) scores in FY24 is 77 vis-à-vis 57 in FY23.
- Introduced an omni-channel customer service strategy, enhancing our ability to respond to inquiries more effectively and efficiently.

- Self-service options for customers on web portal to receive information on account statement, repayment schedule, interest certificate, and TDS filing. It also helps in updating contact details
- Utilising service to sales approach to enhance customer engagement and improve revenue contribution

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 ECL Finance Limited. 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 ECL Finance as well as the ability to implement its strategy. The information contained herein is as of the date referenced and ECL Finance does not undertake any obligation to update these statements. ECL Finance 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 ECL Finance 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. FY19 onwards all numbers are as per IndAS whereas prior to FY19 numbers 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 II

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

I. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

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
-	-	-	-	-	-	-	-	-

II. Details of material contracts or arrangement or transactions at arm's length basis:

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/ arrangements/ transactions including the value, if any (Rs. in millions)	Date of approval by Board	Amount paid as advances, if any
1	Edelweiss Rural and Corporate Services Limited	Loans Given to	One Year	2,050.00	January 24, 2023; January 25, 2024	NIL
2	Ecap Equities Limited (Formerly known as Edel Land Limited)	Loans Given to	One Year	5,000.00	January 24, 2023; January 25, 2024	NIL
3	Ecap Equities Limited (Formerly known as Edel Land Limited) Sec & Investment ltd	Loans Given to	One Year	1,710.00	January 24, 2023; January 25, 2024	NIL
4	Ecap Equities Limited (Formerly known as Edel Land Limited)	Purchases/ Subscription of securities/fund	One Time	2,265.78	January 24, 2023; January 25, 2024	NIL
5	India Credit Investment Fund II	Sale/ Redemption of securities / Fund to	One Time	2,677.20	January 24, 2023; January 25, 2024	NIL
6	India Credit Investment Fund III	Sale/ Redemption of securities / Fund to	One Time	6,066.61	January 24, 2023; January 25, 2024	NIL
7	Ecap Equities Limited (Formerly known as Edel Land Limited)	Sale/ Redemption of securities / Fund to	One Time	6,331.98	January 24, 2023; January 25, 2024	NIL
8	Edelweiss Rural and Corporate Services Limited	Sale/ Redemption of securities / Fund to	One Time	2,703.63	January 24, 2023; January 25, 2024	NIL
9	India Credit Investment Fund II	Purchase of loan and credit substitute from (Including assignment/ Securitisation)	One Time	1,650.00	January 24, 2023; January 25, 2024	NIL
10	India Credit Investment Fund V	Purchase of loan and credit substitute from (Including assignment/ Securitisation)	One Time	2,750.00	January 24, 2023; January 25, 2024	NIL
11	Edelweiss Asset Reconstruction Company Limited	Sale of securities receipts to	One Time	5,117.07	January 24, 2023; January 25, 2024	NIL

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/ arrangements/ transactions including the value, if any (Rs. in millions)	Date of approval by Board	Amount paid as advances, if any
12	Edelweiss Global Wealth Management Limited	Sale of Loan & Credit Substitutes (Including assignment/ Securitisation)	One Time	2,595.45	January 24, 2023; January 25, 2024	NIL
13	Edelweiss Rural and Corporate Services Limited	Sale of Loan & Credit Substitutes (Including assignment/ Securitisation)	One Time	2,804.21	January 24, 2023; January 25, 2024	NIL
14	Edelweiss Asset Reconstruction Company Limited Trust	Sale of loans to EARC Trust	One Time	14,981.00	January 24, 2023, January 25, 2024	NIL
15	Edelweiss Asset Reconstruction Company Limited - SC 486 Class B	Investment in Security Receipts	One Time	5,114.10	January 24, 2023 March 13, 2023; January 25, 2024	NIL
16	Edelweiss Asset Reconstruction Company Limited - SC 455 CLASS B	Investment in Security Receipts	One Time	1,725.50	January 24, 2023 March 13, 2023; January 25, 2024	NIL
17	India Credit Investment Fund III - EARC - SC 452 CLASS B	Investment in Security Receipts	One Time	7,334.70	January 24, 2023; January 25, 2024	NIL
18	India Credit Investment Fund III - EARC-SC - 453 CLASS B	Investment in Security Receipts	One Time	7,330.00	January 24, 2023; January 25, 2024	NIL
19	India Credit Investment Fund III – EARC-SC – 384 CLASS B	Investment in Security Receipts	One Time	2,889.57	January 24, 2023, January 25, 2024	NIL

Notes:

1. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business.

For and on behalf of the Board of Directors
ECL Finance Limited

Sd/-
Phanindranath Kakarla
Managing Director
DIN: 02076676

Date:
Place: Mumbai

Annexure III

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

At ECL Finance Limited, we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been framed and these form integral part of Company's Corporate Governance practices. Processes have been designed to run the businesses responsibly and harmonize diversified interests of various stakeholders thereby enhancing stakeholder value.

The Board also believes that sound governance is critical to retain and enhance stakeholders' trust. The Company perceives governance in its widest sense almost like a trusteeship, a philosophy to be championed, a value to be cherished and an ideology to be lived.

The Company has implemented a governance structure with defined roles and responsibilities of every systemic constituent. The Company's shareholders appoint the Board of Directors, who, in turn, govern the Company. The Board has constituted various Committees to discharge responsibilities in an effective manner. The Chairman provides strategic direction and guidance to the Board.

THE BOARD OF DIRECTORS

The Board of our Company is responsible for providing strategic guidance and oversight to the company. The Board is composed of experienced individuals with diverse backgrounds and expertise relevant to our industry. The Board represents an optimal mix of professionalism, industry knowledge and experience, which enables them to discharge their responsibilities and provide effective leadership for the achievement of a long-term vision and the highest governance standards. Key responsibilities of the Board include:

- Setting the company's strategic direction and long-term goals.
- Monitoring financial performance and risk management.
- Evaluating executive performance and compensation.
- Ensuring compliance with legal and regulatory requirements.

As on the date of this Report, the Board comprised of 10 Directors – 3 Executive Directors and 7 Non-executive Directors including 5 Independent Directors.

A tentative calendar of the Board/Committee meetings is circulated to help them plan their schedule and ensure meaningful participation in meetings. Additional meetings are convened wherever necessary. Generally, meetings of the Board/Committees are held in Mumbai and/or through video conferencing/other audio-visual means.

During 2023-24, the Board met 5 (five) times on May 19, 2023, June 21, 2023, July 27, 2023, November 03, 2023 and January 25, 2024. The maximum interval between any two Board meetings did not exceed the regulatory timelines.

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

Name and DIN of the Directors	Category	No. of Board Meetings attended	Attendance at the last AGM held on Sep 27, 2023	No. of directorships in other Public Limited Companies $	Name of other Listed entities where person is a Director and Category of Directorships#	Committee Position*	
						Member	**Chairman**
Mr. Rashesh Shah	Non-Executive Director & Chairman	4	No	4	Edelweiss Financial Services Limited (Managing Director)	Nil	Nil
Mr. Aalok Gupta	Independent Director	5	NA	Nil	-	1	Nil
Mr. Atul Pande	Independent Director	5	NA	Nil	-	1	Nil
Mr. Biswamohan Mahapatra	Independent Director	5	Yes	2	CSB Bank Limited (Independent Director)	4	2
Mr. Mehernosh Tata	Executive Director	5	NA	Nil	-	1	Nil
Ms. Kashmira Mathew[1]	Executive Director	1	Yes^	Nil	-	1	Nil
Mr. Phanindranath Kakarla	Managing Director	5	Yes	1	-	2	Nil

Name and DIN of the Directors	Category	No. of Board Meetings attended	Attendance at the last AGM held on Sep 27, 2023	No. of directorships in other Public Limited Companies $	Name of other Listed entities where person is a Director and Category of Directorships#	Committee Position*	
						Member	Chairman
Mr. Ravi Rajagopal[2]	Nominee Director	2	NA	4	Fortis Healthcare Limited (Independent Director) Fortis Malar Hospitals Limited (Independent Director)	4	Nil
Mr. Shiva Kumar	Independent Director	5	No	3	Edelweiss Financial Services Limited (Independent Director)	7	4
Mr. Sameer Kaji	Independent Director	5	NA	2	Nuvama Wealth Management Limited (Independent Director)	4	1

$Only Directorships of Public Limited Companies incorporated in India have been considered and excludes Private Limited Companies, Section 8 Companies and Foreign Companies.

#Only Companies having its Equity Shares listed on either BSE or NSE are considered.

*Only the Audit Committee and Stakeholders' Relationship Committee, in Public Limited Companies, have been considered for the Committee position.

[1]Appointed w.e.f., January 04, 2024 | [2]Appointed w.e.f., August 10, 2023

^In the capacity of Company Secretary

None of the Directors are related to each other.

Based on the disclosures received, none of the Directors on the Board holds directorships in more than ten Public Companies and none of the Independent Directors serves as an Independent Director on more than seven Listed Entities as on March 31, 2024. Further, no Whole-time Director serves as an Independent Director in any other listed company. As required under Regulation 26 of SEBI (LODR) Regulations, 2015, 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. 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.

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

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:

	Industry Knowledge / Experience			Technical Skills/Experience						Behavioural Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	International Experience	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Mr. Rashesh Shah	*	*	*	*	*	*	-	*	*	*	*
Mr. Aalok Gupta	*	*	*	*	*	*	-	*	*	*	*
Mr. Atul Pande	*	*	*	*	*	*	-	*	*	*	*
Mr. Biswamohan Mahapatra	*	*	*	*	*	*	*	*	*	*	*
Mr. Mehernosh Tata	*	*	*	*	*	*	-	*	*	*	*
Ms. Kashmira Mathew	*	*	-	*	*	*	*	*	*	*	*
Mr. Phanindranath Kakarla	*	*	*	*	*	*	-	*	*	*	*
Mr. Ravi Rajagopal	*	*	*	*	*	*	-	*	*	*	*
Mr. Shiva Kumar	*	*	*	*	*	*	-	*	*	*	*
Mr. Sameer Kaji	*	*	*	*	*	*	-	*	*	*	*

Directors Induction and Familiarization Programme

The Board members are provided with necessary information, documents, reports and internal policies to familiarise them with the Company's procedures and practices. Presentations at regular intervals are made by the Senior Management, covering areas like operations, business environment, budget, strategy and risks involved. Updates on relevant statutory, regulatory changes encompassing important laws/ regulations applicable to the Company are circulated to Directors.

Upon appointment, Independent Directors receive a letter of appointment, setting out in detail the terms of their appointment, duties, responsibilities and indicative time commitment.

The details of familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at https://eclfinance.edelweissfin.com/policies-and-codes/

COMMITTEES OF THE BOARD

The Company has the following Board Committees under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015:

- Audit Committee.
- Stakeholders Relationship Committee.
- Corporate Social Responsibility Committee.
- Nomination and Remuneration Committee.
- Risk Management Committee.

In addition to the above, the Company has also constituted IT Strategy Committee and Asset Liability Management Committee under the RBI Guidelines.

The Board also constitutes specific committee(s) from time to time, depending on business needs.

1. Audit Committee

During FY 2023-24, the Committee met four times on May 19, 2023, July 27, 2023, November 03, 2023 and January 25, 2024.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. All the members possess financial/accounting expertise/exposure and have held relevant financial/accounting experience. The Composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as under:

Name	No. of Meetings attended
Mr. Biswamohan Mahapatra - Chairperson	4
Ms. Anita George	1*
Mr. Kunnasagaran Chinniah	1**
Mr. Shiva Kumar	4
Mr. Sameer Kaji	4
Mr. Ravi Rajagopal	1***

*Ms. Anita George ceased to be a Director of the Company and accordingly ceased to be a member of the Committee w.e.f. 10-08-2023

**Mr. Kunnasagaran Chinniah ceased to be a Director of the Company and accordingly ceased to be a member of the Committee w.e.f. 19-05-2023

***Mr. Ravi Rajagopal was inducted in the Committee w.e.f. 03-11- 2023

The Audit Committee invites executives as it considers appropriate, particularly the Chief Financial Officer, Chief Risk Officer, Head – Internal Audit, Chief Compliance Officer and representatives of Statutory Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Committee. There were no instances wherein any recommendation of the Audit Committee was not accepted by the Board.

Pursuant to RBI Regulations, the Committee also meets the Head – Internal Audit and Chief Compliance Officer excluding the presence of the Management.

Terms of Reference of the Committee is attached as Annexure VI.

2. Stakeholders Relationship Committee

During FY 2023-24, the Committee met two times on May 09, 2023, and November 02, 2023.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as under:

Name	No. of Meetings attended
Mr. Sameer Kaji – Chairperson	2
Mr. Phanindranath Kakarla	2
Mr. Aalok Gupta	2
Mr. Atul Pande	2
Mr. Mehernosh Tata	-*
Ms. Kashmira Mathew	-**

*Mr. Mehernosh Tata was inducted in the Committee w.e.f. 03-11- 2023

**Ms. Kashmira Mathew was inducted in the Committee w.e.f. 25-01-2024

Terms of Reference of the Committee is attached as Annexure VI.

Ms. Kashmira Mathew is the Company Secretary and Compliance officer of the Company.

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2024, the Company received 8 requests/complaints from the investors which were satisfactorily resolved/ replied. As on March 31, 2024, there were no outstanding requests/complaints.

3. Corporate Social Responsibility (CSR) Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013. Since the CSR obligations were not applicable to the Company for FY 23-24, no meeting of the Committee was held.

The Composition of the Committee as on March 31, 2024, is as under:

Name	No. of Meetings attended
Mr. Shiva Kumar	NA
Mr. Phanindranath Kakarla	
Mr. Kunnasagaran Chinniah	
Mr. Sameer Kaji	
Mr. Mehernosh Tata	

Terms of Reference of the Committee is attached as Annexure VI.

The Corporate Social Responsibility Policy ("CSR Policy") was devised in accordance with section 135 of the Companies Act 2013 as amended from time to time. The CSR policy is aimed at promoting social welfare through its comprehensive programs. The said Policy is available for reference at the Company's website at https://eclfinance.edelweissfin.com/policies-and-codes/

4. Nomination and Remuneration Committee

During FY 2023-24, the Committee met three times on May 19, 2023, June 21, 2023 and August 31, 2023. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2024, and attendance during the year ended March 31, 2024, is as under:

Name	No. of Meetings attended
Mr. Biswamohan Mahapatra – Chairperson	3
Mr. Shiva Kumar	3
Mr. Kunnasagaran Chinniah	1*
Mr. Rashesh Shah	3
Mr. Sameer Kaji	1**

*Mr. Kunnasagaran Chinniah ceased to be a Director of the Company and accordingly ceased to be a member of the Committee w.e.f. 19-05-2023

**Mr. Sameer Kaji was inducted in the Committee w.e.f. 21-06-2023

Terms of Reference of the Committee is attached as Annexure VI.

Evaluation of the performance of the Board

The details of the Board evaluation are provided in the Board's Report.

Remuneration of Directors

The Company pays sitting fee of Rs. 75,000 to the Independent Directors for attending the meetings of the Board and its Committees thereof.

The details of the remuneration paid and shareholding of the Directors during the financial year ended March 31, 2024 are as under:

Name of the Director	Remuneration (fixed & performance bonus)	Perquisites	Sitting Fees	Total	No of Equity Shares held
Mr. Rashesh Shah	-	-	-	-	-
Mr. Venkatchalam Ramaswamy	-	-	-	-	-
Mr. Deepak Mittal	4,78,50,361	13,16,000	-	4,91,66,361	5,000 Equity Shares of Rs 1/- each
Mr. Aalok Gupta	-	-	10,50,000	10,50,000	-
Ms. Anita George	-	-	-	-	-
Mr. Atul Pande	-	-	10,50,000	10,50,000	-
Mr. Biswamohan Mahapatra	-	-	14,25,000	14,25,000	-
Mr. Kunnasagaran Chinniah	-	-	3,00,000	3,00,000	-
Mr. Mehernosh Tata*	2,42,94,150	12,35,735	-	2,55,29,885	5,000 Equity Shares of Rs 1/- each
Mr. Phanindranath Kakarla	2,73,90,770	4,08,240	-	2,77,99,010	5,000 Equity Shares of Rs 1/- each
Mr. Shiva Kumar	-	-	12,00,000	12,00,000	-
Mr. Sameer Kaji	-	-	9,75,000	9,75,000	-
Ms. Kashmira Mathew	1,91,54,629	1,31,298	-	1,92,85,927	5,000 Equity Shares of Rs 1/- each
Mr. Ravi Rajagpal	-	-	-	-	-

*Amounts are excluding NPS

No Commission was paid to any director during FY 2023-24. The service contract of the Managing Director and the Executive Directors is as approved by the Members and the notice period is as per the Rules of the Company. Severance fee is not applicable.

The Company has not granted any Stock Option Details to any of its Directors.

The Company has in place Directors' & Officers' Liability Insurance Policy.

5. Risk Management Committee

During FY 2023-24, the Committee met four times on May 26, 2023, July 27, 2023, November 02, 2023, and January 23, 2024. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013, and provisions of the SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2024, and attendance during the year ended March 31, 2024, is as under:

Name	No. of Meetings attended
Mr. Kunnasagaran Chinniah – Chairperson	0*
Mr. Shiva Kumar – Chairperson	3**
Mr. Biswamohan Mahapatra	4
Mr. Aalok Gupta	4
Mr. Deepak Mittal	2
Mr. Phanindranath Kakarla	4

*Mr. Kunnasagaran Chinniah ceased to be a Director of the Company and accordingly ceased to be a member of the Committee w.e.f. 19-05-2023

**Mr. Shiva Kumar was inducted in the Committee w.e.f. 21-06-2023 and designated as the Chairperson.

The Chief Risk Officer (CRO) along with the Chief Financial Officer are permanent invitees to the Committee.

The Committee also meets the CRO excluding the presence of the Executive Directors and Management, in terms of the RBI Circular No. RBI/2018-19/184 dated May 16, 2019.

Terms of Reference of the Committee is attached as Annexure VI.

6. IT Strategy Committee

IT Strategy Committee is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

During FY 2023-24, the Committee met two times on May 09, 2023, and November 02, 2023.

Terms of Reference of the Committee is attached as Annexure VI.

7. Asset Liability Management Committee (ALCO)

The ALCO Committee is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

During FY 2023-24, the Committee met four times during the year on May 25, 2023, July 27, 2023, November 02, 2023, and January 23, 2024.

Terms of Reference of the Committee is attached as Annexure VI.

General body meetings - Details of past three Annual General Meetings (AGMs):

Year	Location	Date & Time	Special Resolutions passed
2020-21	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	24.09.2021 03:00 P.M.	• Issue of Non-Convertible Debentures; • Re-designating Mr. Deepak Mittal as Vice Chairman on the Board of the Company for remainder of his tenure; • Appointment of Mr. S. Ranganathan as Director and Managing Director of the Company.
2021-22	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	16.09.2022 04:00 P.M.	• Issue of Non-Convertible Debentures • Re-appointment of Mr. Biswamohan Mahapatra as an Independent Director of the Company for the second term • Appointment of Mr. Shiva Kumar as an Independent Director of the Company (First Term)
2022-23	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	27.09.2023 03:30 P.M.	• Issue of Non-Convertible Debentures • Appointment of Mr. Ravi Rajagopal as an Investor Nominee Director of the Company

During 2023-24, the Company did not pass any resolution by postal ballot.

MEANS OF COMMUNICATION

Financial Results of the Company are posted on the Company's website https://eclfinance.edelweissfin.com/investor-relations/ and are submitted to the Stock Exchanges on which the Company's debentures are listed, to enable them to host on their respective websites.

All stock exchange disclosures and periodical compliance filings like corporate governance report, media releases, statement of investor grievance among others are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

The financial results are generally published in at least two widely circulated dailies.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting - Date, Time and Venue	Date: September 18, 2024 Time: 11 A.M. (IST) Venue: Edelweiss House, off CST Road, Kalina, Mumbai - 400 098.
Financial Year	April 1, 2023 – March 31, 2024
Dividend Payment Date	Not Applicable
Listing of Securities on Stock Exchanges and Stock Code	The International Securities Identification Number (ISIN) allotted to Company's shares under the Depository System - INE804I01010. The equity shares of the Company are not listed on any stock exchange. The Debentures of the Company are listed on the following Stock Exchanges: **BSE Limited (BSE)** P.J. Tower, Dalal Street Mumbai - 400 001; and Scrip Code – 934951 **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E) Mumbai – 400 051. The Company has paid the listing fees to BSE & NSE for the Financial Year 2023-24. The Company has also paid annual custody fee for Financial Year 2023-24 to National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).
Market Price Data and performance of share price in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.	Not Applicable
Registrar and Share Transfer Agents.	**KFIN Technologies Limited** Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Tel: +91 40 6716 2222 Fax: ++040-23001153 Email: srinivassudheer.venkatapuram@kfintech.com Website: www.kfintech.com Contact Person: Mr. Srinivas Sudheer Venkatapuram **Link Intime India Private Limited** C- 101, 1st Floor, 247 Park LBS Marg, Vikhroli (West) Mumbai 400083 Tel No.: +91 22 4918 6000. Fax No.: +91 22 4918 6060 Email: : bonds.helpdesk@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Sayali Borchate

Share Transfer System, distribution of shareholding and dematerialization of shares and liquidity	Equity Shares of the Company are not listed. All shares of the Company are in demat mode. Pursuant to Regulation 7 of the SEBI (LODR) Regulations, 2015, Compliance Certificate jointly signed by Compliance Officer and authorized representative of Registrar and Transfer Agent certifying compliance regarding maintenance of securities transfer facilities and Certificates for timely dematerialisation of the shares as per SEBI (Depositories and Participants) Regulations, 1996; have been submitted to stock exchanges within the stipulated time.
Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity.	As of 31 March 2024, the Company does not have any outstanding stock options / Warrants / ADRs / GDRs. The Company has 10,39,49,680 Compulsory Convertible Debentures with face value of Rs. 100/- each outstanding as on March 31, 2024.
Commodity price risk or foreign exchange risk and hedging activities.	There is no Commodity price risk or foreign exchange risk in the Treasury Book. However, Interest Rate Futures are employed to hedge interest rate risk associated with investments in Government Securities.
Plant locations.	The Company does not have any manufacturing or processing plants.
Address for correspondence.	The Registered Office of the Company is situated at Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (W), Mumbai – 400070. Stakeholders may write to the Company at the above address.
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	For Credit Rating obtained by the Company during FY 23-24: Refer table A below.

Table A

Rating Agency	Rating	Instruments	Date of revision (if any)	Revised Rating
Acuite	A+/Negative	Perp-Debt	04-Jul-23	A/Stable
Acuite	AA-/Negative	LT-Retail NCD	04-Jul-23	A+/Stable
BWR	AA-/Stable	LT-NCD	10-Oct-22	BWR AA-/ Negative (Reaffirmation and Change in outlook)
BWR	AA-/Stable	LT-Sub Debt	10-Oct-22	BWR AA-/ Negative (Reaffirmation and Change in outlook)
BWR	PP-MLD AA-/Stable	LT-PPMLD	10-Oct-22	BWR PP-MLD AA-/ Negative (Reaffirmation and Change in outlook)
BWR	A+/Stable	Perp-Debt	10-Oct-22	BWR A+/ Negative (Reaffirmation and Change in outlook)
CARE	A+/Negative	Bank line	03-Jan-24	CARE A/Stable
CARE	A+/Negative	LT-Sub Debt	03-Jan-24	CARE A/Stable
CARE	PP-MLD A+/Negative	LT-PPMLD	03-Jan-24	CARE PP-MLD A/Stable
CARE	A1+	Commercial Paper	03-Jan-24	CARE A1
CARE	A1+	Commercial Paper (IPO)	03-Jan-24	CARE A1
CRISIL	AA-/Negative	Bank line	18-Dec-23	CRISIL A+/Stable
CRISIL	A+/Negative	Perp-Debt	18-Dec-23	CRISIL A/Stable
CRISIL	AA-/Negative	LT-Retail NCD	18-Dec-23	CRISIL A+/Stable
CRISIL	AA-/Negative	LT-NCD	18-Dec-23	CRISIL A+/Stable
CRISIL	AA-/Negative	LT-Sub Debt	18-Dec-23	CRISIL A+/Stable
CRISIL	PPMLD AA-r/Negative	LT-PPMLD	18-Dec-23	CRISIL PPMLD A+/Stable
CRISIL	A1+	Commercial Paper	18-Dec-23	Reaffirmed; No change
CRISIL	A1+	Commercial Paper (IPO)	18-Dec-23	Reaffirmed; No change
ICRA	A+/Stable	Bank line	28-Dec-23	ICRA A+/placed on rating watch with negative implications
ICRA	A+/Stable	LT-Retail NCD	28-Dec-23	ICRA A+/placed on rating watch with negative implications

Rating Agency	Rating	Instruments	Date of revision (if any)	Revised Rating
ICRA	PP-MLD A+/Stable	LT-PPMLD	28-Dec-23	PP-MLD[ICRA]A+/placed on rating watch with negative implications
ICRA	A+/Stable	LT-NCD	28-Dec-23	ICRA A+/placed on rating watch with negative implications
ICRA	A+/Stable	LT-Sub Debt	28-Dec-23	ICRA A+/placed on rating watch with negative implications

OTHER DISCLOSURES

- The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements. Policy on dealing with Related Party Transactions is available on the website of the Company at https://eclfinance.edelweissfin.com/policies-and-codes/

- No material penalties or strictures were imposed on the Company by stock exchange(s) or the Securities & Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years, except for the following :

- Reserve Bank of India (RBI) vide its order passed on December 08, 2023 has levied a monetary penalty of ₹4.90 lakh on the Company in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of section 58G read with clause (aa) of sub-section (5) of section 58B of the Reserve Bank of India Act, 1934 for non-compliance with certain provisions of the Reserve Bank of India (Know Your Customer (KYC)) Direction, 2016. The Company has paid the fine to RBI.

- Details of the vigil mechanism and prevention of sexual harassment of Women at Workplace are provided in the Directors' Report.

- The Company doesn't have any subsidiary and accordingly the policy for determining material subsidiaries is not applicable.

- During the year the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

- M/s Alwyn Jay & Co., 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.

- M/s Chetan T Shah & Co. and M/s V.C Shah & Co., the Joint Statutory Auditors of the Company, were paid a consolidated amount of Rs. 1.90 crores by the Company for all the services provided by them.

- 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.

- Apart from complying with all the mandatory requirements, the Company has also adopted Discretionary requirements specified under part E of Schedule II of SEBI (LODR) Regulations, 2015.

- 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, to the extent applicable.

- As per the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred an amount of ₹ 1416532/- pertaining to unpaid/ unclaimed interest/redemption amount during the Financial Year 2022-23.

- The Company has obtained a certificate from M/s Alwyn Jay & Co., Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015. A copy of the same is annexed along with this report as Annexure VII.

Code of Conduct for Directors and Senior Management

The Code of Conduct (Code) is applicable to all Directors and Senior Management of the Company. The Code is comprehensive and ensures good governance and provides for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. A copy of the code can be found on https://eclfinance.edelweissfin.com/policies-and-codes/

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the year ended March 31, 2024.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

With a view to prevent trading of securities of the Company by an Insider on the basis of Unpublished Price Sensitive Information, the Company has formulated Code for Prohibition of Insider Trading in ECL Finance Limited Securities and Code for Prohibition of Insider Trading in Non - ECL Finance Limited Securities. Further, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has put in place a Policy on dealing with Unpublished Price Sensitive Information (UPSI). A copy of the said Policy can be found on the website of the Company.

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 warrant and any other query relating to the securities of the Company, the investors may write to the Registrar and Transfer Agents (RTAs). Their address and contact details are mentioned under General Shareholders information as provided in the Report. Investors may also write to the Company Secretary as stated below:

The Company Secretary
ECL Finance Limited
Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (W), Mumbai – 400070.
Tel: +91 22 42722200
E-mail: investorgrievances@eclf.com Website: https://eclfinance.edelweissfin.com/

For and on behalf of the Board of Directors of ECL Finance Limited

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN: 08603284

Date: May 8, 2024
Place: Mumbai

Annexure IV

Alwyn Jay & Co.
Company Secretaries
[Firm Registration No: P2010MH021500] [Peer Review Certificate No.621/2019]
Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East),Mumbai 400101.
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107;
Tel: 022-79629822 ; Mob: 09820465195; 09819334743
Email: alwyn@alwynjay.com **Website:** www.alwynjay.com

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To
The Members,
ECL Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ECL Finance Limited** (CIN - U65990MH2005PLC154854) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We 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, 2024**, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time - **As applicable to the Company with respect to its listed debentures:**

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not Applicable to the Company;**

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) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not Applicable to the Company;**

e) 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 - **Not Applicable to the Company;**

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company;**

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company;**

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

i) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018;

(vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the Reserve Bank of India Act, 1934, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Non-Banking

Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and the other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

(a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and

(b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 **to the extent applicable to listed Non-Convertible Debentures.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above except the following:

1. Reserve Bank of India (RBI) vide its order passed on 8th December, 2023 has levied a monetary penalty of ₹4.90 lakh on the Company in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of section 58G read with clause (aa) of sub-section (5) of section 58B of the Reserve Bank of India Act, 1934 for non-compliance with certain provisions of the Reserve Bank of India (Know Your Customer (KYC)) Direction, 2016. The Company has paid the fine to RBI.

We further report that –

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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;

(b) Adequate notice including shorter notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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;

(c) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the Meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication

received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, there were following specific events /actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of the Shareholders of the Company at the Annual General Meeting held on 27th September, 2023 was obtained to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures including subordinated Debentures qualifying as Tier-II debt aggregating to Rs. 12,000 crores during the period of one year from October 1, 2023, to September 30, 2024, to the eligible investors, on a private placement basis, in one or more tranches.

2. Approval of the Shareholders of the Company at the Extra Ordinary General Meeting held on 31st August, 2023 was obtained for amendment of Clause III(A) of the Memorandum of Association of the Company by amending the Main Object Clause.

Place : Mumbai	**ALWYN JAY & Co.**
Date : 8th May, 2024	Company Secretaries
Office Address :	**[Alwyn D'Souza, FCS.5559]**
Annex-103, Dimple Arcade,	[Partner]
Asha Nagar, Kandivali (East),	[Certificate of Practice No.5137]
Mumbai 400101.	[UDIN : F005559F000330851]

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,
ECL Finance Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **ECL Finance Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation on the list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. 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.

Place : USA
Date : 8th May, 2024

ALWYN JAY & Co.
Company Secretaries

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559F000330851]

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 is as under:

Sr. No.	Disclosure Requirement	Disclosure Details		
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Deepak Mittal	Vice Chairman (in Executive Capacity)	78.32
		Mr. Mehernosh Tata	Executive Director	39.76
		Mr. Phanindranath Kakarla	Managing Director	44.83
		Ms. Kashmira Mathew	Executive Director	31.35
		During FY 23-24, Independent Directors and other Non-Executives Directors were not paid any remuneration except payment of sitting fees and Commission, if applicable.		
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors/KMP's**	**Title**	**% Increase in remuneration**
		Mr. Deepak Mittal	Vice Chairman (in Executive Capacity)	-4%
		Mr. Phanindranath Kakarla	Managing Director	13%
		Ms. Kashmira Mathew	Company Secretary	5%
		Mr. Mehernosh Tata	Executive Director	14%
		Mr. Sandeep Agarwal	Chief Financial Officer	30%
3.	Percentage increase in the median remuneration of employees in the financial year	8.33%		
4.	Number of permanent employees on the rolls of Company at the end of the year	As on March 31, 2024, 300 permanent employees were on the rolls of Company.		
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 employees other than the managerial personnel is 12% and for managerial personnel 11%.		
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.		

Notes:

Mr. Deepak Mittal resigned wef Nov 2, 2023

Ms. Kashmira Mathew was appointed as Executive Director wef Jan 4, 2024

Annexure VI

TERMS OF REFERENCE OF VARIOUS COMMITTEES

I. Audit Committee

1. oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;
3. approval of payment to Statutory Auditors for any other services rendered by them;
4. reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to:
    a. Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion (s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, private placement etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with management, performance of Statutory and Internal Auditors & adequacy of the internal control systems;
13. reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with Internal Auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. 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;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. reviewing the functioning of the whistle blower/ vigil mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments

existing as on the date of coming into force of this provision;

22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

23. review the Management discussion and analysis of financial condition and results of operations;

24. review Management letters / letters of internal control weaknesses issued by the Statutory Auditors as well as Internal Audit reports relating to internal control weaknesses;

25. review the Statement of Deviations : Quarterly statement of deviation(s) including report of Monitoring Agency, if any, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7);

26. to monitor fraud;

27. consider and take on record the periodic statement/ report of Related Party Transactions and grant omnibus approval for Related Party Transactions including any subsequent modifications from time to time;

28. oversee implementation of regulatory policies including Anti Money Laundering and KYC (Know your Customer) Policies;

29. ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs;

30. investigate into any matter in relation to the items specified in the relevant section of The Companies Act, 2013 or referred to it by the Board and for this purpose the Committee shall have full access to information contained in the records of the company and external professional advice, if necessary;

31. review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;

32. to do all such acts, things or deeds as may be necessary or incidental to give effect to the above;

33. to authorise any executives of the Company to sign and execute the documents \deeds\papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary;

34. to oversee the implementation of the Compliance Policy and periodic review of the same;

35. reviewing the report and findings of the compliance risk assessment conducted;

36. to prescribe the periodicity for review of compliance risk;

37. advising on compliance related concerns including any compliance breaches, exceptions, etc. and appropriate controls/ mitigation plans for same; and

38. any other terms of reference as may be specified by the Board from time to time.”

II. Stakeholders Relationship Committee

1. Consider and resolving the grievances of the security holders and customers, including complaints related to transfer/transmission of securities including review of cases for refusal of transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

5. Redressing of shareholders and investor complaints, transfer of Equity Shares and issue of duplicate/ split/consolidated share certificates, non-receipt of balance sheet, etc.;

6. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/ transmission of securities;

7. Reference to statutory and regulatory authorities regarding investor grievances and customer complaints;

8. Ensure proper and timely attendance and redressal of investor queries and grievances and customer complaints;

9. Determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman (IO) / Deputy Internal Ombudsman, if any, proposed to be appointed.

10. Oversight over grievance redressal framework including complaints reviewed by Internal Ombudsman and to ensure that standard processes and systems are in place.

11. Review the periodic reports (including the analysis of complaints) on the activities, as submitted by the Internal Ombudsman including cases in which the decision of the Internal Ombudsman has been rejected by the company.

12. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and

13. to review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee."

III. Corporate Social Responsibility Committee

1. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

    a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

    b. The manner of execution of such projects or programmes;

    c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;

    d. Monitoring and reporting mechanism for the projects or programmes; and

    e. Details of need and impact assessment, if any, for the projects undertaken by the Company.

2. Recommend to the Board, alteration of such plan at any time during the financial year, based on the reasonable justification to that effect;

3. Recommend the amount of expenditure to be incurred on the CSR activities;

4. Monitor the CSR Policy of the Company from time to time;

5. Review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;

6. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and

7. To authorise any executives of the Company to sign and execute the any documents \deeds\papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary.

IV. Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. Annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

3. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;

4. Specify manner for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and Compliance;

5. Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, explore their interest and availability for board / senior management service, recommend to the Board their appointment and removal as and when need arise;

6. To ensure 'fit and proper' status and credentials of proposed /existing Directors;

7. Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;

8. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;

9. Annually review and recommend the salary, bonus, equity option plan other compensation to the Key Employees (as defined in Shareholders Agreement dated March 5, 2019 executed by and amongst the Company, its Members and CDPQ Private Equity Asia Pte. Ltd.), as well as the quantitative & qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;

10. Make recommendations to the Board regarding:

    a. Policy relating to the remuneration for the Directors, Key Employees and other employees; and

b. Plans for succession for both executive and non-executive Directors, Key Employees as well as Senior Management

11. Review the performance of Key Employees in case of significant underperformance by the Company w.r.t. expected profitability, net worth, quality of assets, etc. and review the reasons for such under performance and evaluate the performance of Key Employees. The Committee shall recommend to the Board to take appropriate steps including revision of the remuneration / compensation of the relevant Key Employee or any other action as it may deem fit.

12. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.

13. The Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference

14. Recommend to the board, all remuneration, in whatever form, payable to senior management.

15. To review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee; and

16. Such other functions as may be prescribed from time to time."

V. Risk Management Committee

1. Identifying, measuring and monitoring the various risks faced by the Company;

2. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee;

   b) Measure for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

3. To ensure that appropriate methodology, processes and systems are in place to identify, monitor and evaluate risks associated with the business of the Company including Stress testing in coordination with business departments;

4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

8. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

9. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

10. To assist in developing the Policies and verifying the Models that are used for risk measurement to have oversight over implementation of risk and related policies;

11. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;

12. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;

13. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;

14. To evaluate the overall risks faced by the Company including liquidity risk and report to the Board;

15. Evaluating the risks and materiality of all existing and prospective outsourcing activities;

16. To provide update on the non-cooperative borrowers (if any);

17. Review and approve risk management framework and related policies to ensure that all material risks are appropriately identified, measured, monitored and controlled and are commensurate with the Company's size, nature and complexities;

18. Ensure that the Company maintains adequate capital commensurate with its risk profile;

19. Supervision and review of Implementation of ICAAP;

20. To ensure that updates of all ICAAP working group will be presented to RMC; and

21. Any other matters as delegated by the Board."

VI. Asset Liability Management Committee

1. Review & monitoring of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap and if necessary, arrange for advising RMC suitably;

2. Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:

    a. Interest rate levels and trends

    b. Loan products and related markets

    c. Monetary and fiscal policy

3. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits;

4. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system;

5. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding;

6. Provide guidance to Business/treasury to review Interest rate environment, on various components of the Interest Rate model, product pricing for advances, prevailing interest rates offered by peer NBFCs / HFC's / Banks for similar services / products etc, approve any changes in the interest rate charged to existing and new customers as per the interest rate model policy & reset frequencies basis overall assessment of the liquidity and interest rate risk;

7. Consider product pricing for advances, change in PLR, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/ products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies;

8. Endeavour to develop a process to quantify the liquidity costs, benefits & risk in the internal product pricing;

9. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis;

10. Review stress test scenarios including the assumptions and results;

11. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk;

12. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis;

13. Formulates & monitors ALM policy/guidelines for the Company & report any breach to RMC along with its views and comments action to be taken regarding the same;

14. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company;

15. Should ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process; and

16. Any other matters as delegated by the Board/ under ICAAP policy."

VII. IT Strategy Committee

1. Approving IT strategy and policy documents, within the framework approved by the Board, and ensuring that the management has put an effective strategic planning process in place;

2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

5. Ensuring proper balance of IT investments for sustaining EHFL's growth and becoming aware about exposure towards IT risks and controls.;

6. The Role of IT Strategy committee in respect of outsourced operations:

    a. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;

b. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

c. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;

d. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

e. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

f. Periodically reviewing the effectiveness of policies and procedures;

g. Communicating significant risks in outsourcing to the Board on a periodic basis;

h. Ensuring an independent review and audit in accordance with approved policies and procedures;

i. Ensuring that contingency plans have been developed and tested adequately; and

j. Ensuring business continuity preparedness is not adversely compromised because outsourcing.

7. Review the functioning of IT Steering Committee; and

8. The committee should appraise/report to the Board periodically and also report on particular matters to Audit Committee or Risk Committee, as required.

Annexure VII

Alwyn Jay & Co.
Company Secretaries
[Firm Registration No: P2010MH021500] [Peer Review Certificate No.621/2019]
Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East),Mumbai 400101.
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E), Thane-401107;
Tel: 022-79629822 ; Mob: 09820465195; 09819334743
Email: alwyn@alwynjay.com **Website:** www.alwynjay.com

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of **ECL FINANCE LIMITED,**

1. We have examined the compliances of the conditions of Corporate Governance by **ECL FINANCE LIMITED** ("the Company") for the financial year ended **31st March, 2024**, as prescribed in Regulations 17 to 27, clauses (a) to

   (i) of sub- regulation (1A) of regulation 62 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

4. We further state that such compliance 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.

Place : USA
Date : 8th May, 2024

ALWYN JAY & Co.
Company Secretaries

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559F000330950]

Financial Statements

Independent Auditor's Report

TO
The members of
ECL FINANCE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of ECL FINANCE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including summary of material accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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 Ind AS 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 Ind AS Financial Statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report and describe the process how our audit addressed the matter.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibility described in the Auditors' responsibility for the audit of the Ind AS Financial Statements section of our report including in relation of this matter. Accordingly, our audit included the performance of procedures, design to respond to our assessment of the risk of material misstatement of the Ind AS Financial Statements. The result of our audit procedure including the procedures performed the matter to addressed below, provide the bases of our audit opinion on the accompanying financial statement.

i) Impairment of financial assets (expected credit losses)

Key Audit Matter	How the matter was addressed in our audit
The Company has recorded an impairment loss allowance of ₹ 556.16 million as at March 31, 2024 and has reversed a charge of ₹ 2,993.32 million for the year ended March31, 2024 in its statement of profit and loss. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:	Our key audit procedures included: • Performed walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the impairment loss allowance process on sample basis. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets.

Key Audit Matter	How the matter was addressed in our audit
Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered one of the most significant judgmental aspects of the Company's modelling approach. Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. Qualitative adjustments – Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.	• Testing assumption used by the management in determining the overlay for macro-economic factors. • Tested the arithmetic accuracy of computation of ECL provisions performed by the company in spreadsheets. • Assessed the disclosures made in relation to the ECL allowance to confirm compliance with the Ind AS provisions. • Read the report on ECL model reviewed by external consultant during the year.

ii) IT Systems and Controls

Key Audit Matter	How the matter was addressed in our audit
The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volumes of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors: • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and to test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and accessing the changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Information Other than the Ind AS 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 Board's Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors 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 the Board of Directors 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 system 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 the 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS 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 Ind AS Financial Statements of the current period 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 section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) In our opinion and according to the information and explanation given to us, during the current year, the managerial remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer note no. 43 of the Ind AS 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 no. 54.C of the Ind AS Financial Statements.

        iii. There was 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid any dividend during the year which requires any compliance with respect to section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 24101828BKFOUN1891
Mumbai, May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 24110120BKFQPA8229
Mumbai, May 8, 2024

Annexure - A

to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance Limited

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular program of verification in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the information provided to us the title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are materially in agreement with the books of account of the company.

iii. (a) The Company is a registered Non-Banking Financial Institution and it's principal business is to give loans. Accordingly, the provisions of Clause (iii)(a) of paragraph 3 of the Order are not applicable to the Company.

(b) In our opinion and according to information and explanations given to us, the terms and conditions of investments, guarantee, security and loans granted during the year are not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 13.B a to the Ind AS financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2024 and the details of the number of such cases, are disclosed in note 13.B a to the Ind AS financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) The Company's principal business is to give loans. Accordingly, the provisions of Clause (iii)(e) of paragraph 3 of the Order are not applicable to the Company.

(f) In our opinion and according to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of Clause (iii)(f) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act are not applicable to the Company.

v. According to information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which it relates (FY)	Amount under dispute (₹in Mn.)	Amount paid* (₹in Mn.)
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2013-14	80.59	39.99
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2014-15	123.09	29.17
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2015-16	174.73	18.71
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2016-17	5.61	1.12
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2017-18	109.36	26.46
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2018-19	1.36	-
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2018-19	0.40	0.02
CGST/SGCT Act, 2017	Goods and Service Tax	Deputy Commissioner Appeal	2019-20	0.09	0.01

*Amount paid also include Refund adjusted.

viii. According to information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.

ix. (a) The Company has taken loans and other borrowings from lenders. As per the information and explanation given and represented by the management, we report that there is no material default in case of any repayment of loans and borrowing.

(b) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) Term loans were applied for the purpose for which the loans were obtained except term loans were raised at the fag-end of the year, the funds were temporarily kept under cash & bank balances.

(d) On an overall examination of the Ind AS Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) Based on the information received and as represented by the management, the Company does not have any subsidiary, associates or joint venture. Hence, the provisions of Clause (ix)(e) and (f) of paragraph 3 of the Order are not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause(x)(b) of paragraph 3 of the Order is not applicable.

xi. (a) According to information and explanation provided to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of Clause (xi)(a) of paragraph 3 of the Order are not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of Clause (xi)(b) of paragraph 3 of the Order are not applicable to the Company.

(c) As represented by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not commented upon.

xvi. a) The Company is registered with the Reserve Bank of India ('RBI') and has obtained the certificate of registration under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934). Company, being a registered NBFC, categorized as NBFC-ML the provisions of Clause (xvi)(b) and (xvi)(c) of paragraph 3 of the Order are not applicable to the company.

(b) According to the information and explanations given to us, the Group has only one Core Investment Company (CIC) within the group.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses aggregating to ₹ 3,673.23 million during the current financial year and an amount of ₹ 1,967.76 million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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. Based on the verification of the details provided, the criteria specified under section 135 of the act are not applicable to Company and hence the requirement of spending on Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause (xx) (a) and (b) of paragraph 3 of the Order is not applicable.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 24101828BKFOUN1891
Mumbai, May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 24110120BKFQPA8229
Mumbai, May 8, 2024

Annexure - B

to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance 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 over financial reporting of ECL FINANCE LIMITED (the "Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 24101828BKFOUN1891
Mumbai, May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 24110120BKFQPA8229
Mumbai, May 8, 2024

Balance Sheet as at March 31, 2024

(Currency:Indian rupees in million)

	Note	As at March 31, 2024	As at March 31, 2023
I. Assets			
(1) Financial assets			
(a) Cash and cash equivalents	9	5,122.09	8,757.21
(b) Bank balances other than cash and cash equivalents	10	277.65	555.71
(c) Derivative financial instruments	11	711.94	50.21
(d) Receivables			
(i) Trade receivables	12	5,020.46	2,313.01
(e) Loans	13	12,661.20	35,095.61
(f) Investments	14	73,978.96	70,773.19
(g) Other financial assets	15	1,090.32	17,925.21
		98,862.62	**1,35,470.15**
(2) Non-financial assets			
(a) Current tax assets (net)	16	2,499.26	3,293.13
(b) Deferred tax assets (net)	17	5,525.90	5,875.54
(c) Investment property	18	125.46	249.25
(d) Property, plant and equipment	19	728.49	950.73
(e) Intangible assets under development	19A	-	16.72
(f) Other intangible assets	19	33.69	11.57
(g) Other non- financial assets	20	506.65	571.05
		9,419.46	**10,967.99**
Total assets		**1,08,282.08**	**1,46,438.14**
II. Liabilities and equity			
(1) Financial liabilities			
(a) Derivative financial instruments	11	428.01	165.89
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.17	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	21	7,787.60	6,731.50
(c) Debt securities	22	25,298.49	49,976.02
(d) Borrowings (other than debt securities)	23	33,916.91	37,370.37
(e) Subordinated liabilities	24	11,091.22	13,335.64
(f) Other financial liabilities	25	1,928.42	11,936.42
		80,450.82	**1,19,515.84**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	26	-	-
(b) Provisions	27	10.13	9.40
(c) Other non-financial liabilities	28	130.05	196.89
		140.18	**206.29**
(3) Equity			
(a) Equity share capital	29	2,138.27	2,138.27
(b) Other equity	30	25,552.81	24,577.74
		27,691.08	**26,716.01**
Total liabilities and equity		**1,08,282.08**	**1,46,438.14**

The accompanying notes are an integral part of the financial statements 1 to 55

As per our report of even date attached.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 8, 2024

For and on behalf of the Board of Directors

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN : 08603284

Sandeep Agarwal
Chief Financial Officer
Mumbai May 8, 2024

Kashmira Mathew
Executive Director &
Company Secretary
DIN : 02341875
Membership No: ACS-11833

Statement of Profit and Loss for the year ended March 31, 2024

(Currency:Indian rupees in million)

		Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	**Revenue from operations**			
	Interest income	31	5,432.57	10,163.70
	Dividend income	32	1.40	-
	Fee and commission income	33	736.07	835.80
	Net profit/(loss) on fair value changes	34	6,210.68	4,052.68
II.	**Other income**	35	356.81	969.78
III.	**Total Income (I +II)**		**12,737.53**	**16,021.96**
IV.	**Expenses**			
	Finance costs	36	8,654.53	10,185.88
	Net loss on derecognition of financial instruments	37	2,562.92	1,985.58
	Impairment on financial instruments	38	(2,731.69)	(119.65)
	Employee benefits expense	39	780.59	782.05
	Depreciation, amortisation and impairment	18 & 19	102.86	102.92
	Other expenses	40	1,524.10	1,741.91
	Total expenses		**10,893.31**	**14,678.69**
V.	**Profit/(Loss) before tax (III- IV)**		**1,844.22**	**1,343.27**
VI.	Tax expenses			
	Current tax	41	-	-
	Deferred tax (credit)		492.35	234.86
VII.	**Profit/(Loss) for the year (V-VI)**		**1,351.87**	**1,108.41**
VIII.	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement loss on defined benefit plans (OCI)		(9.06)	(11.17)
	Equity instruments through Other Comprehensive Income		(557.95)	-
	Deferred tax (charge) / benefit - OCI		142.70	2.81
	Total		**(424.31)**	**(8.36)**
	(b) Items that will be reclassified to profit or loss			
	Revaluation of buildings		-	-
	Deferred tax (charge) / benefit - OCI		-	-
	Total		**-**	**-**
	Other comprehensive income (a+b)		**(424.31)**	**(8.36)**
IX	**Total comprehensive income (VII + VIII)**		**927.56**	**1,100.05**
	Earnings per equity share	42		
	(Face value of ₹ 1 each):			
	Basic (INR)		0.63	0.52
	Diluted (INR)		0.50	0.41

The accompanying notes are an integral part of the financial statements 1 to 55

As per our report of even date attached.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 8, 2024

For and on behalf of the Board of Directors

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN : 08603284

Sandeep Agarwal
Chief Financial Officer
Mumbai May 8, 2024

Kashmira Mathew
Executive Director &
Company Secretary
DIN : 02341875
Membership No: ACS-11833

Statement of Cash Flows for the year ended March 31, 2024

(Currency:Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Operating activities		
Profit/(Loss) before tax	1,844.22	1,343.27
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	102.86	102.92
Impairment of financial assets (net)	(2,676.79)	(119.64)
Loss/(Profit) on termination of lease	(6.14)	4.55
Fair value of financial instruments (net)	(2,494.93)	(3,191.55)
Expense on employee stock option scheme (ESOP)	11.14	17.68
(Profit)/Loss on sale of property, plant and equipment	(157.52)	(2.78)
Interest on lease liabilities	13.06	14.26
Interest on Income tax refund	(75.15)	(19.22)
(Profit)/Loss on sale of Investment property	6.66	(739.73)
Operating cash flow before working capital changes:	**(3,432.60)**	**(2,590.24)**
Adjustment for:		
(Increase) / Decrease in loans	25,102.49	17,889.77
(Increase) / decrease in trade receivables	(2,663.80)	(1,407.86)
(Increase) / decrease in investments	(6,169.44)	1,624.42
(Increase) / decrease in other financial assets	16,452.71	(16,868.56)
(Increase) / decrease in other non financial assets	64.38	382.62
(Decrease) / Increase in trade payables	1,056.10	1,157.86
(Decrease) / Increase in other financial liability	(11,452.03)	10,284.81
(Decrease)/ Increase in non financial liabilities and provisions	(66.12)	(19.54)
	18,891.69	**10,453.28**
Income taxes (net) - refund / (paid)	869.01	1,261.13
Net cash generated from operating activities -A	**19,760.70**	**11,714.41**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(29.10)	(36.07)
Proceeds from sale of Investment Property	106.87	1,900.80
Decrease/(Increase) in capital work-in-progress and intangibles under development	-	(16.72)
Proceeds from sale of property, plant and equipment and intangible assets	498.36	4.37
Net cash generated from/ (used) in investing activities -B	**576.13**	**1,852.38**

Statement of Cash Flows for the year ended March 31, 2024

(Currency:Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
C. Cash flow from financing activities		
(Decrease) in debt securities (Refer note 1)	(19,131.17)	(3,000.82)
(Decrease) in borrowings other than debt securities (Refer note 1)	(3,363.29)	(1,502.02)
(Decrease) in subordinate debt (Refer note 1)	(1,430.40)	(1,755.40)
Repayment of lease obligations	(47.22)	(53.10)
Net cash (used) in financing activities - C	**(23,972.08)**	**(6,311.34)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(3,635.25)**	**7,255.45**
Cash and cash equivalent as at the beginning of the year	8,757.21	1,501.76
Cash and cash equivalent as at the end of the year (Refer note 9)	5,122.09	8,757.21
Operational cash flows from interest and dividends		
Interest paid	10,241.51	10,944.88
Interest received	10,126.50	11,372.74
Dividend received	1.40	-

Notes:

1. 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 indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013

3. For disclosure relating to changes in liabilities arising from financing activities refer note 46

As per our report of even date attached.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 8, 2024

For and on behalf of the Board of Directors

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN : 08603284

Sandeep Agarwal
Chief Financial Officer
Mumbai May 8, 2024

Kashmira Mathew
Executive Director &
Company Secretary
DIN : 02341875
Membership No: ACS-11833

Statement of Changes In Equity for the year ended March 31, 2024

(Currency:Indian rupees in million)

A. Equity share capital

Particulars	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
Balance at the beginning of the year	2,138.27	2,138.27
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Changes in equity share capital during the current year	-	-
Balance at the end of the year	**2,138.27**	**2,138.27**

(Equity shares of ₹ 1 each, fully paid-up)

B. Other Equity

Particulars	Reserves and Surplus							
	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution -equity	Revaluation Reserve	Other Comprehensive income on Equity instrument	Total attributable to equity holders
Balance as at 1st April 2022	**11,879.96**	**4,904.54**	**5,187.49**	**1,007.43**	**140.02**	**336.83**	**-**	**23,456.27**
Profit for the year	-	1,108.41	-	-	-	-	-	1,108.41
Other comprehensive income	-	(8.36)	-	-	-	-	-	(8.36)
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	30.29	-	-	-	(30.29)	-	-
Transfer to statutory reserve	-	(221.70)	221.70	-	-	-	-	-
Transfer from debenture redemption reserve	-	232.59	-	(232.59)	-	-	-	-
Total comprehensive income	**11,879.96**	**6,045.77**	**5,409.19**	**774.84**	**140.02**	**306.54**	**-**	**24,556.32**
ESOP Charge	-	21.42	-	-	-	-	-	21.42

Statement of Changes In Equity for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	Reserves and Surplus							
	Securities premium	**Retained earnings**	**Statutory reserve**	**Debenture redemption reserve**	**Deemed capital contribution -equity**	**Revaluation Reserve**	**Other Comprehensive income on Equity instrument**	**Total attributable to equity holders**
Balance as at March 31, 2023	**11,879.96**	**6,067.19**	**5,409.19**	**774.84**	**140.02**	**306.54**	**-**	**24,577.74**
Profit for the year	-	1,351.87	-	-	-	-	-	1,351.87
Other comprehensive income	-	(6.78)	-	-	-	-	(417.53)	(424.31)
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	51.04	-	-	-	(51.04)	-	-
Transfer to statutory reserve	-	(270.37)	270.37	-	-	-	-	-
Transfer from debenture redemption reserve	-	543.37	-	(543.37)	-	-	-	-
Total comprehensive income	**11,879.96**	**7,736.32**	**5,679.56**	**231.47**	**140.02**	**255.50**	**(417.53)**	**25,505.30**
ESOP Charge	-	47.51	-	-	-	-	-	47.51
Balance as at March 31, 2024	**11,879.96**	**7,783.82**	**5,679.56**	**231.47**	**140.02**	**255.50**	**(417.53)**	**25,552.81**

As per our report of even date attached.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firms Registration Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 8, 2024

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firms Registration Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 8, 2024

For and on behalf of the Board of Directors

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN : 08603284

Sandeep Agarwal
Chief Financial Officer
Mumbai May 8, 2024

Kashmira Mathew
Executive Director & Company Secretary
DIN : 02341875
Membership No: ACS-11833

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

1. Corporate information:

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edel Finance Company Limited ("Holding Company") and ultimate subsidiary of Edelweiss Financial services Limited ("Ultimate Holding Company"). The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).The company is in the middle layer under scale based regulation (SBR) for NBFC.

As an NBFC-NDSI, the Company is primarily in business of lending and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-ND-SI

2. Basis of preparation:

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

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, 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 financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in "Note 47-Maturity Analysis of assets and liabilities".

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

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

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

4. Material accounting policies information

4.1 Recognition of revenue:

4.1.1 Effective interest rate (EIR):

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

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

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

4.1.2 Interest income:

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

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

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

4.1.3 Dividend income:

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

4.1.4 Revenue from contracts with customers:

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

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered between the Company and the counterparty.

4.2 Financial instruments:

4.2.1 Date of recognition:

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

4.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. 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.

4.2.3 Day 1 profit and loss:

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

4.2.4 Classification & measurement categories of financial assets and liabilities:

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

Financial assets carried at amortised cost (AC)

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

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 ate. The changes in fair value of financial assets is recognised in Profit and loss account.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

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

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

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

4.3.2 Financial assets held for trading:

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

Financial asset measured at FVOCI-Loans

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

4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

4.3.6 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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

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

Financial assets and financial liabilities in this category are those that are 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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

liabilities or recognising gains or losses on them on a different basis; Or

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

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

4.3.8 Financial guarantee:

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

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

4.3.9 Loan commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

4.3.10 Financial liabilities and equity instruments

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

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

4.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. If the Company reclassifies financial assets. it applies the reclassilication prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains. losses (including impairment gains or losses) or interest.

4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset

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

The Company has transferred the financial asset if, and only if, either

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

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

(the 'eventual recipients'), when all of the following conditions are met:

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

4.5.2 Derecognition of financial liabilities

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

4.6 Impairment of financial assets:

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

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

Simplified approach

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

General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

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

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

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

Company categories its financial assets as follows:

Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition for these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facility with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

4.7 Collateral valuation:

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

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

4.8 Collateral repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. 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. Assets for which selling is determined to be a better option 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 Company's policy.

In its normal course of business, the Company 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. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

4.9 Write-offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical / policy write off as per relevant policy.

4.10 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company 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 Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset and Company continues to monitor until it is collected or written off.

4.11 Determination of fair value:

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

Level 1 financial instruments:

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments:

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

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.12 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

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

Right of use assets:

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

Lease liabilities

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

Short term lease

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

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

4.13 Earnings per share:

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

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

4.14 Foreign currency transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

4.15 Retirement and other employee benefit:

4.15.1 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.

4.15.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

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

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

4.15.3 Compensated absences:

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

4.15.4 Deferred bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time The measurement for the same has been based on actuarial assumptions and principles.

4.15.5 Share-based payment arrangements:

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent 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 revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

4.16 Property, plant and equipment:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

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

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Equipment	15 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

4.17 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangibles such as software are amortised over a period of 3 - 5 years based on it's estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

4.18 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 impairment is reversed subject to a maximum carrying value of the asset before impairment.

4.19 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

4.20 Income tax expenses:

4.20.1 Current tax:

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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

4.20.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

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

4.20.3 Current and deferred tax for the year:

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

4.21 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.

5. Significant accounting judgements, estimates and assumptions:

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies:

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

5.1 Business model assessment:

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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

5.2 Significant increase in credit risk:

Key sources of estimation uncertainty:

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

5.3 Fair value of financial instruments:

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

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

5.5 Impairment of Financial assets:

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

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

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

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

5.6 Investment Property

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

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. At

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

the end of each accounting year, the Company reviews the carrying amounts of its investment property to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists investment property are tested for impairment so as to determine the impairment loss, if any.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

6. Recent accounting pronouncements:

Ministry of Corporate affairs ("MCA") notifies new Standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

7. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US$ 250 million, amounting to approximately ₹18,000 million into the Company, the Investor has subscribed to 1000 Equity shares of Re. 1/- each at premium of ₹ 31/- per Equity Share and 103,949,680 Compulsorily Convertible Debentures (CCDs) at ₹ 100 per CCD and accordingly paid the Company a total sum of ₹ 10,395 millions on May 7, 2019, towards first tranche.

8. A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 26, 2019.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

9. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	5,122.09	8,757.21
	5,122.09	**8,757.21**

10. Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Fixed deposit with banks	77.53	36.28
Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation etc. (Refer Note 10.A Below)	200.12	519.43
	277.65	**555.71**

Notes:

1) Fixed deposit balances with banks earns interest at fixed rate.

10.A Encumbrances on fixed deposits held by the Company:

	As at March 31, 2024	As at March 31, 2023
Fixed deposits pledged for:		
Bank guarantee for cash credit lines/overdraft		
ICICI Bank Limited	-	7.00
Security deposit for term loan and WCDL facilities		
Union Bank of India	6.59	6.17
IDBI Bank Limited	27.19	25.00
State Bank of India	80.73	
Bank guarantee for securitisation		
HDFC Bank Limited	-	270.42
ICICI Bank Limited	20.46	35.47
Development Bank	-	119.07
Central Bank of India	8.15	-
Security deposit for meeting margin requirement for trading in cross currency swaps and forward margin		
State Bank of India	57.00	56.30
	200.12	**519.43**

11. Derivative financial instruments

	As at March 31, 2024	As at March 31, 2023
Fair Value Assets		
On Interest rate dervatives	91.28	50.21
On Equity and Index linked derivatives	620.66	-
	711.94	**50.21**
Fair Value Liabilities		
On Equity and Index linked derivatives	406.03	-
On Interest rate dervatives	21.98	23.96
Embedded derivatives in market-linked debentures (liabilities)	-	141.93
	428.01	**165.89**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts/Units held

Particulars	As at March 31, 2024							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	17,750	91.28	Rupees	INR	7,800	21.98
Interest rate futures					G-Sec Units		2,50,58,000	4.71
Less: amounts offset (Refer Note11.A & 50)								(4.71)
Subtotal(i)				**91.28**				**21.98**
(ii) Equity linked derivatives	No of Shares				No of Shares			
Stock futures	Units		49,05,258	66.91	Units		33,38,695	19.76
Options			93,26,378	327.90			93,26,378	231.14
Less: amounts offset (Refer Note11.A & 50)				(66.91)				(19.76)
Subtotal(ii)				**327.90**				**231.14**
(iii) Index linked derivatives								
Index futures	Index Units		71,425	3.58				
Options	Index Units		2,25,155	292.77	Index Units		2,25,155	174.89
Less: amounts offset (Refer Note11.A & 50)				(3.58)				-
Subtotal(iii)				**292.77**				**174.89**
(iv) Embedded derivatives*								
In market linked debentures	No of Debenture		-	-	No of Debenture		-	-
Subtotal(iv)				-				-
Total derivative financial instruments			**Total**	**711.95**			**Total**	**428.01**

Particulars	As at March 31, 2023							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	13,250	50.21	Rupees	INR	7,500	23.96
Interest rate future					Units		-	-
Less: amounts offset (Refer Note11.A & 50)								-
Subtotal(i)				**50.21**				**23.96**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	As at March 31, 2023							
	Unit	**Currency**	**Notional**	**Fair value asset**	**Unit**	**Currency**	**Notional**	**Fair value liability**
(ii) Equity linked derivatives								
Stock futures	No of Shares		-	-	No of Shares		-	-
Options purchased								
Options sold								
Less: amounts offset (Refer Note11.A & 50)				-				-
Subtotal(ii)				**-**				**-**
(iii) Index linked derivatives								
Index futures	Index Units		-	-				
Options purchased	Index Units		-	-				
Options sold					Index Units		-	-
Less: amounts offset (Refer Note11.A & 50)				-				-
Subtotal(iii)				**-**				**-**
(iv) Embedded derivatives*								
In market linked debentures	No of Debenture				No of Debenture		794.60	141.93
Subtotal(iv)				**-**				**141.93**
Total derivative financial instruments				**50.21**				**165.89**

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

*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. refer Note 4.3.5 for further details.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 51.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments

Notes to the Financial Statement for the year ended March 31, 2024

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11.A Offsetting

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

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	161.77	(70.49)	91.28	(21.98)	57.00	126.30	620.66	711.94	746.96
Margin placed with broker*	788.64	46.03	834.67	-	-	834.67	-	834.68	834.68

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	46.44	(24.46)	21.98	(21.98)	-	-	406.03	428.01	406.04

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2023	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial Liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	50.21	-	50.21	(23.96)	59.40	85.65	-	50.21	85.66
Margin placed with broker*	134.01	-	134.01	-	-	134.01	-	134.01	134.01

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2023	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	165.89	-	165.89	(23.96)	-	141.93	-	165.89	141.92

*As on the reporting date, margin placed with broker net off with net liability towards mark to market loss on derivatives future contracts and similarly, net mark to market gain are added to margin placed with broker. Accordingly the same are presented in the financial statement.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

12. Trade receivables

a) Trade receivables

	As at March 31, 2024	As at March 31, 2023
Secured, considered good	-	-
Unsecured, considered good	-	-
(i) Undisputed Trade receivables – considered good - Secured	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	5,020.64	2,322.12
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iv) Undisputed Trade Receivables – credit impaired	0.20	-
(v) Disputed Trade Receivables–considered good - Secured	-	-
(vi) Disputed Trade Receivables–considered good - Unsecured	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(viii) Disputed Trade Receivables – credit impaired	-	-
Receivables considered good - Unsecured	5,020.84	2,322.15
Unsecured, considered doubtful	-	(0.03)
Receivables - credit impaired	-	-
	5,020.84	**2,322.12**
Allowance for expected credit losses		
Receivables considered good - Unsecured	(0.38)	(9.11)
	5,020.46	**2,313.01**

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	9.11	15.54
Add/ (less): asset originated / acquired / recovered (net)	(8.73)	(6.43)
Impairment allowance - closing balance	**0.38**	**9.11**

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) Please refere note 48 - Related party disclosure for trade or other receivables due from firms or private companies in which directors is/are partner, a director or a member.

c) Trade receivables days past due

As at March 31, 2024	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 - Secured	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	4,989.03	31.61	-	-	-	5,020.64
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	0.20	-	-	0.20
(v) Disputed Trade Receivables – considered good - Secured	-	-	-	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

As at March 31, 2024	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(vi) Disputed Trade Receivables – considered good - Unsecured	-	-	-	-	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	
ECL - simplified approach	(0.12)	(0.08)	(0.18)	-	-	(0.38)
Net carrying amount	**4,988.90**	**31.53**	**0.02**	**-**	**-**	**5,020.46**

As at March 31, 2023	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 - Secured	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	2,321.78	0.34	-	-	-	2,322.12
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(v) Disputed Trade Receivables – considered good - Secured	-	-	-	-	-	-
(vi) Disputed Trade Receivables – considered good - Unsecured	-	-	-	-	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii) Disputed Trade Receivables – credit impaired		-	-	-	-	-
ECL - simplified approach	(8.84)	(0.27)	-	-	-	(9.11)
Net carrying amount	**2,312.94**	**0.07**	**-**	**-**	**-**	**2,313.01**

Unbilled amount due as of March 2024 is NIL (March 2023- NIL).

13. Loans

	As at March 31, 2024	As at March 31, 2023
(I) (A) at Amortised Cost		
- Term Loans;		
Corporate credit	536.60	31,610.28
Retail credit	8,718.37	7,034.81
(B) at fair value through other comprehensive income		
- Term Loans;		
Corporate credit	3,962.40	-
Retail credit	-	-
Total gross (C)= (A) + (B)	**13,217.36**	**38,645.09**
Less: Impairment loss allowance (D)		
- At Amortised Cost	(199.30)	(3,549.48)
- At fair value through other comprehensive income	(356.86)	-
(Refer Note 13.B)		
Total net (E)= (C)-(D)	**12,661.20**	**35,095.61**
(II) (i) at Amortised Cost		
Secured by tangible assets (property including land & building)	4,867.09	24,094.24
Secured by fixed deposits, unlisted securities, project receivables & other marketable securities	216.93	5,620.82
Unsecured	4,170.95	8,930.03

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
(ii) at fair value through other comprehensive income		
Secured by tangible assets (property including land & building)	3,034.66	-
Secured by fixed deposits, unlisted securities, project receivables & other marketable securities	870.25	-
Unsecured	57.49	-
Total gross	**13,217.37**	**38,645.09**
Less: Impairment loss allowance		
- At Amortised Cost	(199.30)	(3,549.48)
- At fair value through other comprehensive income	(356.86)	
(Refer Note 13.B)		
Total net	**12,661.21**	**35,095.61**
(III) Loans in India		
(i) at Amortised Cost		
Public sector	-	-
Others	9,254.97	38,645.09
(ii) at fair value through other comprehensive income		
Loans in India		
Public sector		
Others	3,962.40	-
Total gross	**13,217.36**	**38,645.09**
Less: Impairment loss allowance		
- At Amortised Cost	(199.30)	(3,549.48)
- At fair value through other comprehensive income	(356.86)	-
(Refer Note 13.B)		
Total net	**12,661.20**	**35,095.61**

13.A Loans given to directors

	As at March 31, 2024	As at March 31, 2023
Loans Given to Directors (refer note 48 related party disclosure)	-	-
	-	-

13.B Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 51.D.1 and policies on ECL allowances are set out in Note 4.6

a Credit quality of assets

	As at March 31, 2024				As at March 31, 2023			
	Stage I	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
Performing								
High grade	10,763.55			10,763.55	18,854.08			18,854.08
Standard grade		2,115.49		2,115.49		19,032.28		19,032.28
Non-performing								
Individually impaired*			338.32	338.32			758.73	758.73
	10,763.55	**2,115.49**	**338.32**	**13,217.36**	**18,854.08**	**19,032.28**	**758.73**	**38,645.09**

*Total numbers of borrowers as on 31st March 2024 are 138 (previous year 664)

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers: (Loans measured at Amortised Cost)

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

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions i.e. new lending, further disbursements, repayments and interest accrual on loans.

Reconciliation / movement for the year ended March 31, 2024

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
Opening balance	18,854.08	400.16	19,032.28	2,838.36	758.73	310.96	38,645.09	3,549.48
Reclassification of financial assets to FVOCI (Refer Note below)	(2,146.15)	11.14	(1,489.74)	(221.61)	(244.71)	(105.10)	(3,880.60)	(315.56)
Transfer of financial assets								
Stage I to Stage II	(1,201.02)	(92.88)	1,201.02	92.88	-	-	-	-
Stage I to Stage III	(730.80)	(27.31)	-	-	730.80	27.31	-	-
Stage II to Stage III	-	-	(2,863.51)	(217.37)	2,863.51	217.37	-	-
Stage II to Stage I	521.73	66.95	(521.73)	(66.95)	-	-	-	-
Stage III to Stage I	22.82	4.62	-	-	(22.82)	(4.62)	-	-
Stage III to Stage II	-	-	24.80	4.89	(24.80)	(4.89)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(68.60)	-	(54.32)	-	(166.01)	-	(288.93)
New assets originated /repayments received (net)	8,781.67	1,942.04	(12,459.98)	(1,790.03)	2,381.23	(226.46)	(1,297.08)	(74.45)
Loans sold to ARC/AIF/Others	(15,571.34)	(2,142.64)	(2,292.76)	(528.61)	(6,021.64)	-	(23,885.75)	(2,671.24)
Amounts written off (net)	-	-	-	-	(326.69)	-	(326.69)	-
Closing balance	**8,530.98**	**93.48**	**630.37**	**57.25**	**93.61**	**48.56**	**9,254.97**	**199.29**

Note:

The Board of Directors in their meeting have approved the decision of the Company to exit from the Real estate (""RE"") and Structured finance (""SF"") business and reduce the underlying loan portfolio in the near to mid-term. Consequently, the Company's business model with respect to the Real estate and Structured finance portfolio has changed from 'hold to collect' to 'hold to collect and sell'. As per the requirements of Ind AS 109 "Financial Instruments, effective from January 01, 2024, the Company has reclassified its Real estate and Structured finance portfolio measured at amortised cost amounting to ₹3880.60 millions to fair value through other comprehensive income.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Reconciliation / movement for the year Ended March 31, 2023

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
Opening balance	20,616.46	332.36	34,677.56	2,917.35	1,616.32	487.29	56,910.34	3,737.00
Transfer of financial assets:							-	-
Stage I to Stage II	(1,624.31)	(69.34)	1,624.31	69.34	-	-	-	-
Stage I to Stage III	(100.31)	(4.71)	-	-	100.31	4.71	-	-
Stage II to Stage III	-	-	(86.56)	(15.36)	86.56	15.36	-	-
Stage II to Stage I	260.36	18.56	(260.36)	(18.56)	-	-	-	-
Stage III to Stage I	257.29	31.97	-	-	(257.29)	(31.97)	-	-
Stage III to Stage II	-	-	389.59	55.88	(389.59)	(55.88)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(28.01)	-	913.95	-	34.39	-	920.33
New assets originated /repayments received (net)	280.17	132.79	(2,378.17)	340.24	(140.16)	(138.30)	(2,238.16)	334.73
Loans sold to ARC/ AIF/Others	(835.58)	(13.46)	(14,934.09)	(1,424.48)	(46.40)	(4.64)	(15,816.07)	(1,442.58)
Amounts written off (net)	-	-	-	-	(211.02)	-	(211.02)	-
Closing balance	**18,854.08**	**400.16**	**19,032.28**	**2,838.36**	**758.73**	**310.96**	**38,645.09**	**3,549.48**

Note:

ECLF had initiated sale of certain credit impaired assets before March 31, 2023 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2023, for an amount of ₹ 3090.8 million (net of provisions and losses) to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accounted appropriately in financial statement. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to ₹ 3090.8 million. As at March 31, 2023, the impact on the financial statements on account of sale of such credit impaired financial assets, net of reversal of ECL created, aggregates to ₹ 5.3 million.

14. Investments

As at March 31, 2024	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Mutual Funds			1,499.92		1,499.92		1,499.92
Government Debt Securities			28,349.08		28,349.08		28,349.08
Corporate Bonds			2,645.95		2,645.95		2,645.95
Security receipts (refer note 3)	-	38,224.29	-	-	38,224.29	-	38,224.29
Pass through certificates	-	-	280.82	-	280.82	-	280.82
Alternative Investment Fund / Venture Capital Fund	-	-	1,078.52	-	1,078.52	-	1,078.52

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

As at March 31, 2024	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Equity Shares	-	-	1,793.75	-	1,793.75	-	1,793.75
Compulsorily Convertible Preference Shares	-	-	106.63	-	106.63	-	106.63
TOTAL - gross (A)	**-**	**38,224.29**	**35,754.67**	**-**	**73,978.96**	**-**	**73,978.96**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	38,224.29	35,754.67		73,978.96	-	73,978.96
Total (B)	**-**	**38,224.29**	**35,754.67**	**-**	**73,978.96**	**-**	**73,978.96**
Less: allowance for impairment (C)		-	-	-	-	-	-
Total net (A-C)	**-**	**38,224.29**	**35,754.67**	**-**	**73,978.96**	**-**	**73,978.96**

Notes:

For Current year

1) Please refer note 14.B - Investment details

2) Please refer note 50 - Fair value measurement for valuation methodology

3) During the year, due to the change in the existing rights attached to the financial instrument, the investment in Security Receipts ("SRs") which were previously measured at fair value through profit and loss, were derecognized and revised terms of rights in SRs representing residual interest in the trust ("SR Instrument - Equity") have been recognized and measured at Fair Value through Other Comprehensive Income (FVOCI - Equity). Further, during the quarter ended March 31, 2024, Company has taken impact of (₹417.5) millions (net of tax) on SRs in other comprehensive income pertaining to exited Real Estate & Structured Finance businesses.

4) During the quarter ended March 31,2024, The company and EFSL, the ultimate holding company has agreed to discontinue risk and reward agreement in respect of security receipts(SRs).EFSL has also agreed to settle net outstanding unrealised losses on SRs amount to ₹7149.6 millions. Accordingly company received ₹5216.8 millions during the quarter ended March 31, 2024 and balance amount ₹1932.8 millions will be settled post March 31, 2024.

As at March 31, 2023	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Preference shares	-	-	-	-	-	-	-
Government Debt Securities			25,757.19		25,757.19		25,757.19
Corporate Bonds			312.52		312.52		312.52
Security receipts (refer note 4)	-	-	28,060.80	-	28,060.80	-	28,060.80
Pass through certificates			-		-		-
Alternative Investment Fund / Venture Capital Fund	-	-	16,480.33	-	16,480.33	-	16,480.33
Equity Shares	-	-	78.85	-	78.85	-	78.85
Compulsorily Convertible Preference Shares	-	-	83.50	-	83.50	-	83.50
TOTAL - gross (A)	**-**	**-**	**70,773.19**	**-**	**70,773.19**	**-**	**70,773.19**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	70,773.19	-	70,773.19	-	70,773.19
Total (B)	**-**	**-**	**70,773.19**	**-**	**70,773.19**	**-**	**70,773.19**
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**70,773.19**	**-**	**70,773.19**	**-**	**70,773.19**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Notes:

For previous year

1) Please refer note 14.B - Investment details

2) Please refer note 50 - Fair value measurement for valuation methodology

3) In order to reflect substance of the transaction the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities. Previous year PTC investment regrouped accordingly.

4) Security Receipts held as investments - During the quarter and year ended March 31, 2023, the Company had sold certain financial assets amounting to ₹ 10975 millions and ₹ 15902.80 millions (net of provisions and losses) respectively, to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 306 millions and ₹ 4494.70 millions 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 the Company. EFSL, the holding 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 Company's financial result. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the period 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 and EFSL has recorded fair value gain / (loss) of ₹ 670.20 millions and ₹ (2472.60) millions for the quarter ended and ₹ 1108 millions and ₹ (3219.70) millions for the year ended March 31, 2023, included in "Net gain / (loss) on fair value change" respectively.

5) Sale/Purchase of Investments: The company initiated sales / purchase of investment prior to March 31, 2023, from / to assets reconstruction companies ('ARCs' of 'trusts') & Alternative Investment Fund (AIF) for which definitive contractual agreement were executed post balance sheet however, the balance receivable against sale of financial assets aggregating to ₹ 14507 millions and payable against purchased of financial assets aggregating to ₹ 6840.90 millions were settled post March 31, 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 unfavourable, 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, the company has derecognised 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.

6) Alternative Investment Fund: The Company made investment in AIF, in the view of Ind AS 109 and accounting policy of the company from derecognition aspect, considered some important points as below mentioned:

   - Company has transferred some of these loan assets directly to the AIF where there are other assets were also lying in the funds, also there are customers who paid to Company and in-turn Company invested in AIF.
   - AIF also has other investor who hold some percentage holding in AIF.
   - AIF has right to appoint investment manager. Investment manager control and take decision to manage the assets.
   - The instrument in which the company invested in AIF is different than the previous holding as loan assets,
   - AIF evaluate all the underlying assets of the fund and then declare NAV per unit.
   - There are other investors who are holding some percentage in AIF while company holds below 50%.
   - These instrument as classified as level 3 instrument as FVTPL and any fair value gain or loss recognised in Profit and Loss account.

   Considering above mentioned facts, the Company has not retained any control where company has practical ability to see the assets in entirety although some risk and rewards are not transferred. Such Derecognition of assets from the books of the Company, is in line with Ind AS 109. Also, looking the facts that AIF has other assets in the fund and NAV of the units is declared considering all the assets under management of such fund. Hence Company is not holding all the risk and rewards of the transferred assets rather it is distributed in the percentage of holding and Company is holding below 50% of the pool of assets instead of majority holding in particular assets. Accordingly, the Company in the view that it is appropriately derecognised from the books of the Company.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

14.A Investments in preference shares measured at amortised cost:

Reconciliation of changes in gross carrying amount for investments in preference shares and the corresponding ECL:

Reconciliation / movement for the year ended March 31, 2024

	Non credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
Assets derecognised or matured (excluding write offs)	-	-	-	-	-	-	-	-
Change in ECL provision	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-

Reconciliation / movement for the year ended March 31, 2023

	Non credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance	918.36	46.22	-	-	-	-	918.36	46.22
Unwinding of discount	81.64	-	-	-	-	-	81.64	-
Assets derecognised or matured (excluding write offs)	(1,000.00)	-	-	-	-	-	(1,000.00)	-
Change in ECL provision	-	(46.22)	-	-	-	-	-	(46.22)
Closing balance	-	-	-	-	-	-	-	-

14.B Investments

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Central Government Debt Securities						
At fair value through profit and loss account						
7.59% Government Stock 11.01.2026 Bonds	100	55,00,000	564.66	100	25,00,000	256.94
7.26% Government Stock 14.01.2029 Bonds	-	-	-	100	5,00,000	50.95
5.15% Government Stock 09.11.2025 Bonds	100	20,00,000	198.50	100	10,00,000	97.44
7.16% Government Stock 2023	-	-	-	100	1,70,00,000	1,745.36
5.63% Government Stock 2026	100	65,00,000	650.39	100	1,10,00,000	1,084.12
5.74% Government Stock 2026	-	-	-	100	1,55,00,000	1,513.53
7.10% Government Stock 2029	100	20,00,000	206.87	100	30,00,000	307.86
7.54% Government Stock 2036	-	-	-	100	5,00,000	51.85
7.38% Government Stock 2027	100	2,65,00,000	2,729.25	100	1,15,00,000	1,182.09
6.69% Government Stock 2024	100	50,00,000	508.31	100	55,00,000	556.63
7.26% Government Stock 2032	100	55,00,000	560.10	100	1,65,00,000	1,656.75
8.40% Government Stock 2024	-	-	-	100	5,00,000	51.48
6.18% Government Stock 2024	-	-	-	100	1,40,00,000	1,414.82
5.22% Government Stock 2025	-	-	-	100	1,00,00,000	977.93
7.41% Government Stock 2036	-	-	-	100	10,00,000	102.43
6.89% Government Stock 2025	100	12,13,800	122.97	100	98,13,800	992.71
7.26% Government Stock 2033	100	1,40,00,000	1,431.57	100	2,55,00,000	2,569.08
6.54% Government Stock 2032	-	-	-	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
7.06% Government Stock 2028	100	5,00,000	51.69	-	-	-
6.99% Government Stock 2026	100	1,70,00,000	1,752.94	-	-	-
7.18% Government Stock 2037	-	-	-	-	-	-
7.18% Government Stock 2033	100	1,55,00,000	1,577.79	-	-	-
7.37% Government Stock 2028	100	6,25,00,000	6,528.24	-	-	-
7.33% Government Stock 2026	100	1,25,00,000	1,297.38	-	-	-
7.32% Government Stock 2030	100	1,00,00,000	1,041.47	-	-	-
8.24% Government Stock 2027	100	20,00,000	208.18			
091DTB 11042024	100	1,95,00,000	1,946.57	-	-	-
091DTB 27062024	100	3,00,00,000	2,952.06	-	-	-
6.90 OIL SPL 2026	100	1,45,00,000	1,452.21	-	-	-
364 DTB 06072023	-	-	-	100	95,00,000	933.80
182 DTB 13072023	-	-	-	100	60,00,000	588.98
182 DTB 25052023	-	-	-	100	1,75,00,000	1,734.31
182 DTB 04052023	-	-	-	100	1,00,00,000	994.73
State Government Debt Securities						
At fair value through profit and loss account						
8.18% Tamilnadu State Development Loan Government Stock 19.12.2028 Bonds	-	-	-	100	800	0.08
6.69% Madhya Pradesh State Development Loan 17.03.2025 Bonds	-	-	-	100	45,00,000	446.60
9.18% Andra Pradesh State Development Loan 2024	-	-	-	100	30,00,000	314.97
8.07% Gujarat State Development Loan 2025	-	-	-	100	75,00,000	768.47
8.90% Haryana State Development Loan 2024	-	-	-	100	50,00,000	510.81
8.08% Haryana State Development Loan 2025	-	-	-	100	15,00,000	154.13
9.39% Karnataka State Development Loan 2023 OCT	-	-	-	100	40,00,000	420.79
8.05% Karnataka State Development Loan 2025	-	-	-	100	25,00,000	255.35
8.10% West Bengal State Development Loan 2025	-	-	-	100	25,00,000	256.96
9.59% Gujarat State Development Loan 2023	-	-	-	100	20,00,000	203.47
8.25% Gujarat State Development Loan 2024	-	-	-	100	10,00,000	103.46
8.23% Gujarat State Development Loan 2025	-	-	-	100	30,00,000	307.49
8.15% Gujarat State Development Loan 2025	-	-	-	100	25,00,000	255.07
5.88% Gujarat State Development Loan 2025	-	-	-	100	61,00,000	595.41
8.18% Haryana UDAY 2024	-	-	-	100	55,00,000	567.63
8.6% Karnataka State Development Loan 2025 28 JAN	-	-	-	100	20,00,000	205.54
7.26% Karnataka State Development Loan 2025	-	-	-	100	1,35,00,000	1,373.47
8.23% Maharashtra State Development Loan 2025	-	-	-	100	15,00,000	153.70
8.22% Andra Pradesh State Development Loan 2025	100	10,00,000	103.15	-	-	-
8.24% Andhra Pradesh State Development Loan 2025 DEC	100	40,00,000	415.45	-	-	-
7.24% Gujarat State Development Loan 2026	100	10,00,000	101.63	-	-	-
8.51% Haryana State Development Loan 2026	100	5,00,000	51.60	-	-	-
8.21% Haryana UDAY 2026	100	33,00,000	348.92	-	-	-
8.30% Madhya Pradesh State Development Loan 2026	100	5,00,000	51.69	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
8.39% Madhya Pradesh State Development Loan 2026	100	50,00,000	516.25	-	-	-
8.29% Rajasthan State Development Loan 2025 JUL	100	20,00,000	205.04	-	-	-
8.48% Rajasthan State Development Loan 2026	100	10,00,000	103.15	-	-	-
8.65% Rajasthan State Development Loan 2026	100	30,00,000	309.52	-	-	-
8.55% Rajasthan State Development Loan 2026	100	15,00,000	154.00	-	-	-
7.98% Tamil Nadu State Development Loan 2026	100	5,00,000	52.07	-	-	-
8.17% West Bengal State Development Loan 2025	100	15,00,000	155.46	-	-	-
Total Government Debt Securities (A)			**28,349.08**			**25,757.19**
Debt Securities						
At fair value through profit and loss account						
8.65% Edelweiss Retail Finance Limited 22.03.2023 Bonds	-	-	-	1,000	-	-
9.00% Edelweiss Retail Finance Limited 22.03.2023 Bonds	-	-	-	1,000	-	-
9.50% JM Financial Credit Solutions Limited 07.06.2023 Bonds	-	-	-	1,000	6,743	7.47
11.00% Edelweiss Finvest Private Limited 29.07.2025 Bonds	10,00,000	56	60.16	10,00,000	56	63.15
10.00% Edelweiss Housing Finance Limited 19.07.2026 Bonds	-	-	-	1,000	-	-
8.88% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	1,517	1.40	1,000	1,517	1.39
9.25% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	3,415	3.15	1,000	3,415	3.45
10.18% Edel Finance Company Limited 27.04.2027 Bonds	10,00,000	1,001	1,078.68	10,00,000	220	237.06
9.77% Unsecured Rated Listed Redeemable NCD 04/05/2024 (Edelweiss Rural & Corporate Services Limited)	10,00,000	1,500	1,500.00	-	-	-
9.35% Series Vi Edelweiss Financial Services Limited_20 Ot 27	1,000	1,291	1.22	-	-	-
9.67% Series Vi Edelweiss Financial Services Limited_20 Jan 28	1,000	1,346	1.29	-	-	-
8.95% Series I Edelweiss Financial Services Limited_29 Jan 26	1,000	50	0.05	-	-	-
Total Debt Securities (B)			**2,645.95**			**312.52**
Total (A+B)			**30,995.03**			**26,069.71**
Security receipts						
At fair value through other comprehensive income - Equity Instrument (Refer Note 14(3))						
EARC Trust SC 9	1	71,487	-	1	71,487	-
EARC Trust SC 329	-	-	-	978	2,88,000	338.83
EARC Trust SC 331	-	-	-	1,000	3,96,720	476.57
EARC Trust SC 263	-	-	-	128	13,60,000	545.97
EARC Trust SC 229	1,000	2,55,000	-	1,000	2,55,000	113.63
EARC Trust Sc 109	-	-	-	1	6,33,500	-
EARC Trust SC 112	-	-	-	829	3,40,000	256.46
EARC Trust SC 361	812	2,40,000	92.99	849	2,40,000	202.12
EARC Trust SC 326	1	529	-	1	529	-
EARC Trust SC 381	-	-	-	949	4,67,500	415.89

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
EARC Trust SC 372	1	2,54,745	-	1	2,54,745	2.41
EARC Trust SC – 377	-	-	-	170	59,500	6.14
EARC Trust SC 392	-	-	-	785	16,42,625	1,147.17
EARC Trust SC 393	1,000	3,18,750	157.85	1,000	3,18,750	307.80
ACRE-100 Trust	370	1,53,00,000	4,249.88	929	1,45,09,500	5,758.85
OMKARA-PS-04/2020-21 Trust	-	-	-	1,000	21,57,068	2,113.37
EARC Trust SC 397_Class B	-	-	-	224	15,13,000	377.40
EARC Trust SC 413_Class B	779	2,36,415	138.16	779	2,36,415	181.03
OMKARA PS04 - 2021-22 Trust	1,000	58,820	-	1,000	1,11,945	112.75
OMKARA PS08 - 2021-22 Trust	1,000	53,227	24.65	1,000	70,108	70.11
CFMARC Trust 83	1,000	11,24,240	904.97	1,000	22,97,601	2,355.11
EARC Trust SC - 444_Class B	1,000	85,150	31.87	1,000	7,23,775	702.97
CFMARC Trust - 93	1,000	6,38,384	541.86	1,000	6,38,384	638.83
CFMARC Trust - 97	-	-	-	1,000	4,51,469	446.88
CFMARC Trust - 98	-	-	-	1,000	3,82,500	376.32
EARC Trust SC 462 CLASS B	1,000	10,71,000	535.50	1,000	10,71,000	1,071.00
INVENT 2223 ECL S130 Trust	1,000	3,06,000	259.73	1,000	3,06,000	303.12
EARC Trust SC 298_Class B	1,000	23,12,000	578.00	1,000	23,12,000	1,975.47
EARC Trust SC 394_Class B	-	-	-	847	12,21,358	923.70
EARC SC - 453 CLASS B	1,000	1,41,70,901	12,028.26	1,000	68,40,900	6,840.90
PARAS-140 Trust	1,000	13,17,500	1,118.29	-	-	-
CFMARC Trust - 127	1,000	1,76,052	132.04	-	-	-
EARC Trust SC - 455 CLASS B	1,000	17,25,500	1,464.60	-	-	-
EARC Trust- SC 452 CLASS B	1,000	73,34,700	6,225.69	-	-	-
CFM 129	1,000	13,19,625	1,120.10	-	-	-
EARC Trust SC 470 Class B	1,000	12,75,500	1,082.64	-	-	-
EARC Trust SC - 384 CLASS B	828	34,22,100	2,134.37	-	-	-
EARC Trust SC 374	347	63,106	14.76	-	-	-
EARC Trust SC 378	161	22,780	2.34	-	-	-
EARC Trust SC 373	156	2,25,250	26.34	-	-	-
EARC Trust SC 385 Class B	637	1,79,783	85.84	-	-	-
EARC Trust SC 416 Class B	706	98,842	52.32	-	-	-
EARC Trust SC 417 Class B	870	2,37,851	155.25	-	-	-
Acre 135 trust Class B	1,000	56,200	42.15	-	-	-
Omkara PS 34 (Retail)	1,000	42,811	32.11	-	-	-
PARAS ARC Trust - 136	1,000	22,95,000	1,948.00	-	-	-
PARAS ARC Trust - 137	1,000	2,55,000	217.38	-	-	-
ACRE ARC Trust - 136	1,000	88,000	65.99	-	-	-
CFM ARC Trust - 116	1,000	43,987	32.99	-	-	-
EARC Trust SC - 331 CLASS B	1,000	2,83,655	70.91	-	-	-
EARC Trust SC - 329 CLASS B	978	2,05,920	50.34	-	-	-
EARC Trust SC - 486 CLASS B	1,000	16,42,446	1,394.11	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
OMKARA PS04 - 2020-21 Trust CLASS B	1,000	9,37,052	93.71	-	-	-
EARC Trust SC 464 - CLASS B	1,000	13,17,500	1,118.29	-	-	-
Total (C)	**33,646.39**	**6,10,62,808.00**	**38,224.29**	**22,470.61**	**4,11,71,379.05**	**28,060.80**
Alternative Investment Fund / Venture Capital Fund						
At fair value through profit and loss						
Real Estate Credit Opportunities Fund - Class B Units	-	-	-	10,000	4,92,599	6,159.36
Edelweiss Real Estate Opportunities Fund	-	-	-	10,000	18,874	229.41
India Credit Investment Fund - II	-	-	-	10,000	3,70,000	2,693.40
Edelweiss Stressed and Troubled Assets Revival Fund	-	-	-	10,000	25,000	12.71
Paragon Partners Growth Fund - I	100	3,32,650	56.68	100	7,69,483	127.97
Kae Capital Fund - I	-	-	-	1,00,000	37	23.90
Kae Capital Fund - II	1,00,000	100	365.78	1,00,000	100	380.78
Edelweiss Private Equity Tech Fund	1,00,000	1,199	231.99	1,00,000	1,266	247.82
Edelweiss Value And Growth Fund	1,00,000	2,665	304.52	1,00,000	3,257	382.96
Faering Capital India Evolving Fund II	1,000	41,068	119.55	1,000	43,539	117.23
Eref Fund - Onshore	-	-	-	10,000	1,844	16.64
India Credit Investment Fund - III	-	-	-	10,000	6,08,880	6,088.15
Total (D)			**1,078.52**			**16,480.33**
Equity Shares						
- **(Unquoted)**						
- **At fair value through profit and loss**						
Metropolitan Stock Exchange of India Ltd	1.00	3,70,20,000.00	51.46	1	3,70,20,000	78.85
- **(quoted)**						
- **At fair value through profit and loss**						
Aarti Industries Ltd	5.00	1,000.00	0.67	-	-	-
Adani Enterprises Ltd.	1.00	43,200.00	138.11	-	-	-
Adani Port & Sez Ltd	2.00	7,200.00	9.66	-	-	-
Asian Paints Limited	1.00	1,800.00	5.12	-	-	-
Bandhan Bank Limited	10.00	2,22,500.00	40.05	-	-	-
Bharti Airtel Limited	5.00	91,200.00	112.05	-	-	-
Bharat Heavy Electricals Ltd	2.00	52,500.00	12.98	-	-	-
Britannia Industries Ltd	1.00	10,400.00	51.08	-	-	-
Canara Bank	10.00	18,900.00	10.98	-	-	-
Coal India Ltd	10.00	67,200.00	29.17	-	-	-
Dr. Reddy's Laboratories	5.00	1,250.00	7.70	-	-	-
Eicher Motors Ltd	1.00	16,975.00	68.23	-	-	-
Gmr Infrastructure Ltd.	1.00	2,25,000.00	18.36	-	-	-
Hindustan Aeronautics Ltd	5.00	7,800.00	25.95	-	-	-
Hcl Technologies Ltd	2.00	10,500.00	16.21	-	-	-
Hdfc Bank Ltd	1.00	3,30,000.00	477.81	-	-	-
Hdfc Stand Life In Co Ltd	10.00	6,600.00	4.18	-	-	-
Hindalco Industries Ltd	1.00	54,600.00	30.59	-	-	-
Hindustan Unilever Ltd.	1.00	26,700.00	60.46	-	-	-
ICICI Bank Ltd.	2.00	700.00	0.77	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024			As at March 31, 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Idfc First Bank Limited	10.00	7,42,500.00	55.98	-	-	-
IndusInd Bank Limited	10.00	8,000.00	12.42	-	-	-
Infosys Limited	5.00	10,400.00	15.58	-	-	-
Indian Rail Tour Corp Ltd	2.00	17,500.00	16.27	-	-	-
ITC Limited	1.00	40,000.00	17.13	-	-	-
JSW Steel Limited	1.00	46,575.00	38.67	-	-	-
Kotak Mahindra Bank Ltd	5.00	21,600.00	38.57	-	-	-
Larsen & Toubro Ltd.	2.00	8,100.00	30.49	-	-	-
Mahindra & Mahindra Ltd	5.00	16,800.00	32.28	-	-	-
National Aluminium Co Ltd	5.00	2,47,500.00	37.76	-	-	-
NMDC Ltd.	1.00	18,000.00	3.63	-	-	-
RBL Bank Limited	10.00	40,000.00	9.61	-	-	-
Reliance Industries Ltd	10.00	24,500.00	72.81	-	-	-
State Bank Of India	1.00	58,500.00	44.01	-	-	-
Shriram Finance Limited	10.00	18,000.00	42.48	-	-	-
Tata Motors Limited	2.00	32,775.00	32.54	-	-	-
Tata Consultancy Services Ltd	1.00	22,750.00	88.19	-	-	-
Vedanta Limited	1.00	1,24,200.00	33.74	-	-	-
Total (E)			**1,793.75**			**78.85**
Compulsorily Convertible Preference Shares						
- **(Unquoted)**						
- **At fair value through profit and loss**						
Bright Lifecare Pvt Ltd	1,000.00	5,219.00	106.63	1,000	5,219	83.50
Total (F)			**106.63**			**83.50**
Mutual Funds						
- **(quoted)**						
- **At fair value through profit and loss**						
SBI Overnight Fund - Direct Plan - Growth	-	34,587.86	134.75			
Axis Overnight Fund - Direct Plan - Growth Option	-	8,76,728.61	1,110.43			
HDFC Overnight Fund - Growth Option	-	71,692.31	254.74			
Total (G)	**-**	**9,83,008.78**	**1,499.92**			
Pass through certificates (PTC)						
At fair value through profit and loss						
RFT 6	1.00	-	280.82	-	-	-
Total (H)	**1.00**	**-**	**280.82**			
Total (A+B+C+D+E+F+G+H)			**73,978.96**			**70,773.19**

Note Please refer note 50 - Fair value measurement for valuation methodologies for investments

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

15. Other financial assets

	As at March 31, 2024	As at March 31, 2023
Security deposits	39.71	37.50
Deposits placed with/exchange/depositories	194.65	121.75
Margin placed for trading in securities	640.99	134.01
Application Money For Investments	-	0.13
Other assets	-	31.83
Advances recoverable in cash or in kind or for value to be received	155.20	1.03
Receivables from trust	59.77	17,598.96
	1,090.32	**17,925.21**

16. Current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance income taxes including TDS receivable (net of provision for tax ₹ 10,715.26, previous year ₹ 10,715.26 million)	2,499.26	3,293.13
	2,499.26	**3,293.13**

17. Deferred tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Loans		
Expected credit loss	95.88	873.07
Unamortised processing fees - EIR on lending	13.25	10.16
Employee benefit obligations		
Provision for leave accumulation	2.55	2.37
Disallowances under section 43B of the Income tax act, 1961	12.21	11.90
Unused tax losses		
Unused tax losses - accumulated losses	6,914.19	6,038.35
Investments and other financial instruments		
Unrealised loss on Derivatives	5.53	6.03
Fair valuation of investments	847.32	197.76
Fair valuation of investments(FVOCI)	140.42	-
Others	-	14.36
	8,031.35	**7,154.00**
Deferred tax liabilities		
Property, plant and equipment and intangibles		
Difference between book and tax depreciation	186.59	206.46
Investments and other financial instruments		
Unrealised gain on financial instruments	2,220.54	979.09
Borrowings		
Effective interest rate on financial liabilities	92.93	92.91
Others	5.39	-
	2,505.45	**1,278.46**
	5,525.90	**5,875.54**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

18. Investment Property

As at March 31, 2024

Particular	Gross Block				Depreciation and impairment					Net block	Net block
	As at 01-April-2023	Additions during the year	Deductions / adjustments during the year	As at 31-March-2024	As at 01-April-2023	Impairment charge/(reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March-24	As at 31-March-24	As at 31-March-23
Building	250.31	-	(117.69)	132.62	1.06	-	10.26	(4.16)	7.16	125.46	249.25
Total	**250.31**	**-**	**(117.69)**	**132.62**	**1.06**	**-**	**10.26**	**(4.16)**	**7.16**	**125.46**	**249.25**

During the year, The company has sold investment property i.e. Building for an amount of ₹ 106.87 millions and booked loss of ₹ 6.65 millions.

The aforementioned carrying value of investment property is equivalent to fair value. Valuation has been done by independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.

As at March 31, 2023

Particular	Gross Block				Depreciation and impairment					Net block	Net block
	As at 01-April-2022	Additions during the year	Deductions / adjustments during the year	As at 31-March-2023	As at 01-April-2022	Impairment charge/(reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March-23	As at 31-March-23	As at 31-March-22
Land	1,180.27	-	(1,180.27)	-	18.27	(18.27)	-	-	-	-	1,162.00
Building	-	250.31	-	250.31	-	-	1.06	-	1.06	249.25	-
Total	**1,180.27**	**250.31**	**(1,180.27)**	**250.31**	**18.27**	**(18.27)**	**1.06**	**-**	**1.06**	**249.25**	**1,162.00**

During the year, The Company has entered into debt assets swap, wherein the net carrying amount of the investment properties stood at ₹ 228.90 millions as at March 31, 2023 (Previous Year `Nil), the properties taken over by the Company are of residential properties located in metro city.

During the year, The company has sold investment property i.e. Land for an amount of ₹ 1,920.00 millions and booked gain of ₹ 739.73 millions.

The aforementioned carrying value of investment property is equivalent to fair value as transaction is executed in the month of March 2023.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

19. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible Assets		Right to Use Assets		Total
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	
At cost or fair value												
As at April 1, 2022	**988.45**	**4.88**	**35.18**	**0.34**	**25.10**	**57.04**	**1,110.99**	**84.82**	**84.82**	**184.02**	**184.02**	**1,379.83**
Additions	-	-	0.26	-	1.36	1.34	2.96	11.70	11.70	118.48	118.48	133.15
Revaluation gain on building	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(0.18)	-	(4.61)	(1.59)	(25.62)	(32.00)	-	-	(0.82)	(0.82)	(32.82)
Reclassification from/to held for sale												
Other Adjustment	-	2.36	0.36	7.04	1.04	16.77	27.57	-	-	-	-	27.57
as at March 31, 2023	**988.45**	**7.06**	**35.80**	**2.77**	**25.91**	**49.52**	**1,109.52**	**96.53**	**96.53**	**301.68**	**301.68**	**1,507.72**
Additions	-	0.85	0.55	-	0.50	0.44	2.34	26.76	26.76	107.58	107.58	136.68
Revaluation gain / (loss) on building	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(288.18)	(0.99)	(1.25)	(1.81)	(1.78)	(5.24)	(299.25)	-	-	(15.27)	(15.27)	(314.52)
Reclassification from/to held for sale								-		-		-
Other Adjustment	-	-	-	3.34	0.94	3.90	8.18	-	-	-		8.18
as at March 31, 2024	**700.27**	**6.92**	**35.10**	**4.30**	**25.57**	**48.62**	**820.79**	**123.29**	**123.29**	**393.98**	**393.98**	**1,338.06**
Depreciation and Impairment:												
As at April 1, 2022	**123.60**	**2.73**	**22.51**	**(1.05)**	**21.44**	**49.68**	**218.91**	**83.25**	**83.25**	**144.24**	**144.24**	**446.40**
Depreciation/Amortisation for the year	47.88	1.57	3.34	0.34	1.64	2.59	57.36	1.70	1.70	42.79	42.79	101.86
Disposals	-	(0.17)	-	(4.30)	(1.48)	(24.46)	(30.41)	-	-	-	-	(30.41)
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	2.36	0.36	7.04	1.04	16.77	27.57	-	-	-	-	27.57

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	Property, plant and equipment							Other Intangible Assets		Right to Use Assets		Total
	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	
as at March 31, 2023	**171.48**	**6.50**	**26.21**	**2.03**	**22.64**	**44.57**	**273.43**	**84.95**	**84.95**	**187.03**	**187.03**	**545.41**
Depreciation/Amortisation for the year	43.56	0.71	2.54	0.20	1.17	1.87	50.06	4.64	4.64	37.90	37.90	92.60
Disposals	(60.06)	(0.99)	(0.94)	(1.70)	(1.65)	(4.99)	(70.33)	-	-	-	-	(70.33)
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	3.34	0.94	3.90	8.19	-	-	-	-	8.19
as at March 31, 2024	**154.98**	**6.22**	**27.81**	**3.87**	**23.10**	**45.36**	**261.34**	**89.59**	**89.59**	**224.93**	**224.93**	**575.87**
Net Book Value												
As at March 31, 2023	**816.97**	**0.56**	**9.59**	**0.74**	**3.27**	**4.95**	**836.09**	**11.57**	**11.57**	**114.64**	**114.64**	**962.31**
As at March 31, 2024	**545.29**	**0.70**	**7.29**	**0.43**	**2.47**	**3.27**	**559.44**	**33.69**	**33.69**	**169.05**	**169.05**	**762.19**

Note:

Charge against secured redeemable non-convertible debentures (Refer note 22.B)

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

19A Intangible assets under development:

As at March 31, 2024

(a) Intangible assets under development:

Intangible assets under development aging schedule

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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

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	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

As at March 31, 2023

(a) Intangible assets under development:

Intangible assets under development aging schedule

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	16.72	-	-	-	16.72
Projects temporarily suspended	-	-	-	-	-

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

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	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

20. Other non-financial assets

	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless stated otherwise)		
Balances with government authorities	326.58	347.42
Contribution to gratuity fund (net)	36.71	34.01
Prepaid expenses	122.22	147.83
Vendor advances	19.83	41.11
Advances to employees	1.31	0.68
	506.65	**571.05**

21. Trade Payables

	As at March 31, 2024	As at March 31, 2023
Payable to :		
(i) total outstanding dues of micro enterprises and small enterprises	0.17	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,549.64	6,440.16
Trade payables to related parties (refer note 48 related party disclosure)	237.96	291.34
	7,787.77	**6,731.50**

21.A Details of dues to micro and small enterprises

Trade Payables includes ₹ 0.17 Millions (March 31, 2023: Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest amounting to 0.17 Millions has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

21.B Trade payable days past due

As at March 31, 2024	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.17	-	-	-	0.17
(ii) Others	7,761.62	17.97	0.81	7.20	7,787.61
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	**7,761.79**	**17.97**	**0.81**	**7.20**	**7,787.77**

As at March 31, 2023	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	6,681.8	37.12	0.05	12.52	6,731.50
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	**6,681.81**	**37.12**	**0.05**	**12.52**	**6,731.50**

Unbilled amount due as of March 2024 is ₹ 215.96 millions (March 2023 - ₹ 190.11 millions).

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

22. Debt securities

	As at March 31, 2024	As at March 31, 2023
at amortised cost		
(Refer Note 22.A and 22.B)		
Redeemable non-convertible debentures - secured		
Privately placed*	12,420.28	21,939.41
Public issue*	8,354.21	17,043.95
Market linked debentures*	24.01	39.90
Compulsory Convertible Debentures - unsecured		
9% Compulsory Convertible debentures ***	2,601.51	7,350.18
Redeemable non-convertible debentures - unsecured		
Privately placed	119.68	151.78
Commercial papers - unsecured	1,820.00	3,570.00
Less: Unamortised discount	(41.20)	(119.20)
	1,778.80	**3,450.80**
Total	**25,298.49**	**49,976.02**
Debt securities in India	25,298.49	49,976.02
Debt securities outside India	-	-
Total	**25,298.49**	**49,976.02**

***During the year, the Company has availed the fair valuation report of Compulsorily convertible debentures (CCD) issued to Caisse de depot et placement du Quebec (CDPQ). Based on the conversion price and various other conditions as per the terms of the conversion mechanism as agreed in the Shareholders' agreement with CDPQ and the minimum conversion price as per the relevant FEMA guidelines, the management has reviewed the fair valuation of the CCD as at March 31, 2024 and fair value gain on the CCD of ₹4,891.57 millions accounted appropriately in financial result of the current year. Currently, CDPQ is in discussions to sell off these CCDs and pursuant to that, the Company and CDPQ have entered into an agreement and mutually agreed to extend the CCD conversion tenor. The new tenor will be from May07, 2024 to May 25th (in case Closing event does not occur before May 25, 2024) or July 15, 2024 (in case Closing event occur before May 25, 2024) as the case may be.

*Company had also bought back its own debt and such outstanding balance amounting to ₹ 3,560.45 millions (Public Issue - ₹ 3,552.65 millions, MLD - ₹ 7.8 millions. (P.Y- Public issue - ₹ 2,947.42 millions, Private issue - ₹ 214.25 millions, MLD - ₹ 2,333.7) is netted off from the above figure.

22.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2024

Redeemable non-convertible debentures - secured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
May 2024	144.51	-	674.13	296.75	-	1,115.39
Oct 2024	-	-	1,500.00	-	-	1,500.00
Nov 2024	99.02	-	861.02	473.09	-	1,433.12
Dec 2024	-	-	-	200.00	-	200.00
Feb 2025	-	-	-	50.00	-	50.00
Mar 2025	-	-	-	100.00	-	100.00
Apr 2025	-	-	100.00	-	-	100.00
Aug 2025	-	-	30.00	-	-	30.00
Sep 2025	-	-	70.00	-	-	70.00
Oct 2025	-	-	325.00	-	-	325.00
Nov 2025	-	-	-	360.00	-	360.00
Dec 2025	-	-	260.00	-	-	260.00
Jan 2026	-	-	8.00	-	-	8.00
Mar 2026	-	-	650.00	-	-	650.00
May 2026	-	-	200.00	-	-	200.00
Jun 2026	-	-	225.00	-	-	225.00
Aug 2026	-	-	-	-	12.20	12.20
Mar 2027	-	-	5,000.00	-	-	5,000.00

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Sep 2027	-	1,250.00	-	-	-	1,250.00
Aug 2028	-	-	2,274.25	1,800.00	-	4,074.25
Jan 2029	-	-	-	2,350.00	-	2,350.00
May 2029	-	-	315.46	55.72	-	371.18
Nov 2029	-	-	323.36	114.31	-	437.67
	243.52	**1,250.00**	**12,816.21**	**5,799.88**	**12.20**	**20,121.81**
Add: interest accrued & effective interest rate amortisation						676.69
						20,798.50

*MLD represents market linked debentures

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Apr 2026	-	-	110.00	-	-	110.00
	-	**-**	**110.00**	**-**	**-**	**110.00**
Add: interest accrued & effective interest rate amortisation						9.68
						119.68

As at March 31, 2023

Redeemable non-convertible debentures - secured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
May 2023	-	-	2,000.00	-	-	2,000.00
Jun 2023	-	-	6,250.00	-	-	6,250.00
Jul 2023	-	-	-	-	22.50	22.50
Aug 2023	-	-	3,910.86	-	4.00	3,914.86
Oct 2023	-	-	2,250.00	-	-	2,250.00
Jan 2024	456.64	-	1,503.52	1,790.88	-	3,751.04
May 2024	144.51	-	674.13	296.75	-	1,115.39
Nov 2024	99.02	-	861.02	473.09	-	1,433.13
Dec 2024	-	-	-	200.00	-	200.00
Feb 2025	-	-	-	50.00	-	50.00
Mar 2025	-	-	-	100.00	-	100.00
Apr 2025	-	-	100.00	-	-	100.00
Aug 2025	-	-	30.00	-	-	30.00
Sep 2025	-	-	70.00	-	-	70.00
Oct 2025	-	-	325.00	-	-	325.00
Nov 2025	-	-	-	360.00	-	360.00
Dec 2025	-	-	260.00	-	-	260.00
Jan 2026	-	-	8.00	-	-	8.00
Mar 2026	-	-	650.00	-	-	650.00
May 2026	-	-	200.00	-	-	200.00
Jun 2026	-	-	225.00	-	-	225.00
Aug 2026	-	-	-	-	13.40	13.40
Mar 2027	-	-	5,000.00	-	-	5,000.00
Sep 2027	-	1,250.00	-	-	-	1,250.00

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Aug 2028	-	-	2,944.22	1,800.00	-	4,744.22
Jan 2029	-	-	-	2,350.00	-	2,350.00
May 2029	-	-	315.46	55.72	-	371.18
Nov 2029	-	-	323.36	114.31	-	437.67
	700.17	**1,250.00**	**27,900.57**	**7,590.75**	**39.90**	**37,481.39**
Add: interest accrued & effective interest rate amortisation						1,541.87
						39,023.26

*MLD represents market linked debentures

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Aug 2023	-	-	-	-	21.60	21.60
Apr 2026	-	-	110.00	-	-	110.00
	-	**-**	**110.00**	**-**	**21.60**	**131.60**
Add: interest accrued & effective interest rate amortisation						20.18
						151.78

*MLD represents market linked debentures

Commercial papers - unsecured

As at March 31, 2024

Month	Rate of Interest				Grand total
	7% - 8%	**8% - 9%**	**9% - 10%**	**10% - 11%**	
May 2024	-	-	300.00	-	300.00
June 2024	-	-	350.00	-	350.00
July 2024	-	-	1,170.00	-	1,170.00
	-	**-**	**1,820.00**	**-**	**1,820.00**
Add: Unamortisation discount					(41.20)
					1,778.80

As at March 31, 2023

Month	Rate of Interest				Grand total
	7% - 8%	8% - 9%	9% - 10%	10% - 11%	
Apr 2023	-	550.00	920.00	-	1,470.00
Jul 2023	-	-	600.00	-	600.00
Dec 2023	-	-	1,500.00	-	1,500.00
	-	**550.00**	**3,020.00**	**-**	**3,570.00**
Add: Unamortised Discount					(119.20)
					3,450.80

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

22.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

During the current year, the Company has raised ₹ Nil (previous year ₹ Nil) worth of redeemable non-convertible debentures through private issue .Company has utilised the whole of the net proceeds towards the objects of the issue as stated in the respective issue prospectus.

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets)

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, investments and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

Compulsory Convertible Debentures

9.00%, Compulsory Convertible Debentures (CCD) of ₹ 100 each fully paid are compulsory convertible into equity shares at conversion rate to be decided based on fair value of equity shares, at any time after 24 months from the date of allotment and within 5 years from date of allotment.

23. Borrowings (other than debt securities)

(at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Secured		
Term loan from bank	7,169.43	9,324.38
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Refer Note 23.A)		
Term loans from financial institutions	644.58	1,025.00
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Refer note 23.A)		
Other borrowings		
Cash credit lines	1,303.17	1,348.33
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Repayable on demand, Interest rate payable in the range of 8.65% to 11.30%)		
Working capital demand loan	5,000.01	6,700.00
[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
(Repayable on demand, Interest rate payable in the range of 8.65% to 11.55%)		

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
Tri party REPO		
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement [Secured by pledge of government securities] [Repayable on April 02,2024 (Repayable on April 03,2023)]	19,799.72	18,958.39
Unsecured		
Loan from related parties (refer note 49) (Repayable on demand, Interest rate payable in the range of 10.16% to 14.50%)	-	14.27
Total	**33,916.91**	**37,370.37**
Borrowings in India	33,916.91	37,370.37
Borrowings from outside India	-	-
Total	**33,916.91**	**37,370.37**

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2024

Term loan from bank & term loan from other parties

Month	Rate of Interest					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	14% - 15%	
Apr 2024	-	-	114.58	175.00	-	289.58
May 2024	-	-	129.58	185.77	-	315.35
Jun 2024	-	150.00	282.08	35.77	-	467.85
Jul 2024	-	-	179.58	35.77	-	215.35
Aug 2024	-	-	129.58	185.34	-	314.92
Sep 2024	-	150.00	282.08	35.77	-	467.85
Oct 2024	-	-	129.58	134.55	-	264.13
Nov 2024	-	-	129.58	35.77	-	165.35
Dec 2024	-	150.00	282.08	35.77	-	467.85
Jan 2025	-	-	168.33	35.77	-	204.10
Feb 2025	-	-	110.00	35.77	-	145.77
Mar 2025	-	150.00	250.68	16.67	-	417.35
Apr 2025	-	-	105.00	16.67	-	121.67
May 2025	-	-	105.00	16.67	-	121.67
Jun 2025	-	219.88	107.50	16.67	-	344.05
Jul 2025	-	-	105.00	16.67	-	121.67
Aug 2025	-	-	105.00	16.67	-	121.67
Sep 2025	-	-	107.50	16.67	-	124.17
Oct 2025	-	-	105.00	-	-	105.00
Nov 2025	-	-	105.00	-	-	105.00
Dec 2025	-	-	107.50	-	-	107.50
Jan 2026	-	-	90.00	-	-	90.00
Feb 2026	-	-	90.00	-	-	90.00
Mar 2026	-	-	92.50	-	-	92.50
Apr 2026	-	-	90.00	-	-	90.00
May 2026	-	-	90.00	-	-	90.00
Jun 2026	-	-	92.50	-	-	92.50
Jul 2026	-	-	90.00	-	-	90.00
Aug 2026	-	-	90.00	-	-	90.00
Sep 2026	-	-	92.50	-	-	92.50
Oct 2026	-	-	90.00	-		90.00

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Month	Rate of Interest					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	14% - 15%	
Nov 2026	-	-	90.00	-		90.00
Dec 2026	-	-	92.50	-	-	92.50
Jan 2027	-	-	90.00	-	-	90.00
Feb 2027	-	-	90.00	-	-	90.00
Mar 2027	-	-	92.50	-	-	92.50
Apr 2027	-	-	90.00	-	-	90.00
May 2027	-	-	90.00	-		90.00
Jun 2027	-	-	92.50	-		92.50
Jul 2027	-	-	90.00	-		90.00
Aug 2027	-	-	90.00	-		90.00
Sep 2027	-	-	92.50	-		92.50
Oct 2027	-	-	90.00	-		90.00
Nov 2027	-	-	90.00	-		90.00
Dec 2027	-	-	93.50	-		93.50
Jan 2028	-	-	90.00	-		90.00
Feb 2028	-	-	90.00	-		90.00
Mar 2028	-	-	37.00	-		37.00
Apr 2028	-	-	90.00	-		90.00
May 2028	-	-	90.00	-		90.00
Jun 2028	-	-	37.00	-		37.00
Jul 2028	-	-	90.00	-		90.00
Aug 2028	-	-	83.00	-		83.00
Sep 2028	-	-	39.00	-		39.00
Oct 2028	-	-	46.00	-		46.00
	-	**819.88**	**6,013.23**	**1,047.74**	**-**	**7,880.85**
Add: interest accrued & effective interest rate amortisation						(66.84)
						7,814.01

As at March 31, 2023

Term loan from bank & term loan from other parties

Month	Rate of Interest					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	14% - 15%	
Apr 2023	-	222.22	488.93	225.00	-	936.15
May 2023	-	372.22	100.18	35.77	-	508.17
Jun 2023	-	472.22	250.18	157.95	-	880.35
Jul 2023	-	217.24	150.18	110.77	-	478.19
Aug 2023	-	150.00	100.18	35.77	-	285.95
Sep 2023	-	305.50	350.18	110.77	-	766.45
Oct 2023	-	-	556.52	110.77	-	667.29
Nov 2023	-	150.00	100.18	35.77	-	285.95
Dec 2023	-	305.50	250.19	110.77	-	666.46
Jan 2024	-	-	150.19	110.77	-	260.96
Feb 2024	-	150.00	100.19	35.77	-	285.96
Mar 2024	-	250.15	341.09	110.77	-	702.01
Apr 2024	-	-	119.59	110.77	-	230.36
May 2024	-	150.00	19.59	35.77	-	205.36
Jun 2024	-	205.50	169.59	35.77	-	410.86
Jul 2024	-	-	69.58	35.77	-	105.35
Aug 2024	-	149.57	19.58	35.77	-	204.92
Sep 2024	-	205.50	169.58	35.77	-	410.85
Oct 2024	-	-	118.36	35.77	-	154.13
Nov 2024	-	-	19.58	35.77	-	55.35

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Month	Rate of Interest					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	14% - 15%	
Dec 2024	-	205.50	169.58	35.77	-	410.85
Jan 2025	-	-	58.33	35.77	-	94.10
Feb 2025	-	-	-	35.77	-	35.77
Mar 2025	-	205.50	138.18	16.67	-	360.35
Apr 2025	-	-	-	16.67	-	16.67
May 2025	-	-	-	16.67	-	16.67
Jun 2025	-	275.38	-	16.67	-	292.05
Jul 2025	-	-	-	16.67	-	16.67
Aug 2025	-	-	-	16.67	-	16.67
Sep 2025	-	55.50	-	16.67	-	72.17
Oct 2025	-	-	-	-	-	-
Nov 2025	-	-	-	-	-	-
Dec 2025	-	55.50	-	-	-	55.50
Jan 2026	-	-	-	-	-	-
Feb 2026	-	-	-	-		-
Mar 2026	-	55.50	-	-		55.50
Apr 2026	-	-	-	-		-
May 2026	-	-	-	-		-
Jun 2026	-	55.50	-	-		55.50
Jul 2026	-	-	-	-		-
Aug 2026	-	-	-	-		-
Sep 2026	-	55.50	-	-		55.50
Dec 2026	-	55.50	-	-		55.50
Mar 2027	-	55.50	-	-		55.50
Jun 2027	-	55.50	-	-		55.50
Sep 2027	-	55.50	-	-	-	55.50
Dec 2027	-	56.50	-	-		56.50
	-	**4,548.00**	**4,009.73**	**1,775.81**	**-**	**10,333.54**
Add: interest accrued & effective interest rate amortisation						15.84
						10,349.38

24. Subordinated liabilities (unsecured)

(at amortised cost)

(Refer Note 24.A)

	As at March 31, 2024	As at March 31, 2023
Subordinated debt		
Privately placed non-convertible redeemable	7,817.42	9,316.60
Public issue of non-convertible redeemable	-	-
Market linked debentures	-	746.50
Perpetual debt	**3,273.80**	**3,272.54**
Total	**11,091.22**	**13,335.64**
Subordinated liabilities in India	11,091.22	13,335.64
Total	**11,091.22**	**13,335.64**

*Company had also bought back its own debt and such outstanding balance amounting to ₹2.04 millions (P.Y. Rs.2.03 millions) is netted of from the above figure.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

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

As at March 31, 2024

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	**10% - 11%**	**11% - 12%**	**MLD***	
May 2025	-	-	2,998.00	-	2,998.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	**2,700.00**	**2,998.00**	**-**	**7,498.00**
Add: interest accrued & effective interest rate amortisation					319.42
					7,817.42

*MLD represents market linked debentures

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	**10% - 11%**	**11% - 12%**	
May 2027	-	3,000.00	-	3,000.00
	-	**3,000.00**	**-**	**3,000.00**
Add: interest accrued & effective interest rate amortisation				273.80
				3,273.80

As at March 31, 2023

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	**10% - 11%**	**11% - 12%**	**MLD***	
Jun 2023	673.90	-	10.00	-	683.90
Jul 2023	-	-	-	98.00	98.00
Aug 2023	-	-	-	648.50	648.50
May 2025	-	-	2,998.00	-	2,998.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	2,473.90	**2,700.00**	**3,008.00**	**746.50**	**8,928.40**
Add: interest accrued & effective interest rate amortisation					1,134.70
					10,063.10

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	**3,000.00**	**-**	**3,000.00**
Add: interest accrued & effective interest rate amortisation				272.54
				3,272.54

*MLD represents market linked debentures

24.B Details of subordinated liabilities:

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment. if call option is not exercised.

25. Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Payable on account of securitisation (refer note 15.(3))	1,109.16	2,469.28
Accrued salaries and benefits	248.71	167.59
Payable for Equity share sale	199.64	-
Rental Deposits	18.59	25.76
Lease liabilities (refer note 40.C)	276.08	127.57
Payable to trust	-	9,100.98
Other payable	76.24	45.24
	1,928.42	**11,936.42**

26. Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Provision for taxation (net of advance Tax ₹ Nil, previous year ₹ Nil)	-	-
	-	**-**

27. Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (Refer Note 39.A)	-	-
Compensated leave absences	10.13	9.40
	10.13	**9.40**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

28. Other non-financial liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory liabilities*	28.36	152.07
Advances from customers	57.80	-
Others	43.89	44.82
	130.05	**196.89**

* Includes withholding taxes, Provident fund, profession tax and other statutory dues payables

During the year Company has transferred amount of ₹ 1.43 million to Investor education and protection fund(P.Y. Nil)

29. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No of shares	**Amount**	**No of shares**	**Amount**
Authorised :				
Equity shares of ₹1 each	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00
Preference shares of ₹10 each	40,00,000	40.00	40,00,000	40.00
	6,70,40,00,000	**6,740.00**	**6,70,40,00,000**	**6,740.00**
Issued, subscribed and paid up:				
Equity shares of ₹1 each	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27
	2,13,82,67,650	**2,138.27**	**2,13,82,67,650**	**2,138.27**

A. Reconciliation of number of shares

	As at March 31, 2024		As at March 31, 2023	
	No of shares	**Amount**	**No of shares**	**Amount**
Outstanding at the beginning of the year	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27
Outstanding at the end of the year	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27

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

	As at March 31, 2024		As at March 31, 2023	
	No of shares	**% holding**	**No of shares**	**% holding**
Ultimate holding company#				
Edelweiss Financial Services Limited	4	0.00%	1,58,82,11,650	74.27%
Holding company				
Edel Finance Company Limited	2,13,82,16,646	99.99%	-	-
Fellow subsidiaries				
Edel Finance Company Limited	-	-	55,00,00,000	25.72%
	2,13,82,16,650	**99.99%**	**2,13,82,11,650**	**99.99%**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

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

	As at March 31, 2024		As at March 31, 2023	
	No of shares	**% holding**	**No of shares**	**% holding**
Edelweiss Financial Services Limited	4	0.00%	1,58,82,11,650	74.27%
Edel Finance Company Limited	2,13,82,16,646	99.99%	55,00,00,000	25.72%
	2,13,82,16,650	**99.99%**	**2,13,82,11,650**	**99.99%**

E. Details of shares held by promoters in the Company

	As at March 31, 2024		% Change
	No of shares	**% holding**	**During the Year**
Edelweiss Financial Services Limited #	4	0.00%	-74.28%
Edel Finance Company Limited	2,13,82,16,646	99.99%	74.28%
	2,13,82,16,650	**99.99%**	**-**

	As at March 31, 2023		% Change
	No of shares	**% holding**	**During the Year**
Edelweiss Financial Services Limited	1,58,82,11,650	74.27%	-25.72%
Edal Finance Company Limited	55,00,00,000	25.72%	25.72%
	2,13,82,11,650	**99.99%**	**-**

including 4 Shares (Previous Year:- 6 shares) held by nominees of Edelweiss Financial Services Limited

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

G. Company has not issued any shares for consideration other than cash

30. Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium reserve	11,879.96	11,879.96
Statutory reserve	5,679.56	5,409.19
Debenture redemption reserve	231.47	774.84
Retained earnings	7,783.82	6,067.19
Deemed capital contribution - equity	140.02	140.02
Revaluation Reserve	255.50	306.54
Other Comprehensive income on Equity instrument	(417.53)	-
	25,552.81	**24,577.74**

A. Nature and purpose of reserves

a. 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.

b. Statutory reserve

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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

c. **Debenture redemption reserve**

The Company being an NBFC is required to create and maintain debenture redemption reserve (DRR) equivalent to 25% of the public issue of debentures, as required by Companies Act, 2013. The amounts credited to the DRR may not be utilised except on redemption of such debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the recent amendment to the Companies Act 2013, NBFCs are no longer required to create and maintain DRR. Accordingly, the Company has not created incremental DRR on existing public issue of debentures, post the said amendment, though the Company continues to maintain the DRR created earlier till the maturity of these debentures.

d. **Retained earnings**

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

e. **Deemed capital contribution - equity**

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

f. **Revaluation Reserve**

The revaluation reserve relates to the revaluation of property, plant and equipment.

g. **Other Comprehensive income on Equity instrument**

The fair value change of the equity instruments measured at fair value through Other Comprehensive Income is recognised and reflected under Equity Instruments through Other Comprehensive Income.

B. Movement in Other equity

	As at March 31, 2024	As at March 31, 2023
I. Securities premium reserve		
Opening balance	11,879.96	11,879.96
Add : Premium Received on issue of securities	-	-
	11,879.96	**11,879.96**
II. Statutory reserve		
Opening balance	5,409.19	5,187.49
Add : Reserve created for the year	270.37	221.70
	5,679.56	**5,409.19**
III. Debenture redemption reserve		
Opening balance	774.84	1,007.43
Add : Reserve created for the year	-	-
Less: transferred to retained earnings	(543.37)	(232.59)
	231.47	**774.84**
IV. Retained earnings		
Opening balance	6,067.19	4,904.54
Add: Profit/(Loss) for the year	1,351.87	1,108.41
Add: Other comprehensive income	(6.78)	(8.36)
Add: transferred from debenture redemption reserve	543.37	232.59
Less: Transferred to statutory reserve	-	-
Less: Reversal of ESOP liabilities to reserve	47.51	21.42
Less: Impact of Lease accounting	-	-
Add: Balance released from revaluation reserve	51.04	30.29
Amount available for appropriation	**8,054.19**	**6,288.89**
Appropriations:		
Transfer to debenture redemption reserve	-	-
Transfer to statutory reserve	(270.37)	(221.70)
	(270.37)	**(221.70)**
	7,783.82	**6,067.19**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
V. Deemed capital contribution - equity		
Opening balance	140.02	140.02
Add : ESOP charge for the year	-	-
	140.02	**140.02**
VI. Revaluation Reserve		
Opening Balance	306.54	336.83
Less : Reserve reversed during the year	-	-
Less : Transferred to retained earnings	(51.04)	(30.29)
	255.50	**306.54**
VII. Other Comprehensive income on Equity instrument		
Opening Balance	-	-
Add : Addition during the year	(417.53)	-
Less : Transferred to retained earnings	-	-
	(417.53)	**-**
	25,552.81	**24,577.74**

31. Interest Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
Interest on loans		
Loans	3,339.55	8,938.57
Interest income from investments		
Investment in preference shares	-	81.64
Interest on deposits with bank		
Fixed deposits	33.48	44.29
Other interest income		
Margin with brokers	2.06	6.15
Others	141.30	119.22
	3,516.39	**9,189.87**
On financial assets measured at FVTPL		
Interest income from investments		
Interest income from investments	1,708.90	728.22
Interest income - AIF	77.74	245.61
	1,786.64	**973.83**
On financial assets measured at FVOCI		
Interest on loans		
Loans	129.54	-
	5,432.57	**10,163.70**

32. Dividend Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend - Investment	1.40	-
	1.40	**-**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

33. Fee income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Advisory and other fees	736.07	835.80
	736.07	**835.80**

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain/ (loss) on financial instruments classified at FVTPL		
(i) On Trading Portfolio		
Investments		
Profit on trading - Investment (net)	956.92	(122.67)
Fair value - Investment (net)	23.29	5.74
Fair value gain - P&L - equity	25.37	2.19
Derivatives		
Profit on trading - Interest rate swap (net)	64.41	(16.96)
Profit on trading - Equity derivative instruments (net)	125.98	-
Profit / (loss) on trading - Interest rate derivative instruments (net)	(104.56)	(90.97)
Fair value - Derivative financial instruments (net)	42.74	26.24
(ii) Others		
Profit on sale/redemption - Security receipts	1,888.65	1,034.69
Fair value - Security receipts	(1,245.47)	73.31
Profit on sale/redemption - AIFs	716.24	28.61
Fair value - AIFs	(1,174.46)	1,012.50
Fair value - debt instruments (CCD) (Refer note 38.A)	4,891.57	2,100.00
	6,210.68	**4,052.68**
Fair value changes		
Realised	3,647.64	832.70
Unrealised	2,563.04	3,219.98
	6,210.68	**4,052.68**

35. Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of fixed assets (net)	156.68	-
Interest on income tax refund	75.15	132.65
Other miscellaneous income (Refer note 40.D)	124.98	97.40
	356.81	**969.78**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

36. Finance costs

On financial liabilities measured at amortised cost

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings other than debt securities	3,093.77	3,044.97
Interest on debt securities	4,560.69	6,091.94
Interest on subordinated liabilities	742.00	752.25
Other finance cost and bank charges	245.01	282.46
Interest on lease liabilities (Refer note 40.C)	13.06	14.26
	8,654.53	**10,185.88**

37. Net loss on derecognition of financial instruments

(Refer note 38.A)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss on sale of credit impaired assets (Refer note 53.D)	2,562.92	1,985.58
	2,562.92	**1,985.58**

38. Impairment on financial instruments

(Refer note 38.A)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected credit loss		
- Loans (Including undrawn commitments) Measured at Amortised Cost	(3,034.62)	(187.52)
- Loans (Including undrawn commitments) Measured at FVOCI	41.30	-
Bad debts and advances written off/(write back) (net)	325.24	92.35
Trade receivables	(63.61)	(6.43)
Other Credit Cost	-	0.22
Impairment on Investment Property	-	(18.27)
	(2,731.69)	**(119.65)**

38.A Note:-Under the Shareholders' Agreement dated March 5, 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and the Company (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 state/structured finance Loans (Select Loans) into the Company within six months of the default leading to loss incurred by the Company 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 the Company unimpacted on account of impairment in these loan accounts. During the previous year ended March 31, 2023, Parties have discussed and agreed 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 ₹ 913.00 millions incurred by the Company in earlier years. Accordingly, ECLF has recorded such recovery in its profit and loss account for the year ended March 31, 2024.

The loss amounting to ₹ 1295.20 millions incurred by the Company in earlier years. Accordingly, ECLF has recorded such recovery in its profit and loss account for the year ended March 31, 2023.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

39. Employee benefit expenses

	March 31, 2024	March 31, 2023
Salaries wages and bonus	731.73	708.19
Contribution to provident and other funds	23.19	34.47
Expense on share based payments - refer note below	2.14	3.01
Staff welfare expenses	14.53	21.71
Employee Stock Appreciation Rights (ESAR) - Refer note below	9.00	14.67
	780.59	**782.05**

Notes:

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

39.A Employee Benefits

a) Defined contribution plan - provident funds

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 ₹ 27.18 million (March 31, 2023 : ₹28.23 million) for provident fund and other contributions in the Statement of profit and loss.

b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Present value of funded obligations (A)	44.26	41.61
Fair value of plan assets (B)	80.97	75.62
Present value of funded obligations (A - B)	**(36.71)**	**(34.01)**
Net deficit / (assets) are analysed as:		
Liabilities - (refer note 27)	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Movement in net defined benefit (asset) liability

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

Particulars	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balance	41.61	47.81	75.62	85.83	(34.01)	(38.03)
Current service cost	5.10	6.53		-	5.10	6.53
Interest cost (income)	2.91	2.74	14.69	5.04	(11.78)	(2.30)
	49.62	**57.08**	**90.31**	**90.87**	**(40.69)**	**(33.80)**
Other comprehensive income						
Remeasurement loss (gain):		-		-	-	-
Experience	3.51	(1.54)	(0.03)	(3.34)	3.54	1.80
Financial assumptions	(3.79)	(2.54)	-	-	(3.79)	(2.54)
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-	(9.31)	(11.91)	9.31	11.91
	(0.28)	**(4.08)**	**(9.34)**	**(15.25)**	**9.06**	**11.17**
Others						
Transfer in/ (out)	(0.66)	(1.31)	-	-	(0.66)	(1.31)
Contributions by employer		-	4.42	10.08	(4.42)	(10.08)
Benefits paid	(4.42)	(10.08)	(4.42)	(10.08)	-	-
Closing balance	**44.26**	**41.61**	**80.97**	**75.62**	**(36.71)**	**(34.01)**
Represented by						
Net defined benefit asset					36.71	34.01
Net defined benefit liability					-	-
					36.71	**34.01**

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Recognised in statement of profit or loss		
Current service cost	5.10	6.53
Interest cost / (income) (net)	(11.78)	(2.30)
Total	**(6.68)**	**4.23**
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	9.06	11.17
Total	**9.06**	**11.17**

Percentage break-down of total plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Investment funds with insurance company		
Of which. unit linked	49.50	95.60
Cash and cash equivalents	50.50	4.40
	100.00	**100.00**

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.00%	7.10%
Salary growth rate	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	16.00%	16.00%
Mortality rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remaining working lives of employees	4.5 Years	4 Years
Interest rate on net DBO/ (asset) (% p.a.)	7.10%	5.90%

Notes:

a) The discount rate is based on the benchmark yields available on Government Bonds at reporting date.

b) The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

c) Assumptions regarding future mortality experience are set in accordance with the published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

Sensitivity analysis:

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

	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	1.71	(1.69)	1.78	(1.72)
Discount Rate (+/- 1%)	(1.68)	0.17	(1.70)	1.80
Withdrawal Rate (+/- 1%)	0.01	(0.01)	0.01	(0.01)

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.

Description of asset liability matching (ALM) policy

The Company has an insurance plan 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 weighted average duration of the obligation is 4.5 years (March 31, 2023: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Asset liability comparisons

Particulars	March 31, 2024	March 31, 2023	March 31, 2021	March 31, 2020	March 31, 2019
Present value of DBO	44.26	41.61	55.22	102.01	93.02
Fair value of plan assets	80.97	75.62	118.19	97.24	88.62
Net (assets)/liability	**(36.71)**	**(34.01)**	**(62.97)**	**4.77**	**4.40**

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.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

40. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement and business promotion	2.83	31.73
Auditors' remuneration (refer note 40.A)	18.96	17.37
Commission and brokerage	9.00	31.45
Communication	-	0.42
Directors' sitting fees	6.00	3.02
Insurance	2.63	2.64
Legal and professional fees	508.30	613.03
Management fees paid to Asset reconstruction companies	124.97	278.13
Printing and stationery	2.24	2.37
Rates and taxes	6.32	6.23
Rent (refer note 40.C & 40.D)	49.50	42.85
Repairs and maintenance (refer note 40.D)	5.96	36.43
Electricity charges (refer note 40.D)	10.21	9.22
Computer expenses	153.56	173.51
Corporate social responsibility (refer note 40.B)	-	-
Corporate guarantee commission	0.08	0.05
Clearing & custodian charges	4.66	1.18
Dematerialisation charges	1.97	2.70
Rating support fees	18.74	21.76
Loss/ (Profit) on sale of property, plant and equipment	5.82	(2.78)
Membership and subscription	3.19	2.54
Office expenses (refer note 40.D)	50.16	74.03
Securities transaction tax	30.41	0.92
Goods & service tax expenses	201.80	239.38
Stamp duty	113.07	13.44
Transaction Charges	110.47	61.64
Travelling and conveyance	17.63	15.56
Miscellaneous expenses	54.35	50.87
Housekeeping and security charges (refer note 40.D)	11.27	12.22
	1,524.10	**1,741.91**

40.A Auditors' remuneration:

	For the year ended March 31, 2024	For the year ended March 31, 2023
As a Auditor		
Statutory audit fees	9.50	9.50
Limited review fees	6.00	6.00
Fees for debentures issuances/Certification work	2.50	0.85
Towards reimbursement of expenses	0.96	1.02
	18.96	**17.37**

40.B Details of CSR Expenditure:

As per the provisions of section 135 of the Companies Act, 2013, every company including its holding or subsidiary and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Since the Company does not satisfy condition related to net average profit ""average net profits of the Company made during the three immediately preceding financial years"" as mentioned in the provisions of section 135 of the Company's Act 2013, the Company is not required to comply the provisions of section 135 of Companies Act 2013.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

40.C Ind AS 116 on Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application.

Right to use of assets

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	114.65	39.78
Addition / disposal during year	92.31	117.66
Depreciation expenses	(37.90)	(42.79)
Closing balance	**169.05**	**114.65**

Lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	127.57	51.66
Addition/closed during year	182.67	114.75
Accretion of interest	13.06	14.26
Payments during the year	(47.22)	(53.10)
Closing balance	**276.08**	**127.57**

Amount recognised in statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expenses - right of use assets	37.90	42.79
Interest expenses on lease liabilities	13.06	14.26
Expenses relating to short term leases (included in other expenses)	49.50	42.85
Total amount recognised in statement of profit and loss	**100.46**	**99.90**

40.D Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 39 and 40 include reimbursements paid and are net of reimbursements received based on the management's best estimate are ₹ 28.30 millions (previous year ₹ 57.36 millions)

41. Income tax

Component of income tax expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	492.35	234.86
Total tax charge for the year	**492.35**	**234.86**
Current tax (refer note 41.A)	-	-
Deferred tax (refer note 41.B)	492.35	234.86

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

41.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before taxes	1,844.22	1,343.27
Statutory income tax rate	25.17%	25.17%
Tax charge at statutory rate	464.15	338.07
Tax effect of :		
A) Adjustment in respect of current income tax of prior year	-	-
B) Income not subject to tax or chargeable to lower tax rate	-	-
C) Tax impact due to revaluation of deferred tax due to change in Income tax rate*	-	-
D) Item on which no deferred tax is created	(7.04)	(62.35)
E) Deferred tax created on item, on which deferred tax not created in previous year	-	-
F) Tax effects on various other items	35.24	(40.86)
Total tax reported in statement of profit and loss	**492.35**	**234.86**
Effective income tax rate	**26.70%**	**17.48%**

Note ; During the year ended March 31, 2024, the Company has accounted for deferred tax liability of ₹ 492.35 millions on fair value gain and other components.

41.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

For the year ended March 31, 2024	As at April 01, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2024
Deferred tax assets					
Expected credit loss provision	873.07	(777.19)	-	-	95.88
Effective interest rate on financial assets	10.16	3.09	-	-	13.25
Retirement benefits	14.27	(1.79)	2.28	-	14.76
Accumulated Loss	6,038.35	875.84	-	-	6,914.19
Fair valuation gain/loss on SIT/financial instruments/Others	218.15	634.70	-	-	852.85
Equity instruments through Other Comprehensive Income - Security Receipt	-	-	140.42	-	140.42
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(206.46)	19.87	-	-	(186.59)
Effective interest rate on financial liabilities	(92.91)	(0.02)	-	-	(92.93)
Fair valuation of assets and liabilities	(979.09)	(1,241.47)	-	-	(2,220.54)
Interest spread on assignment transactions	-	-	-	-	-
Others	-	(5.39)			(5.39)
Deferred tax asset (net)	**5,875.54**	**(492.36)**	**142.70**	**-**	**5,525.90**

For the year ended March 31, 2023	As at April 01, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2023
Deferred tax assets					
Expected credit loss provision	921.64	(48.57)	-	-	873.07
Effective interest rate on financial assets	15.42	(5.26)	-	-	10.16
Retirement benefits	9.65	1.81	2.81	-	14.27
Accumulated Loss	5,490.93	547.42	-	-	6,038.35
Fair valuation gain/loss on SIT/financial instruments/Others	506.86	(288.71)	-	-	218.15
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(206.51)	0.05	-	-	(206.46)
Revaluation of Property Plant & Equipment		-	-	-	-
Effective interest rate on financial liabilities	(174.55)	81.64	-	-	(92.91)
Fair valuation of assets and liabilities	(455.87)	(523.24)	-	-	(979.09)
Deferred tax asset (net)	**6,107.58**	**(234.86)**	**2.81**	**-**	**5,875.54**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

42. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic Earnings per Share		
Net (Loss) / Profit attributable to Equity holders of the Company - A	1,351.87	1,108.41
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	2,13,82,67,650	2,13,82,67,650
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	2,13,82,67,650	2,13,82,67,650
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,13,82,67,650	2,13,82,67,650
Number of ordinary shares resulting from conversion of CCD (Compulsory Convertible Debentures) - C	56,18,90,162	56,18,90,162
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares) - D (B+C)	2,70,01,57,812	2,70,01,57,812
Basic earnings per share (in rupees) (A/B)	**0.63**	**0.52**
Diluted earnings per share (in rupees) (A/D)	**0.50**	**0.41**

43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

	For the year ended March 31, 2024	For the year ended March 31, 2023
Direct/Indirect tax Litigation pending against the Company	191.40	191.02

Commitment

	For the year ended March 31, 2024	For the year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.21	5.61
Undrawn committed credit lines	410.91	658.87
AIF Undrawn amount	963.76	4,174.98

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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

44. Segment Reporting

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
Capital based business	Income from income from investments
Financing business	Wholesale and retail financing
Treasury	Treasury business represents income from trading activities.

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

Secondary Segment

Since the business operations of the 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.

Segment information as at and for the year ended March 31, 2024

Particulars	Financing business	Treasury	Capital based business	Unallocated	Total
Revenue from Operations					
Interest Income	2,924.57	1,720.95	787.05	-	5,432.57
Other Operating income	6,089.55	873.00	342.41	-	7,304.96
Total Revenue from Operations	**9,014.12**	**2,593.95**	**1,129.46**	**-**	**12,737.53**
Interest Expenses	6,407.94	1,743.57	503.02	-	8,654.53
Other Expenses	2,066.23	166.55	-	6.00	2,238.78
Total Expenses	**8,474.17**	**1,910.12**	**503.02**	**6.00**	**10,893.31**
Segment profit/(loss) before taxation	539.96	683.82	626.44	-6.00	1,844.22
Income Tax Expenses				492.35	492.35
Profit for the year					**1,351.87**
Other Comprehensive Income	-			(424.31)	(424.31)
Total comprehensive income (VII + VIII)					**927.56**
Segment Assets	62,889.42	36,189.56	851.37	8,351.73	1,08,282.08
Segment Liabilities	47,087.29	29,557.59	3,554.09	392.03	80,591.00
Capital expenditure	29.10		-	-	29.10
Depreciation and amortisation	102.86		-	-	102.86
Significant non-cash items	(2,731.69)		-	-	(2,731.69)

Segment information as at and for the year ended March 31, 2023

Particulars	Financing business	Treasury	Capital based business	Unallocated	Total
Revenue from Operations					
Interest Income	8,911.77	747.94	503.99	-	10,163.70
Other Operating income	4,788.73	869.68	67.20	132.65	5,858.26
Total Revenue from Operations	13,700.50	1,617.62	571.19	132.65	16,021.96
Interest Expenses	9,222.18	655.50	308.20	-	10,185.88
Other Expenses	4,382.08	107.71	-	3.02	4,492.81
Total Expenses	13,604.26	763.21	308.20	3.02	14,678.69

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

Particulars	Financing business	Treasury	Capital based business	Unallocated	Total
Segment profit/(loss) before taxation	96.24	854.41	262.99	129.63	1,343.27
Income Tax Expenses	-	-	-	234.86	234.86
Profit for the year					1,108.41
Other Comprehensive Income	-			(8.36)	(8.36)
Total comprehensive income (VII + VIII)					**1,100.05**
Segment Assets	1,03,491.59	27,080.86	6,204.99	9,660.70	1,46,438.14
Segment Liabilities	90,411.63	26,067.26	2,860.51	382.73	1,19,722.13
Capital expenditure	31.38	-	-	-	31.38
Depreciation and amortisation	102.92	-	-	-	102.92
Significant non-cash items	(193.95)	-	-	-	(193.95)

45. Transfer of financial assets

45.A Transferred financial assets that are not derecognised in their entirety

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Securitisations		
Carrying amount of transferred assets (held as Collateral)	2,015.50	3,001.15
Carrying amount of associated liabilities	1,710.87	2,548.20
Fair value of assets	1,359.61	2,150.63
Fair value of associated liabilities	1,031.04	1,662.04
Net position at FV	328.57	488.59

45.B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46.A. Change in liabilities arising from financing activities

Particulars	As at April 01, 2023	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2024
Debt securities	49,976.02	(19,131.17)	(4,891.57)	(654.79)	25,298.49
Borrowings other than debt securities	37,370.37	(3,363.29)	-	(90.17)	33,916.91
Subordinated liabilities	13,335.64	(1,430.40)	-	(814.02)	11,091.22
Lease Liabilities	127.57	(47.22)		195.73	276.08
	1,00,809.60	**(23,972.08)**	**(4,891.57)**	**(1,363.25)**	**70,582.70**

Particulars	As at April 01, 2022	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2023
Debt securities	55,135.92	(3,000.82)	(2,100.00)	(59.08)	49,976.02
Borrowings other than debt securities	39,016.30	(1,502.02)	-	(143.91)	37,370.37
Subordinated liabilities	15,399.31	(1,755.40)	-	(308.27)	13,335.64
Lease Liabilities	51.66	(53.10)	-	129.01	127.57
	1,09,603.19	**(6,311.34)**	**(2,100.00)**	**(382.25)**	**1,00,809.60**

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees, accretion of lease liabilities etc.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

46. B. Operating cash flow before working capital changes has cash losses of ₹3,432.60 million for the year ended 31st March, 2024 (Cash losses of ₹ 3,673.23 million computed basis Companies (Auditor's Report) Order, 2020) is primarily on account of unrealised gain of ₹ 2,554.98 million on financial instruments and reversal of ECL provision of ₹3,056.93 million. Management is confident to realise these unrealised fair value gain in subsequent period during FY 2024-25.

47. 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. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	5,122.09	-	5,122.09	8,757.21	-	8,757.21
Bank balances other than cash and cash equivalents	172.00	105.65	277.65	529.80	25.91	555.71
Derivative financial instruments	711.94	-	711.94	50.21	-	50.21
Trade receivables	5,020.27	0.19	5,020.46	2,312.67	0.34	2,313.01
Loans	5,144.50	7,516.70	12,661.20	19,309.90	15,785.71	35,095.61
Investments	35,591.00	38,387.96	73,978.96	32,838.71	37,934.48	70,773.19
Other financial assets	856.00	234.32	1,090.32	17,807.10	118.11	17,925.21
Non-financial assets						
Current tax assets (net)	-	2,499.26	2,499.26	-	3,293.13	3,293.13
Deferred tax assets (net)	-	5,525.90	5,525.90	-	5,875.54	5,875.54
Investment Property	-	125.46	125.46	-	249.25	249.25
Property, plant and equipment	-	728.49	728.49	-	950.74	950.74
Capital work in progress	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	16.72	16.72
Other intangible assets	-	33.69	33.69	-	11.57	11.57
Other non- financial assets	-	506.65	506.65	-	571.05	571.05
Total Assets	**52,617.80**	**55,664.28**	**1,08,282.08**	**81,605.60**	**64,832.55**	**1,46,438.15**
Financial Liabilities						
Derivative financial instruments	428.01	-	428.01	165.89	-	165.89
Trade payables	7,785.50	2.27	7,787.77	6,731.50	-	6,731.50
Debt securities	7,087.17	18,211.32	25,298.49	23,349.76	26,626.26	49,976.02
Borrowings (other than debt securities)	29,975.93	3,940.98	33,916.91	33,786.73	3,583.64	37,370.37
Subordinated liabilities	643.69	10,447.53	11,091.22	2,042.07	11,293.57	13,335.64
Other financial liabilities	1,057.08	871.34	1,928.42	10,194.20	1,742.22	11,936.42
Non-financial liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	10.13	-	10.13	9.40	-	9.40
Other non-financial liabilities	68.38	61.67	130.05	172.40	24.49	196.89
Total Liabilities	**47,055.88**	**33,535.12**	**80,591.00**	**76,451.95**	**43,270.18**	**1,19,722.13**
Net	**5,561.92**	**22,129.17**	**27,691.08**	**5,153.65**	**21,562.37**	**26,716.02**

Notes:

The Company has considered that the Cash Credit facilities availed by it aggregating to ₹ 6,303.18 million as at March 31, 2024 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

48. Related Party Transactions

A) List of related parties and relationship:

Name of related parties by whom control is exercised :	
Ultimate Holding company	Edelweiss Financial Services Limited (w.e.f. March 28, 2024)
Holding company	Edel Finance Company Limited (w.e.f. March 28, 2024)
	Edelweiss Financial Services Limited (Upto March 27, 2024)
Fellow subsidiaries	Edelweiss Rural and Corporate Services Limited
(with whom transactions have taken place)	Edelweiss Retail Finance Limited
	Nido Home Finance Ltd (Formerly EHFL)
	Ecap Equities Limited (Formerly known as Edel Land Limited)
	Edelweiss Asset Management Limited
	Edelweiss Tokio Life Insurance Company Limited
	Zuno General Insurance Compnay Limited (Formerly EGICL)
	Edelweiss Asset Reconstruction Company Limited
	Edel Finance Company Limited (Upto March 27, 2024)
	Edel Investments Limited
	Edelweiss Asset Reconstruction Company Limited - Trust SC 445-Class B
	Edelweiss Asset Reconstruction Company Limited - Trust SC 433
	Edelweiss Asset Reconstruction Company Limited - Trust SC 486 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 464 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 455 CLASS B
	Edelweiss Asset Reconstruction Company Limited - SC 470 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 374
	Edelweiss Asset Reconstruction Company Limited -SC 378
	Edelweiss Asset Reconstruction Company Limited - SC 373
	Edelweiss Asset Reconstruction Company Limited - SC 385 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 416 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 417 Class B
	Edelweiss Asset Reconstruction Company Limited - SC 251
	Edelweiss Asset Reconstruction Company Limited - SC 452 CLASS B
	Edelweiss Asset Reconstruction Company Limited - SC 394 Class B
	Edelweiss Asset Reconstruction Company Limited -SC - 453 CLASS B
	Edelweiss Asset Reconstruction Company Limited -SC - 384 CLASS B
	Edelweiss Alternative Asset Advisors Limited
	Edelweiss Global Wealth Management Limited
	Edelcap Securities Limited
	Edelweiss Comtrade Limited
	EdelGive Foundation
	Edelweiss Investments Advisors Limited
	Ecap Securities & Investments Limited
	India Credit Investment Fund II
	India Credit Investment Fund III
	India Credit Investment Fund V (w.e.f August 9, 2023)
	Edelweiss Private Equity Tech Fund
	Edelweiss Value and Growth Fund
	Sekura India Management Limited

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Key management personnel	Rashesh Shah (Chairman) (Non Executive Director w.e.f. August 1, 2021) Deepak Mittal (Vice Chairman w.e.f. June 10, 2021)(Executive Capacity & resigned w.e.f close of business hours on November 02, 2023) Venkatchalam Ramaswamy (Vice-Chairman & Non-Executive Director resigned w.e.f close of business hours on November 02, 2023)) Kunnasagaran Chinniah (Independent Director resigned w.e.f. May 19, 2023) Biswamohan Mahapatra (Independent Director) Anita George (Nominee Director resigned w.e.f. August 10,2023) Ravi Rajagopal (Nominee Director w.e.f. August 10,2023) Shiva Kumar (Independent Director) Sameer Kaji (Independent Director) Atul Pande (Independent Director) Aalok Gupta (Independent Director) Phanindranath Kakarla (Managing Director W.e.f 01 Febuary 2023) Sandeep Agarwal (CFO W.e.f 01 Febuary 2023) Mehernosh Tata (Executive Director W.e.f 01 Febuary 2023) Kashmira Mathew (Company Secretary) & (Executive Director w.e.f 04 Jan 2024)

B) Transactions with related parties:

Particulars	**ended March 31, 2024**	**ended March 31, 2023**
Current account transactions		
Loans taken from (Maximum transaction during the year)		
Edelweiss Retail Finance Limited	-	150.00
Nido Home Finance Ltd (Formerly EHFL)	850.00	1,650.00
Edelweiss Financial Services Limited	-	1,300.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	3,880.00
Loans taken from (Sum of transaction during the year)		
Edelweiss Retail Finance Limited	-	260.00
Nido Home Finance Ltd (Formerly EHFL)	850.00	4,040.00
Edelweiss Financial Services Limited	-	1,300.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	4,180.00
Loan repaid to (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	-	500.00
Edelweiss Retail Finance Limited	-	150.00
Nido Home Finance Ltd (Formerly EHFL)	850.00	900.00
Edelweiss Financial Services Limited	-	1,050.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	1,750.00
Loan repaid to (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	-	780.00
Edelweiss Retail Finance Limited	-	340.00
Nido Home Finance Ltd (Formerly EHFL)	850.00	4,040.00
Edelweiss Financial Services Limited	-	1,300.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	4,180.00
Loans given to (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	1,000.00	800.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	2,500.00	1,600.00
Edelweiss Retail Finance Limited	-	650.00
Ecap Sec & Investment ltd	1,210.00	1,600.00
Loans given to (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	2,050.00	1,590.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	5,000.00	5,840.00
Edelweiss Retail Finance Limited	-	1,890.00
Ecap Sec & Investment ltd	1,710.00	3,100.00
Loans repaid by (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	630.00	990.00

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
Ecap Equities Limited (Formerly known as Edel Land Limited)	2,000.00	1,380.00
Edelweiss Retail Finance Limited	-	1,290.00
Ecap Sec & Investment ltd	2,090.00	720.00
Loans repaid by (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	2,050.00	1,590.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	7,600.00	3,240.00
Edelweiss Retail Finance Limited	-	1,890.00
Ecap Sec & Investment ltd	3,590.00	720.00
Redemption of Non Convertible Debentures / benchmark linked debentures		
Nuvama Wealth Finance Limited (EFIL)	-	13.71
Edelweiss Retail Finance Limited	25.13	31.58
Ecap Equities Limited (Formerly known as Edel Land Limited)	29.01	25.27
Edelweiss Tokio Life Insurance Company Limited	140.81	-
India Credit Investment Fund II	-	726.41
Purchases of securities from		
Ecap Equities Limited (Formerly known as Edel Land Limited)	2,265.78	2,086.49
Edelweiss Rural and Corporate Services Limited	-	513.98
Nuvama Wealth Finance Limited (EFIL)	-	456.47
Edelweiss Tokio Life Insurance Company Limited	694.49	1,154.51
Edel Finance Company Limited	-	220.00
Edelweiss General Insurance Company Limited	-	100.60
India Credit Investment Fund II	-	2,013.76
India Credit Investment Fund III	-	6,088.80
Edelweiss Retail Finance Limited	139.53	-
India Credit Investment Fund V	1,396.04	-
India Credit Investment Fund III	86.33	-
Sale/ Redemption of securities / Fund to		
Nuvama Wealth Finance Limited (EFIL)	-	478.22
Nido Home Finance Ltd (Formely EHFL)	136.37	-
Edelweiss General Insurance Company Limited	-	96.78
Edelweiss Tokio Life Insurance Company Limited	128.50	1,983.70
India Credit Investment Fund II	2,677.20	-
India Credit Investment Fund III	6,066.61	-
India Credit Investment Fund V	1,389.37	
Edelweiss Private Equity Tech fund	6.73	
Edelweiss Value and Growth Fund	59.20	
Ecap Equities Limited (Formerly known as Edel Land Limited)	6,331.98	
Edelweiss Rural and Corporate Services Limited	2,703.63	-
Purchase of securities		
(Including Equity Shares, Preference Shares & Security Held for Trading)		
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	160.15
Security Deposits received from		
Nido Home Finance Ltd (Formerly EHFL)	-	14.60
Edelweiss Asset Management Limited	7.44	
Security deposits paid		
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	20.52
Edelweiss Rural and Corporate Services Limited	0.54	
Edelweiss Tokio Life Insurance Company Limited	14.28	
Nido Home Finance Ltd (Formerly EHFL)(Refunded)	14.60	
Assignment of loan book to		
Nido Home Finance Ltd (Formerly EHFL)	-	1,998.46
Edelweiss Tokio Life Insurance Company Limited	-	476.41
Purchase of loan and credit substitute from		
(Including assignment/ Securitisation)		

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
Edelweiss Retail Finance Limited	-	989.74
Ecap Equities Limited (Formerly known as Edel Land Limited)	169.85	1,002.85
Edelweiss Rural and Corporate Services Limited	-	1,889.04
Edelweiss Investment Advisors Limited	-	1,301.50
Real Estate credit opportunities fund II	-	755.50
Edelweiss Tokio Life Insurance Company Limited	373.31	
India Credit Investment Fund II	1,650.00	
India Credit Investment Fund I	1,051.64	
Zuno General Insurance Company ltd (Formerly EGICL)	26.67	
India Credit Investment Fund V	2,750.00	
Sale of securities receipts to		
Edelweiss Asset Reconstruction Company Limited	5,117.07	4,613.36
Edelweiss Tokio Life Insurance Company Limited	-	700.23
Edelweiss Retail Finance Limited	1,487.20	4,166.40
India Credit Investment Fund III	-	5,062.80
Sale of Loan & Credit Substitutes (Including assignment/ Securitisation)		
Edelweiss General Insurance Company Limited	-	108.72
Nido Home Finance Ltd (Formerly EHFL)	420.00	-
Edelweiss Global Wealth Management Limited	2,595.45	-
Edelweiss Rural and Corporate Services Limited	2,804.21	-
Sale of Loans & Credit Substitutes to Trusts		
Edelweiss Asset Reconstruction Company Limited Trust	14,981.00	10,615.00
Investment in Security Receipts		
Edelweiss Asset Reconstruction Company Limited - SC 461-Class B	-	688.50
Edelweiss Asset Reconstruction Company Limited - SC 462-Class B	-	1,071.00
Edelweiss Asset Reconstruction Company Limited - SC 453-Class B	-	6,840.90
Edelweiss Asset Reconstruction Company Limited - SC 445 Class B	700.00	-
Edelweiss Asset Reconstruction Company Limited - SC 433	195.50	-
Edelweiss Asset Reconstruction Company Limited - SC 486 Class B	5,114.10	-
Edelweiss Asset Reconstruction Company Limited - SC 464 Class B	1,317.50	-
Edelweiss Asset Reconstruction Company Limited - SC 455 CLASS B	1,725.50	-
Edelweiss Asset Reconstruction Company Limited - SC 470 Class B	1,275.50	-
India Credit Investment Fund III - EARC - SC 251	1,193.67	-
India Credit Investment Fund III - EARC - SC 452 CLASS B	7,334.70	-
India Credit Investment Fund V - EARC- SC 394 Class B	186.02	-
India Credit Investment Fund III - EARC-SC - 453 CLASS B	7,330.00	-
India Credit Investment Fund III - EARC-SC - 384 CLASS B	2,889.57	-
India Credit Investment Fund V - ACRE ARC Trust - 100	222.37	-
Edelweiss Retail Finance Limited - EARC TRUST SC 374	19.68	-
Edelweiss Retail Finance Limited - EARC TRUST SC 378	3.13	-
Edelweiss Retail Finance Limited - EARC TRUST SC 373	30.38	-
Edelweiss Retail Finance Limited - EARC TRUST SC 385 Class B	72.11	-
Edelweiss Retail Finance Limited - EARC TRUST SC 416 Class B	60.20	-
Edelweiss Retail Finance Limited - EARC TRUST SC 417 Class B	155.24	-
Edelweiss Retail Finance Limited - Acre 135 trust Class B	56.20	-
Edelweiss Retail Finance Limited - Omkara PS 34 (Retail)	42.81	-
Edelweiss Retail Finance Limited - OMKARA PS04 - 2020-21 TRUST CLASS B	10.26	-
Edelweiss Retail Finance Limited - ACRE ARC Trust - 136	70.59	-
Income		
Commission and brokerage received from		
Edelweiss Alternative Asset Advisors Limited	57.49	40.97
Reimbursement of ARC management fee from		
Edelweiss Financial Services Limited	111.97	1,139.24
Cost reimbursement received from		

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
Edelweiss Retail Finance Limited	0.17	0.74
Nido Home Finance Ltd (Formerly EHFL)	10.75	12.62
Nuvama Wealth & Investment Limited (EBL)	-	0.28
Edelweiss Alternative Asset Advisors Limited	-	0.10
Interest income on margin placed with brokers		
Nuvama Clearing Services Limited	-	6.15
Interest income on loans given to		
Edelweiss Retail Finance Limited	-	24.56
Edelweiss Rural and Corporate Services Limited	43.32	28.13
Ecap Equities Limited (Formerly known as Edel Land Limited)	279.67	90.27
Ecap Sec & Investment ltd	386.31	33.78
Interest received on securities		
Nido Home Finance Ltd (Formerly EHFL)	-	0.49
Edel Finance Company Limited	99.38	23.22
Edelweiss Retail Finance Limited	0.45	1.11
Edelweiss Rural and Corporate Services Limited	5.61	-
Shared premises cost received from		
Nuvama Wealth & Investment Limited (EBL)	-	0.32
Edelweiss Retail Finance Limited	22.90	18.13
Nido Home Finance Ltd (Formerly EHFL)	5.18	20.49
Edelweiss Asset Management Limited	52.98	16.93
Interest Income on Investment		
Edelweiss Rural and Corporate Services Limited	-	81.64
Management Fees Income		
Ecap Equities Limited (Formerly known as Edel Land Limited)	99.49	149.50
Edelweiss Rural and Corporate Services Limited	53.38	118.46
Edelweiss Investment Advisors Limited	222.65	243.12
Reimbursement of Realised Loss on Security Receipts		
Edelweiss Financial Services Limited	11,697.27	1,768.40
Expense		
Advisory fees paid to		
Sekura India Management Limited	3.98	-
Nido Home Finance Ltd (Formerly EHFL)	28.70	28.22
Corporate guarantee support fee paid to		
Ecap Equities Limited (Formerly known as Edel Land Limited)	0.04	0.02
Edelweiss Rural and Corporate Services Limited	0.04	0.02
Clearing charges paid to		
Nuvama Clearing Services Limited	-	1.08
Commission and brokerage paid to		
Edel Investments Limited	9.85	2.07
Cost reimbursement paid to		
Ecap Equities Limited (Formerly known as Edel Land Limited)	33.74	30.52
Nuvama Wealth & Investment Limited (EBL)	-	0.80
Edelweiss Rural and Corporate Services Limited	50.08	52.09
Edelweiss Financial Services Limited	-	0.99
Edel Investments Limited	2.76	0.87
Enterprise Service charge paid to		
Edelweiss Rural and Corporate Services Limited	8.82	11.67
Interest paid on loan		
Edelweiss Rural and Corporate Services Limited	-	8.31
Edelweiss Retail Finance Limited	-	2.43
Nido Home Finance Ltd (Formerly EHFL)	0.80	44.19
Edelweiss Financial Services Limited	-	3.73
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	7.54

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	52.44	75.82
Edelweiss Asset Reconstruction Company Limited	162.62	287.71
Rent/Society Maintenance Charges Paid to		
Edelweiss Rural and Corporate Services Limited	1.60	-
Shared premises cost paid to		
Edelweiss Rural and Corporate Services Limited	13.72	12.35
Interest expenses on non-convertible debentures		
Edelweiss Rural and Corporate Services Limited	-	143.47
Nuvama Wealth Finance Limited (EFIL)	-	0.37
Edelweiss Retail Finance Limited	1.35	3.71
Ecap Equities Limited (Formerly known as Edel Land Limited)	8.33	35.61
Edel Finance Co ltd	246.67	68.75
Edelweiss General Insurance Company Limited	-	4.77
Edelweiss Tokio Life Insurance Company Limited	81.60	125.05
ESOP cost reimbursement		
Edelweiss Financial Services Limited	11.15	17.68
Remuneration paid to		
Phanindranath Kakarla	27.80	23.95
Deepak Mittal	49.17	51.37
Kashmira Mathew	19.29	18.22
S. Ranganathan	-	18.88
Sandeep Agarwal	11.03	1.25
Mehernosh Tata	25.53	3.11
Sitting fees paid		
PN Venkatachalam	-	0.24
Biswamohan Mahapatra	1.43	0.81
Kunnasagaran Chinniah	0.30	0.77
Shiva Kumar	1.20	0.48
Aalok Gupta	1.05	0.31
Sameer A. Kaji	0.98	0.34
Atul Pande	1.05	0.08
Assets		
Interest accrued on loans given to		
Edelweiss Rural and Corporate Services Limited	10.54	0.87
Ecap Equities Limited (Formerly known as Edel Land Limited)	3.65	1.24
Ecap Sec & Investment ltd	22.41	7.81
Interest accrued on securities		
Edel Finance Company Limited	81.84	21.21
Edelweiss Retail Finance Limited	0.01	0.34
Security Deposit held by		
Ecap Equities Limited (Formerly known as Edel Land Limited)	20.52	20.52
Edelweiss Asset Management Limited	-	11.15
Edelweiss Rural and Corporate Services Limited	0.54	-
Edelweiss Tokio Life Insurance Company Limited	14.45	-
Investment in Securities		
Edelweiss Private Equity Tech fund	231.99	247.82
Edelweiss Value and Growth Fund	304.52	382.96
India Credit Investment Fund II	-	2,693.40
India Credit Investment Fund III	-	6,088.80
Loan given outstanding		
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	2,600.00
ECap Sec & investment Ltd	500.00	2,380.00
Non convertible debentures held for trading		

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
Edel Finance Company Limited	1,057.00	279.00
Edelweiss Retail Finance Limited	4.54	4.51
Edelweiss Rural and Corporate Services Limited	1,500.00	-
Edelweiss Financial Services Limited	2.69	-
Trade receivables		
Edelweiss Alternative Asset Advisors Limited	6.88	-
Edelweiss General Insurance Company Limited	-	0.02
Edelweiss Asset Management Limited	0.49	0.83
Edelweiss Rural and Corporate Services Limited	526.82	-
Edelweiss Financial Services Limited	2,900.76	1,898.05
Edelweiss Retail Finance Limited	1.72	1.83
Ecap Equities Limited (Formerly known as Edel Land Limited)	1,127.78	-
Nido Home Finance Ltd (Formerly EHFL)	0.32	2.73
Edelweiss Metal Limited	0.00	-
Edelweiss Investment Advisors Limited	104.91	51.61
Other receivables		
Edelweiss Rural and Corporate Services Limited	-	0.01
Edelweiss Global Wealth Management Limited	0.00	-
Edelcap Securities Limited	0.34	-
Edelweiss Retail Finance Limited	-	0.35
Sale of property, plant and equipment		
Edelweiss Tokio Life Insurance Company Limited	480.00	-
Edelweiss Financial Services Limited	-	0.01
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	0.04
Edelweiss General Insurance Company Limited	-	0.01
Nido Home Finance Ltd (Formerly EHFL)	0.32	-
Edelweiss Rural & Corporate Services Limited	-	0.12
Edelweiss Alternative Asset Advisors Limited	-	0.10
Liabilities		
Security deposits received from		
Edelweiss Asset Management Limited	18.59	-
Nido Home Finance Ltd (Formerly EHFL)	-	14.60
Non convertible debentures held by		
Edelweiss Tokio Life Insurance Company Limited	146.80	851.80
Edelweiss Retail Finance Limited	0.00	21.62
Ecap Equities Limited (Formerly known as Edel Land Limited)	60.97	80.81
Edel Finance Co ltd	2,400.00	2,400.00
Interest accrued on loan taken from		
Edelweiss Financial Services Limited	-	3.36
Nido Home Finance Ltd (Formerly EHFL)	-	4.75
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	6.79
Interest Accrued on bonds/debenture		
Edel Finance Company limited	218.40	217.41
Ecap Equities Limited (Formerly known as Edel Land Limited)	2.48	7.41
Interest accrued but not due on non convertible debentures held by		
Edelweiss Retail Finance Limited	0.00	0.97
Edelweiss Tokio Life Insurance Company Limited	3.74	48.95
Trade payables		
Edelweiss Alternative Asset Advisors Limited	-	2.43
Edelweiss Rural and Corporate Services Limited	-	10.00
Zuno General Insurance Company ltd (Formerly EGICL)	0.00	-
Edelweiss Asset Reconstruction Company Limited	51.46	6,955.32
Ecap Equities Limited (Formerly known as Edel Land Limited)	-	3.71
Sekura India Management Limited	4.30	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	ended March 31, 2024	ended March 31, 2023
EdelGive Foundation	0.00	-
Edel Investments Limited	0.32	0.94
India Credit Investment Fund III	-	2,260.08
Other Payables		
Edelcap Securities Limited	-	0.17
Edelweiss Alternative Asset Advisors Limited	0.50	-
Nido Home Finance Ltd (Formerly EHFL)	0.30	0.69
Edelweiss Retail Finance Limited	0.01	-
Sekura India Management Limited	0.19	-
Zuno General Insurance Company ltd (Formerly EGICL)	0.04	-
Edelweiss Tokio Life Insurance Company Limited	0.01	0.01
Edelweiss General Insurance Company Limited	-	0.04
Edel Investments Limited	-	0.02
Corporate guarantee taken from		
Edelweiss Financial Services Limited	1,100.00	1,200.00
Ecap Equities Limited (Formerly known as Edel Land Limited)	344.40	141.24
Edelweiss Rural and Corporate Services Limited	355.90	149.30
Risk and rewards sharing arrangment with		
Edelweiss Financial Services Limited	-	32,880.84

Notes

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

2. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

3. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2023 and 31 March 2024.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

Regulatory capital

In the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Capital Funds		
Net owned funds (Tier I capital)	13,028.41	15,903.56
Tier II capital	13,028.41	15,099.87
Total capital funds	26,056.82	31,003.43
Total risk weighted assets/ exposures	64,059.59	1,00,537.32
% of capital funds to risk weighted assets/exposures:		
Tier I capital	20.34%	15.82%
Tier II capital	20.34%	15.02%
Total capital Funds	40.68%	30.84%

No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.

50. Fair Value measurement:

A. Valuation principles

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

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

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

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

Refer note 4.11 for more details on fair value hierarchy

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

B. Valuation governance framework

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

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

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

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Premium paid on outstanding exchange traded options	620.66	-	-	620.66
OTC derivatives	-	91.28	-	91.28
Embedded derivatives in market-linked debentures	-	-	-	-
Total derivative financial instruments - A	**620.66**	**91.28**	**-**	**711.94**
Investments				
Government debt securities	28,349.08	-	-	28,349.08
Other debt securities	-	2,645.95	-	2,645.95
Mutual fund units	1,499.92	-	-	1,499.92
Equity instruments	1,742.29	-	51.46	1,793.75
Security receipts	-	-	38,224.29	38,224.29
Units of Alternative Investment Fund / Venture Capital Fund	-	-	1,078.52	1,078.52
Compulsary Convertible Preference Shares	-	-	106.63	106.63
Investment in Pass through Certificates (PTC)	-	-	280.82	280.82
Total investments measured at fair value - B	**31,591.29**	**2,645.95**	**39,741.72**	**73,978.96**
Loans (C)				
- classified under FVOCI			3,605.53	3,605.53
Total (A+B+C)	**32,211.95**	**2,737.23**	**43,347.25**	**78,296.44**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Premium paid on outstanding exchange traded options (including MTM)	406.03	-	-	406.03
OTC derivatives	-	21.98	-	21.98
Embedded derivatives in market-linked debentures	-	-	-	-
	406.03	**21.98**	**-**	**428.01**

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
OTC derivatives	-	50.21	-	50.21
Embedded derivatives in market-linked debentures	-	-	-	-
Total derivative financial instruments - A	-	**50.21**	**-**	**50.21**
Investments				
Government debt securities	25,757.19			25,757.19
Other debt securities		312.52		312.52
Equity instruments	-	-	78.85	78.85
Security receipts	-	-	28,060.80	28,060.80

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Units of Alternative Investment Fund / Venture Capital Fund	-	-	16,480.33	16,480.33
Compulsary Convertible Preference Shares			83.50	83.50
Total investments measured at fair value - B	**25,757.19**	**312.52**	**44,703.48**	**70,773.19**
Total (A+B)	25,757.19	362.73	44,703.48	70,823.40
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
OTC derivatives	-	23.96	-	23.96
Embedded derivatives in market-linked debentures	-	-	141.93	141.93
	-	**23.96**	**141.93**	**165.89**

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

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

Security receipts

The market for these securities is not active. Investments in S₹issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC and as per RBI guidelines. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments, CCPS and units of mutual fund:

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

Alternative Investment Fund / Venture Capital Fund

Units held in Alternative Investment Fund /Venture Capital Fund are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate 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 reporting period and the credit risk inherent in the contract. company classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

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.

Company uses valuation models which calculate the present value of expected future cash flows, based upon ‘no arbitrage’ principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 3 instruments.

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(Currency:Indian rupees in million)

Exchange traded derivatives:

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

Loans Measured at FVOCI

Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

E. There have been no transfers between levels during the year ended March 31, 2024 and March 31, 2023.

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

Financial year ended March 31, 2024	Equity, CCPS and PTC	Security receipts- Measured at FVTOCI Equity	Units of Alternative Investment Fund / Venture Capital Fund	Loans- Measured at FVOCI	Total
Investments - at April 1, 2023	**162.34**	**28,060.80**	**16,480.34**		**44,703.48**
Reclassified from Amortised Cost	-	-	-	3,565.04	3,565.04
Purchase/Accrued Interest	280.82	34,133.79	1,482.37	81.79	35,978.78
Sale/Redemption during the year	-	(15,547.21)	(16,425.97)	-	(31,973.18)
Profit/(loss) for the year recognised in profit or loss	(4.25)	(1,273.52)	(458.22)	(41.30)	(1,777.29)
FV losses under R&R agreement reimbursed by ultimate holding co.		(7,149.58)	-	-	
Investments - at March 31, 2024	**438.91**	**38,224.29**	**1,078.52**	**3,605.53**	**43,347.25**
Unrealised gain/(Loss) related to balances held at the end of the year	(2.05)	(9,802.33)	(36.91)	(41.30)	(9,841.30)

Financial year ended March 31, 2023	Equity and CCPS	Security receipts	Units of Alternative Investment Fund / Venture Capital Fund	Loans- Measured at FVOCI	Total
Investments - at April 1, 2022	**-**	**51,105.42**	**10,252.18**	**-**	**61,357.60**
Purchase	160.15	17,920.56	9,393.33	-	27,474.04
Sale during the year	-	(42,073.18)	(3,577.12)	-	(45,650.30)
Profit/(loss) for the year recognised in profit or loss	2.19	1,108.00	411.95	-	1,522.14
Investments - at March 31, 2023	**162.34**	**28,060.80**	**16,480.34**	**-**	**44,703.48**
Unrealised gain/(Loss) related to balances held at the end of the year	2.19	(1,922.83)	1,137.55	-	(783.09)

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

Financial year ended March 31, 2024	Embedded Options		
	Assets	Liabilities	Net Balance
As at April 1, 2023	**-**	**141.93**	**(141.93)**
Issuances	-	-	-
Settlements	-	(141.93)	141.93
Changes in fair value recognised in profit or loss	-	-	-
As at March 31, 2024	**-**	**(0.00)**	**0.00**

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(Currency:Indian rupees in million)

Financial year ended March 31, 2023	Embedded Options		
	Assets	Liabilities	Net Balance
As at April 1, 2022	**-**	**487.94**	**(487.94)**
Issuances	-	-	-
Settlements	-	(91.29)	91.29
Changes in fair value recognised in profit or loss	-	(254.72)	254.72
As at March 31, 2023	**-**	**141.93**	**(141.93)**

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

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts, Units of AIF Fund and Real Estate Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on March 31, 2024	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	38,224.29	Net asset value method	NAV per security receipt	48,025.60	5% increase in NAV	2,401.28	5% Decrease in NAV	(2,401.28)
Pass throgh Certificates	280.82	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	280.82	5% increase in Expected future Cash flow	14.04	5% Decrease in Expected future Cash flow	(14.04)
Loans	3,923.64	Discounted Cash flow. The present value of expected future economic benefits to be derived from the loans	Expected future cash flows	15.48%	0.25% increase in Risk-adjusted discount rate	(14.54)	0.25% decrease in Risk-adjusted discount rate	14.68
Units of Alternative Investment Fund / Venture Capital Fund	1,078.52	Net Asset approach	Fair value of underlying investments	1,078.52	5% Increase in Fair value of Underlying Investment	53.93	5% Increase in Fair value of Underlying Investment	(53.93)

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Type of Financial Instruments	Fair value of asset as on 31 March 2023	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	28,060.80	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	27,903.93	5% increase in Expected future Cash flow	(95.64)	5% Decrease in Expected future Cash flow	(1,431.67)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(662.15)	0.5% Decrease in Risk-adjusted discount rate	(774.58)
Units of Alternative Investment Fund / Venture Capital Fund	16,480.33	Net Asset approach	Fair value of underlying investments	16,480.33	5% Increase in Fair value of Underlying Investment	824.02	5% Increase in Fair value of Underlying Investment	(824.02)
Embeded Derivative (net)	141.93	Fair value using Black Scholes model or Monte Carlo Approach based on the embedded derivative	Nifty level	17,359.75	5% increase in Nifty Index curve	-	5% Decrease in Nifty Index curve	-
			Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	-	1% Decrease in Risk-adjusted discount rate	-

H. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2024	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	9,055.67	-	-	9,117.85	9,117.85
Financial Liabilities					
Debt securities	25,298.49	-	26,154.91	-	26,154.91
Borrowings (other than debt securities)	33,916.91	-	-	33,916.91	33,916.91
Subordinated Liabilities	11,091.22	-	11,318.00	-	11,318.00
Off balance-sheet items					
Undrawn commitments	1,374.67	-	-	1,195.36	1,195.36

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

As at March 31, 2023	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	35,095.61	-	-	38,534.54	38,534.54
Financial Liabilities					
Debt securities	49,976.02	-	52,491.93	-	52,491.93
Borrowings (other than debt securities)	37,370.37	-	-	37,370.37	37,370.37
Subordinated Liabilities	13,335.64	-	13,051.99	-	13,051.99
Off balance-sheet items					
Undrawn commitments	4,833.85	-	-	4,203.35	4,203.35

I. Valuation Methodologies of Financial Instruments not measured at fair value

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

Financial assets at amortised cost

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

Issued Debt

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

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

51. Risk Management

51.A Introduction and risk profile

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

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;

2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and

3) Firmwide structures for risk governance

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

51.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group.

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

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

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

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

51.C Risk mitigation and risk culture

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

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

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

51.D Types of Risks

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

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.1	**Credit risk**		
	Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
51.D.2	**Liquidity risk**		
	Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio, Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.3	**Market risk**		
	Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee

51.D.1 Credit Risk

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

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

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

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

Derivative financial Instruments:

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

Impairment Assessment:

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

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has derived an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS including qualitative factor of an accunt or of pool of retail loan portfolio. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 DPD & 1to 30 DPD	Stage I
Standard grade	31 to 90 DPD	Stage II
Non-performing		
Individually impaired	90+ DPD*	Stage III

*Classified as non performing asset (NPA) as per RBI guidelines

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

1) An unbiased and probability weighted amount that evaluates a range of possible outcomes

2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

3) Time value of money

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

Significant increase in credit risk (SICR)

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

Probability of Default

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

Loss Given Default (LGD)

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

Exposure at Default (EAD)

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

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line + Interest Accrual for one year

Where,

Drawn Credit Line = Current outstanding amount

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

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

Forward looking adjustments

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

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

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

Data sourcing

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

Probability weighted scenario creations:

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

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

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

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amortised costs of financial assets modified during the year	-	-
Net modification loss	-	-

there were no previously modified financial assets for which loss allowance has changed to 12m ECL measurement during the year:

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Risk Concentration

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

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

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

As at March 31, 2024

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail	Total
Financial assets								
Cash and cash equivalents	-	5,122.09	-	-	-	-	-	5,122.09
Bank balances other than cash and cash equivalents	-	277.65	-	-	-	-	-	277.65
Derivative financial instruments	-	711.94	-	-	-	-	-	711.94
Trade receivables	-	5,020.46	-	-	-	-	-	5,020.46
Loans	-	139.61	201.66	2,058.60	7,295.99	1,569.23	1,396.11	12,661.20
Investments	28,349.06	3,378.39	-	870.30	31,778.13	3,156.88	6,446.21	73,978.96
Other financial assets	-	1,090.32	-	-	-	-	-	1,090.32
	28,349.06	**15,740.46**	**201.66**	**2,928.89**	**39,074.12**	**4,726.11**	**7,842.32**	**98,862.62**

As at March 31, 2023

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	8,757.21	-	-	-	-	-	8,757.21
Bank balances other than cash and cash equivalents	-	555.71	-	-	-	-	-	555.71
Derivative financial instruments	-	50.21	-	-	-	-	-	50.21
Trade receivables	-	2,313.01	-	-	-	-	-	2,313.01
Loans	-	448.60	101.68	1,716.44	21,250.69	11,150.54	427.66	35,095.61
Investments	25,757.19	3,850.22	-	-	39,084.85	-	2,080.93	70,773.19
Other financial assets	-	17,925.21	-	-	-	-	-	17,925.21
	25,757.19	**33,900.17**	**101.68**	**1,716.44**	**60,335.54**	**11,150.54**	**2,508.59**	**1,35,470.15**

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Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk		Principal type of collateral
	As at March 31, 2024	As at March 31, 2023	
Financial Assets			
Cash and cash equivalents	5,122.09	8,757.21	
Bank balances other than cash and cash equivalents	277.65	555.71	
Derivative financial instruments	711.94	50.21	
Trade receivables*	5,020.46	2,313.01	
Loans			
Corporate credit	4,499.00	31,610.28	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	8,718.37	7,034.81	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	73,978.96	70,773.19	The Company invest in Highly liquid Central/ State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Other financial assets	1,090.32	17,925.21	
	99,418.78	1,39,019.63	
Loan Commitments	410.91	-	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

*These are receivables mainly from Clearing houses, Group. Carrying minimum risk.

Collateral and other credit enhancements

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

Maximum exposure to credit risk as at March 31, 2024

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	**244.71**	**105.10**	**139.61**	**187.22**
Retail Credit	**93.59**	**48.57**	**45.02**	**287.95**
Trade Receivables	**0.20**	**0.18**	**0.02**	**-**
	338.49	**153.85**	**184.65**	**475.18**

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

Maximum exposure to credit risk as at March 31, 2023

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	351.85	169.76	182.09	284.95
Retail Credit	406.88	141.20	265.68	1,058.30
Trade Receivables	-	-	-	-
	758.73	**310.96**	**447.77**	**1,343.26**

51.D.2 Liquidity Risk

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

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

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper , ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2024	As at March 31, 2023
Liquidity cushion		
Government Debt Securities*	28,349.08	25,757.19
Mutual Fund Investments	1,499.92	-
Equity Shares-Quoted	1,742.29	-
Total Liquidity cushion	**31,591.29**	**25,757.19**

* Government debt securities are hypothicated against the Tri party REPO

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2024	As at March 31, 2023
Committed Lines from Banks	176.76	399.34

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2024

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	5,122.09	-	-	-	-	5,122.09
Bank balances other than cash and cash equivalents	-	0.01	172.04	105.60	-	277.65
Derivative financial instruments	-	711.94	-	-	-	711.94
Trade receivables	-	5,020.46	-	-	-	5,020.46
Loans	-	3,354.28	3,166.52	5,522.93	1,749.04	13,792.77
Investments	-	34,310.84	1,280.14	34,950.45	3,437.53	73,978.96
Other financial assets	-	214.95	640.99	-	234.38	1,090.32
Total undiscounted financial assets	**5,122.09**	**43,612.48**	**5,259.69**	**40,578.98**	**5,420.95**	**99,994.19**
Financial Liabilities						
Derivative financial instruments	-	428.01	-	-	-	428.01
Trade payables	-	7,787.77	-	-	-	7,787.77
Debt securities	-	4,145.15	4,959.39	21,169.01	902.14	31,175.69
Borrowings (other than debt securities)	-	22,592.39	7,316.33	3,943.95	-	33,852.67
Subordinated Liabilities	-	620.97	470.27	12,362.59	-	13,453.83
Other financial liabilities	-	654.73	402.36	119.42	751.91	1,928.42
Total undiscounted financial liabilities	**-**	**36,229.02**	**13,148.35**	**37,594.97**	**1,654.05**	**88,626.39**
Total net financial assets / (liabilities)	**5,122.09**	**7,383.46**	**(7,888.66)**	**2,984.01**	**3,766.90**	**11,367.80**

Current year note:

The Company has considered that the Cash Credit facilities availed by it aggregating to ₹ 6,303.18 million as at March 31, 2024 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	8,757.21	-	-	-	-	8,757.21
Bank balances other than cash and cash equivalents	-	30.09	499.70	25.92	-	555.71
Derivative financial instruments	-	50.21	-	-		50.21
Trade receivables	-	2,121.82	191.19	-	-	2,313.01
Loans	-	10,683.97	10,398.35	20,190.11	4,190.98	45,463.41
Investments	-	26,991.03	3,946.65	17,453.30	22,382.21	70,773.19
Other financial assets	-	17,767.50	-	-	157.71	17,925.21
Total undiscounted financial assets	**8,757.21**	**57,644.62**	**15,035.89**	**37,669.33**	**26,730.90**	**1,45,837.95**
Financial Liabilities						
Derivative financial instruments	-	165.89	-	-	-	165.89
Trade payables	-	6,731.50	-	-	-	6,731.50
Debt securities	-	11,399.62	13,653.16	27,716.44	8,907.71	61,676.93
Borrowings (other than debt securities)	-	24,740.54	9,381.72	4,287.25	-	38,409.51
Subordinated Liabilities	-	1,692.30	1,602.39	13,446.10	-	16,740.79
Other financial liabilities	-	9,988.75	321.86	645.69	980.12	11,936.42
Total undiscounted financial liabilities	**-**	**54,718.60**	**24,959.13**	**46,095.48**	**9,887.83**	**1,35,661.04**
Total net financial assets / (liabilities)	**8,757.21**	**2,926.02**	**(9,923.24)**	**(8,426.15)**	**16,843.07**	**10,176.91**

Previous year note:

The Company has considered that the Cash Credit facilities availed by it aggregating to ₹ 8,048.33 million as at March 31, 2023 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Contractual expiry of commitments

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

As at March 31, 2024

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	-	410.91	-	-	410.91
Estimated amount of contracts capital account	-	-	0.21	-	-	0.21
Others	-	-	963.76	-	-	963.76
	-	**-**	**1,374.88**	**-**	**-**	**1,374.88**

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	-	132.35	526.52	-	658.87
Estimated amount of contracts capital account	-	-	5.61	-	-	5.61
Others	-	-	4,174.98	-	-	4,174.98
	-	**-**	**4,312.94**	**526.52**	**-**	**4,839.46**

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

51.D.3 Market Risk

Market risk is he risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analysis.

Total Market risk exposure

Particulars	As at March 31, 2024			As at March 31, 2023			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	
Financial Assets							
Cash and cash equivalents	5,122.09	-	5,122.09	8,757.21	-	8,757.21	
Bank balances other than cash and cash equivalents	277.65	-	277.65	555.71	-	555.71	Interest rate risk
Derivative financial instruments	711.94	711.94	-	50.21	50.21	-	Price risk , Interest rate risk
Trade receivables	5,020.46	-	5,020.46	2,313.01	-	2,313.01	
Loans	12,661.20	-	12,661.20	35,095.61	-	35,095.61	Interest rate risk
Investments	73,978.96	34,237.24	39,741.72	70,773.19	26,069.71	44,703.48	Price risk , Interest rate risk
Other financial assets	1,090.32	-	1,090.32	17,925.21	-	17,925.21	Interest rate risk
Total Assets	**98,862.62**	**34,949.18**	**63,913.44**	**1,35,470.15**	**26,119.92**	**1,09,350.23**	

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	As at March 31, 2024			As at March 31, 2023			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	
Financial Liabilities							
Derivative financial instruments	428.01	428.01	-	165.89	23.96	141.93	Price risk , Interest rate risk
Trade payables	7,787.77	-	7,787.77	6,731.50	-	6,731.50	
Debt securities	25,298.49	-	25,298.49	49,976.02	-	49,976.02	Interest rate risk
Borrowings (other than debt securities)	33,916.91	-	33,916.91	37,370.37	-	37,370.37	Interest rate risk
Subordinated Liabilities	11,091.22	-	11,091.22	13,335.64	-	13,335.64	Interest rate risk
Other financial liabilities	1,928.42	199.64	1,728.78	11,936.42	-	11,936.42	Price risk , Interest rate risk
Total Liabilities	**80,450.82**	**627.65**	**79,823.17**	**1,19,515.84**	**23.96**	**1,19,491.88**	

Interest Rate Risk

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

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

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

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

Interest rate sensitivity

As at March 31, 2024

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(18.27)	-	25	18.27	-
Interest Rate Swaps	25	(33.63)	-	25	33.63	-
Floating rate loans	25	8.49	-	25	(8.49)	-
Government securities	25	70.87	-	25	(70.87)	-
Corporate debt securities	25	6.61	-	25	(6.61)	-

As at March 31, 2023

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(20.14)	-	25	20.14	-
Interest Rate Swaps	25	(24.38)	-	25	24.38	-
Floating rate loans	25	6.38	-	25	(6.38)	-
Government securities	25	64.39	-	25	(64.39)	-
Corporate debt securities	25	0.78	-	25	(0.78)	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

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 prices of financial instruments.

As at March 31, 2024

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	134.50	-	5	(134.50)	-
Equity instruments	5	87.11	-	5	(87.11)	-
Interest rate futures	5	126.33	-	5	(126.33)	-
Mutual fund units	5	75.00	-	5	(75.00)	-

As at March 31, 2023

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	-	-	5	-	-
Equity instruments	5	-	-	5	-	-
Interest rate futures	5	209.55	-	5	(209.55)	-
Mutual fund units	5	-	-	5	-	-

51.D.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be increased by ₹47.33 millions (previous year ₹ 128.82 millions)

51 E. Additional Regulatory disclosure

(i) The title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(ii) There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Company has been sanctioned working capital limits during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are in agreement with the books of account of the company.

(iv) 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:-

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company, if any, to be disclosed
Aditi Financial Services	Payable	0.03	-	Vendor
Suraj Petroleum	Receivable	2.94	-	Customer
Shri Sham Fisheries	Receivable	0.39	-	Customer
City Elevators Private Limited	Receivable	-	0.15	Customer

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company, if any, to be disclosed
Emicon India Private Limited	Receivable	-	0.09	Customer
Spectrum Washing Private Limited	Receivable	-	0.13	Customer
Viva Concrete Technologies Prvate Limited	Receivable	-	0.54	Customer

(v) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vi) Compliance with number of layers of companies

Being a non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

(vii) (i) 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;

(ii) 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;

(viii) The company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

(ix) 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:

(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

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(x) The Company 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.

(xi) The Company has not traded or invested in crypto currency or virtual currency during the financial year 2023-2024.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

51 F. Income Tax

The Income Tax Department ("the Department") conducted a Search activity ("the Search") under Section 132 of the Income Tax Act, 1961 on the Company in March 2023. Subsequently, the Company has been providing all support and cooperation and the necessary documents and data to the Department. Subsequently, a notice under section 148 of the IT Act has been received by the Company for assessment year 2017-18 to 2021-22. The Company is in process of responding to the above mentioned notices. Management does not envisage any liability from the above mentioned proceedings, which is likely to have any material impact on the company's financial position. Till date, the company has not received any demand notice under the aforementioned search proceedings.

52. Regulatory disclosures - RBI

Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated 4th November 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

Qualitative Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the liquidity position in a stress scenario. Reserve Bank of India introduced LCR requirement for all deposit taking NBFCs and non-deposit taking NBFCs with an asset size of ₹ 10,000 crore and above. LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA refers to the category of liquid assets that can be readily sold or immediately converted into cash at a little loss of value or used as collateral to obtain funds in a range of stress scenarios. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

The Company has adopted the liquidity risk management framework as required under RBI guidelines. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee.

The LCR is calculated by dividing a Company's stock of HQLA by it's total net cash outflows over a 30 -day stress period. The guidelines for LCR were effective from 1st December 2020 with the minimum LCR to be 50%, progressively increasing, till reaches the required level of 100% by 1st December, 2024 as follows;

From	01-12-2020	01-12-2021	01-12-2022	01-12-2023	01-12-2024
Minimum LCR	50%	60%	70%	85%	100%

In order to determine HQLA, Company considers Cash and Bank Balances, Investment in Government Securities without any haircut. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per guidelines, stressed cash flows is to be computed by assigning a predefined stress percentage to the overall cash outflows (i.e. 115%) and cash inflows (with haircut of 25%). Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows, 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by it's total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other collateral requirement, the Company considers the loans which are callable under rating downgrade trigger up to and including 3- notch downgrade. Outflow under other contractual funding obligations primarily includes outflow on account of overdrawn balances with Banks and sundry payables. In order to determine Inflows from fully performing exposures, Company considers the contractual repayments from performing advances in next 30 days. Other Cash inflows includes investments in liquid mutual funds, and other assets which are maturing within 30 days.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2024 is given below:

Particular	Quarter Ended 31-Mar-24		Quarter Ended 31-Dec-23		Quarter Ended 30-Sep-23		Quarter Ended 30-Jun-23	
	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)
High Quality Liquid Assets								
1 Total High-Quality Liquid Assets	**6,991.45**	**6,991.45**	**14,340.01**	**14,340.01**	**12,905.53**	**12,905.53**	**13,013.06**	**13,013.06**
(i) Cash & Bank Balances	6,991.45	6,991.45	9,668.91	9,668.91	5,885.19	5,885.19	5,927.97	5,927.97
(ii) Investment in Govt. Securities	-	-	4,671.10	4,671.10	7,020.34	7,020.34	7,085.09	7,085.09
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	1,381.52	1,588.75	967.23	1,112.31	1,398.36	1,608.11	1,514.14	1,741.26
4 Secured wholesale funding	2,338.71	2,689.52	3,095.73	3,560.09	3,615.96	4,158.35	5,019.73	5,772.69
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements (refer note 2)	383.29	440.78	690.02	793.52	710.09	816.60	1,466.12	1,686.04
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	138.27	159.01	173.42	199.44	154.32	177.47	143.72	165.28
6 Other contractual funding obligations	577.50	664.12	5,362.76	6,167.18	6,990.27	8,038.81	7,433.03	8,547.99
7 Other contingent funding obligations	195.31	224.60	191.18	219.86	191.02	219.67	191.02	219.67
8 TOTAL CASH OUTFLOWS	**5,014.59**	**5,766.78**	**10,480.35**	**12,052.40**	**13,060.01**	**15,019.01**	**15,767.75**	**18,132.92**
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	1,526.00	1,144.50	390.70	293.03	646.27	484.70	1,822.93	1,367.20
11 Other cash inflows	3,398.09	2,548.56	2,131.32	1,598.49	642.42	481.81	1,452.76	1,089.57
12 TOTAL CASH INFLOWS	**4,924.08**	**3,693.06**	**2,522.02**	**1,891.52**	**1,288.68**	**966.51**	**3,275.70**	**2,456.77**
	Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
TOTAL HQLA		**6,991.45**		**14,340.01**		**12,905.53**		**13,013.06**
TOTAL NET CASH OUTFLOWS		**2,073.72**		**10,160.88**		**14,052.50**		**15,676.14**
LIQUIDITY COVERAGE RATIO (%)		**337%**		**141%**		**92%**		**83%**

Notes:

1. The average weighted and unweighted amounts for Q1, Q2 and Q3 are based on simple averages of monthly observations. From Q4 ownards, these averages are being calculated based on simple average of daily observations.

2. Consist of outflows related to liquidity requirements in case a) downgrade triggers up to and including 3 notches down; b)Market valuation changes on derivatives transactions (largest absolute net 30-day collateral flows realised during the preceding 24 months) based on look back approach; and c) potential for valuation changes on collateral securing derivatives.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53. Regulatory disclosures - RBI

The following information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

53.A Capital:

Capital to risk assets ratio (CRAR)

	As at March 31, 2024	As at March 31, 2023
CRAR (%)	40.68%	30.84%
CRAR - Tier I capital (%)	20.34%	15.82%
CRAR - Tier II Capital (%)	20.34%	15.02%

Perpetual Debt

	As at and for year ended	
	March 31, 2024	March 31, 2023
Amount raised by issue of perpetual debt instruments	-	-
Perpetual debt outstanding including Interest	3,273.80	3,272.54
Percentage of Perpetual debt to Tier I Capital;	23.03%	18.86%

Subordinated debt

	As at and for year ended	
	March 31, 2024	March 31, 2023
Subordinated debt outstanding including Interest	7,817.42	10,063.10
Discounted value of subordinated debt considered for the purpose of Tier II capital	2,699.60	4,199.20
Amount of subordinated debt raised as Tier-II capital	-	-

53.B Investments

	As at March 31, 2024	As at March 31, 2023
I) Value of Investment		
Gross value of investments		
In India	83,192.90	71,170.68
Outside India	-	-
Provisions for depreciation / appreciation		
In India	(9,213.94)	(397.49)
Outside India	-	-
Net value of investments		
In India	73,978.96	70,773.19
Outside India	-	-

Please refer note no. 14.B for more details on investments

II) Movement of provisions held towards depreciation/appreciation on investments.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	**397.49**	**1,725.19**
Add : Provisions made during the year	11,036.44	-
Less : Write-off / write-back of excess provisions during the year	(2,219.99)	(1,327.70)
Closing balance	**9,213.94**	**397.49**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.C Derivatives

	As at March 31, 2024	As at March 31, 2023
I) Forward rate agreement / interest rate swap		
The notional principal of swap agreements	25,550.00	20,750.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	91.28	50.21
Collateral required by the NBFC upon entering into swaps	57.00	59.40
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	69.31	26.24

* % of concentration of credit risk arising from swaps with banks

	As at March 31, 2024	As at March 31, 2023
II) Exchange traded interest rate (IR) derivatives		
Notional principal amount of exchange traded IR derivatives undertaken during the year	92,461.28	-
Notional principal amount of exchange traded IR derivatives outstanding	2,551.68	-
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

III) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/ liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

Quantitative disclosure

	As at March 31, 2024		As at March 31, 2023	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For hedging	-	28,101.68	-	20,750.00
Marked to market positions				
Assets (+)	-	91.28	-	50.21
Liability (-)	-	(21.98)	-	(23.96)
Credit exposure	-	241.75	-	171.25
Unhedged exposures	-	-	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.D Disclosures relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	As at March 31, 2024	As at March 31, 2023
a) No. of SPVs sponsored by the NBFC for securitisation transactions	7	8
b) Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	2,015.50	3,001.15
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	1,084.83	1,154.42
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	1,084.83	1,154.42
- Others	-	-
d) Amount of exposures to securitisation transactions other than MRR	78.81	424.95
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	78.81	424.95
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

	As at March 31, 2024	As at March 31, 2023
No. of accounts	34	67
Aggregate value (net of provisions) of accounts sold to SC / RC	18,369.31	18,962.69
Aggregate consideration	18,313.50	18,993.58
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	(55.81)	30.89
Gain / (Loss) on sale to SC/RC during the year	(55.81)	30.89
Amount received in respect of accounts transferred in prior year	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

	As at March 31, 2024	As at March 31, 2023
a) No. of transactions assigned by the NBFC	93	37
b) Total amount outstanding	63.74	1,075.50
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	842.37	451.40
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

		As at March 31, 2024	As at March 31, 2023
	On-balance sheet exposures		
	- First loss	-	-
	- Others	842.37	451.40
d)	Amount of exposures to securitisation transactions other than MRR	-	-
	Off-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

Details of non-performing financials assets purchased from / sold to other NBFCs

	As at March 31, 2024	As at March 31, 2023
Details of non-performing financial assets purchased		
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-
Details of Non-performing Financial Assets sold :		
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Aggregate consideration received	-	-

53.E Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2024

	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	766.38	28,349.10	404.23	20,881.33
Over One months to 2 months	523.92	2,301.60	1,275.80	1,864.63
Over 2 months up to 3 months	610.77	3,660.20	998.10	554.56
Over 3 months to 6 months	1,034.90	326.40	4,179.90	1,643.59
Over 6 months to 1 year	2,505.98	953.70	2,733.61	3,171.07
Over 1 year to 3 years	2,544.44	14,571.90	2,430.00	14,016.12
Over 3 years to 5 years	2,145.56	20,504.00	1,376.05	9,414.56
Over 5 years	3,085.40	3,437.52	-	5,363.06
	13,217.36	**74,104.42**	**13,397.70**	**56,908.93**

*Investments also include Investment in property.

The Company has considered that the Cash Credit facilities availed by it aggregating to ₹ 6,303.18 million as at March 31, 2024 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

	Assets		Liabilities	
	Gross Loans	**Investments***	**Borrowings from bank**	**Other borrowings**
1 day to 30/31 days (One month)	2,023.12	25,919.60	794.57	21,519.86
Over One months to 2 months	2,538.72	-	3,283.60	2,405.74
Over 2 months up to 3 months	3,633.01	1,325.60	1,285.80	7,895.51
Over 3 months to 6 months	3,547.29	2,355.40	4,626.90	6,690.57
Over 6 months to 1 year	4,495.82	3,238.20	3,749.53	6,926.92
Over 1 year to 3 years	17,362.65	18,342.60	2,834.60	10,004.05
Over 3 years to 5 years	1,354.20	13,946.40	389.50	14,048.93
Over 5 years	3,690.28	5,896.44	-	14,225.93
	38,645.09	**71,024.24**	**16,964.50**	**83,717.51**

*Investments also include securities held for trading and Investment in property

The Company has considered that the Cash Credit / Working Capital Demand Loan facilities availed by it aggregating to ₹ 8,004.23 million as at March 31, 2022 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

53.F Exposures

1) Exposure to real estate sector

		As at March 31, 2024	As at March 31, 2023
i)	**Direct exposure**		
	Residential mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to ₹15 lakhs may be shown separately)	2,357.77	1,998.53
	Commercial real estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	5,339.01	22,278.86
	Investments in mortgage backed securities (MBS) and other securitised exposures -		
	- Residential	-	-
	- Commercial Real Estate	31,778.13	22,604.52
ii)	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
c)	**Others**	125.46	249.25
	Total Exposure to Real Estate Sector	**39,600.37**	**47,131.16**

2) Exposure to capital market

		As at March 31, 2024	As at March 31, 2023
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1,793.75	78.85
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	683.03	686.52

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	211.65	4,347.57
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) a) All exposures to Alternative Investment Funds:	-	-
(i) Category I	365.78	380.78
(ii) Category II	712.74	16,075.67
b) All exxposure to Venture Capital Funds:	-	23.90
xi) others (not covered above)	2,009.71	2,080.93
Total Exposure to Capital Market	**5,776.66**	**23,674.21**

3) Sectorial Exposure

As at March 31, 2024

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**182.26**	**3.80**	**2.08%**
2. Industry (Micro and Small and medimum and Large)	**4,432.19**	**33.03**	**0.75%**
2.1 Micro and Small	-	-	
2.2 Medium	-	-	
2.3 Large	-	-	
2.4 Others	4,432.19	33.03	0.75%
3. Services	**5,507.53**	**269.33**	**4.89%**
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	183.95	-	0.00%
3.4 Shipping	27.50	-	0.00%
3.5 Professional Services	933.96	9.37	1.00%
3.6 Trade	544.73	4.35	0.80%
3.6.1 Wholesale Trade (Other than food Procurement)	41.21	0.09	0.22%
3.6.2 Retail Trade	503.52	4.26	0.85%
3.7 Commercial Real Estate	3,034.66	0.00	0.00%
3.8 Non Banking Fiancials Companies of which	187.22	187.22	100%

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
3.9.1 Housing Finance Companies (HFCs)	-	-	-
3.9.2 Public Financial Institutions (PFIs)	-	-	-
3.9. Aviation	2.59	1.30	50.40%
3.10. Other Services	592.92	67.09	11.31%
4. Personal Loans	**1,469.20**	**31.17**	**2.12%**
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2 Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4 Vehicle Loans	-	-	-
4.5 Education	-	-	-
4.6 Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	-
4.7 Advances to Individuals against share, bonds, etc.	-	-	-
4.8 Loans against gold jewellery	-	-	-
4.9 Micro finance loans / SHG loans	-	-	-
4.10 Other Retail Loans	1,469.20	31.17	2.12%
5. Other loans	**1,626.22**	**0.97**	**0.06%**
Total	**13,217.40**	**338.30**	**2.56%**

As at March 31, 2023

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**144.69**	**5.25**	**3.63%**
2. Industry (Micro and Small and medimum and Large)	**3,372.48**	**183.77**	**5.45%**
2.1 Micro and Small	-	-	-
2.2 Medium	-	-	-
2.3 Large	0.00	-	-
2.4 Others	3,372.48	183.77	5.45%
3. Services	**23,766.30**	**436.30**	**1.84%**
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	222.50	2.68	1.20%
3.4 Shipping	3.50	1.10	31.51%
3.5 Professional Services	773.65	74.28	9.60%
3.6 Trade	710.85	32.33	4.55%
3.6.1 Wholesale Trade (Other than food Procurement)	34.88	5.07	14.52%
3.6.2 Retail Trade	675.98	27.27	4.03%
3.7 Commercial Real Estate	19,711.42	320.02	1.62%
3.8 Non Banking Fiancials Companies of which	202.06	-	-
3.9.1 Housing Finance Companies (HFCs)	-	0	-
3.9.2 Public Financial Institutions (PFIs)	202.06	0	-
3.9 Aviation	3.19	0.88	27.69%
3.10 Other Services	2,139.12	5.00	0.23%

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
4. Personal Loans	**1,213.81**	**101.58**	**8.37%**
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2 Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4 Vehicle Loans	-	-	-
4.5 Education	-	-	-
4.6 Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	-
4.7 Advances to Individuals against share, bonds, etc.	5.28	-	-
4.8 Loans against gold jewellery	-	-	-
4.9 Micro finance loans / SHG loans	-	-	-
4.10 Other Retail Loans	1,208.52	101.58	8.41%
5. Other loans	**10,147.82**	**31.83**	**0.06%**
Total	**38,645.09**	**758.73**	**1.96%**

4) Intra-group exposures

	As at March 31, 2024	As at March 31, 2023
i) Total amount of intra-group exposures	3,182.55	5,294.34
ii) Total amount of top 20 intra-group exposures	3,182.55	5,294.34
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	6.77%	4.83%

	As at March 31, 2024	As at March 31, 2023
5) Unhedged foreign currency exposure	Nil	Nil

53.G Details of financing of parent company products:

Details of financing of parent company products during the year: Nil (Previous year : Nil)

53.H Details of single borrower limit and borrower group limit exceeded by the Company:

FY 2023-24 - The Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

FY 2022-23 - The Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI, except below cases:

Azeem Infinite Dwelling India Private Limited

Heet Builders Private Limited

Man Vastucon LLP

The above loans and investments were disbursed / invested within in the limit of Single Borrower Limit (SBL) and Group Borrower Limit (GBL) as defined in RBI Master Direction 'DNBR. PD. 008/03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 as amended, However due to losses incurred by the company during the previous years, the Company witnessed significant reduction in its net-worth/ owned funds. This reduction in owned funds has led to passive SBL and GBL limit breach during the current year. The Company has taken the necessary steps to bring down the exposures of above borrowers within applicable limit. As on March 31, 2023, there is no SBL and GBL exposure breached the specified limits as per the Scale Based Regulations issued by the Reserve Bank of India vide cirecular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-dated October 22, 2021.

Notes to the Financial Statement for the year ended March 31, 2024
(Currency:Indian rupees in million)

53.I Registration obtained from other financial sector regulators - None

53.J Disclosure of penalties imposed by RBI and other regulators- NIL in respect of penalty for securities pay in shortage (Previous year - ₹ NIL).

During the year RBI has imposed a penalty of ₹ 0.49 million on account of failure to put in place a robust software for effective identification and reporting of suspicious transactions omissions. The said penalty has paid by the Company and assured to strengthen the software. (Previous year: ₹ NIL).

53.K Related party transactions

All Material transactions with related parties are reflected in Note 48

53.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2024	For the year ended March 31, 2023
PN Venkatachalam	Sitting Fees	-	0.24
Biswamohan Mahapatra	Sitting Fees	1.43	0.81
Kunnasagaran Chinniah	Sitting Fees	0.30	0.77
Shiva Kumar	Sitting Fees	1.20	0.48
Aalok Gupta	Sitting Fees	1.05	0.31
Sameer A. Kaji	Sitting Fees	0.98	0.34
Atul Pande	Sitting Fees	1.05	0.08

53.M Provisions and contingencies

	For the year ended March 31, 2024	For the year ended March 31, 2023
Breakup of provisions and contingencies shown under the head other expenses in the statement of profit and loss		
Provisions for depreciation/(appreciation) on Investment	(2,394.56)	1,088.00
Provision towards Stage 3	(157.30)	(176.33)
Provision made towards Income tax	-	-
Provision for Stage 1/Stage 2 Assets including restructured and others	(2,877.33)	(11.19)
Other Provision and Contingencies		
Impairment on Investment Property	-	(18.27)
Provision towards ECL on trade receivables	(63.61)	(6.43)

53.N Draw down from reserves

The Company has drawn ₹ 543.37 million (previous year 232.59 million) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2024. Further, pursuant to amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for the debentures issued by Non-Banking Finance Companies by Reserve Bank of India.

53.O Concentration of deposits, advances, exposures and stage 3 assets

	As at March 31, 2024	As at March 31, 2023
Concentration of advances		
Total Advances to twenty largest borrowers	5,511.33	23,975.76
% of Advances to twenty largest borrowers to Total Advances	41.70%	62.04%
Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	5,559.66	24,407.94
% of Exposures to twenty largest borrowers / Customers to Total Advances	40.80%	62.10%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	269.06	399.35

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Sector-wise Stage 3 Assets

Sectors	% of Stage 3 assets to Total Advances in that sector	
	March 31, 2024	**March 31, 2023**
Agriculture & allied activities	2.36%	3.63%
MSME	2.37%	8.10%
Corporate borrowers	5.80%	1.74%
Services	0.31%	1.84%
Unsecured loans	0.19%	1.75%
Auto loans	0.00%	0.00%
Other loans	0.67%	0.90%

Other loans represents retail loans

53.P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2024	As at March 31, 2023
Stage 3 assets net of stage 3 provision to net advances (%)	1.41%	1.17%
Movement of Stage 3 assets		
Opening balance	758.73	1,616.32
Additions during the year	3,796.38	186.87
Reductions during the year*	(4,216.79)	(1,044.46)
Closing balance	**338.32**	**758.73**
Movement of Stage 3 net of stage 3 provisions		
Opening balance	447.77	1,129.03
Additions during the year	3,547.37	137.05
Reductions during the year	(3,810.48)	(818.31)
Closing balance	**184.66**	**447.77**
Movement of stage 3 provisions		
(excluding provision on Stage 1/Stage 2)		
Opening Balance	310.96	487.29
Additions during the year	249.01	49.82
Reductions during the year	(406.31)	(226.15)
Closing balance	**153.66**	**310.96**

*Includes Stage 3 assets written off during the year ₹326.69 million (Previous year: ₹211.02 million)

53.Q Overseas assets - Nil (Previous year - nil)

53.R Off-balance sheet SPV sponsored - Nil (previous year - Nil)

53.S Customer complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
	Compliants received by the NBFC from its customers		
1	No. of complaints pending at the beginning of the year	7	-
2	No. of complaints received during the year	93	113
3	No. of complaints redressed/disposed during the year	100	106
3.1	Of which, number of complians rejected by the NBFC	2	11
4	No. of complaints pending at the end of the year	-	7

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
5	**Number of Maintainable complaints received by the NBFC from office of the Omnbudsman**	26	44
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	26	44
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	26	-
6	**Number of Awards unimplemented within the stipulated time (other than those appealed)**	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints*	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
			As at March 31, 2024		
CIBIL reporting related	-	21	-	-	-
Loans foreclosure related	0	10	-	-	-
Others	7	62	-	-	-
Total	**7**	**93**	**-18%**	**-**	**-**
			As at March 31, 2023		
Others	-	113	-32%	7	5
Total	**-**	**113**	**-32%**	**7**	**5**

* Grounds of complains are basis on the grounds as specified in Scale Based Regulations issued by the Reserve Bank of India.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.T Rating assigned by credit rating agencies

The following information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

As at March 31, 2024	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL A+/ Stable	1,09,530.30	[ICRA] A+/placed on rating watch with negative implications	1,72,233.70	CARE A/ Stable	71,379.60	BWR AA-/ Negative	8,000.00	ACUITE A+/Stable and ACUITE A/ Stable	7,000.00
Short term instruments	CRISIL A1+	35,000.00	-	-	CARE A1	30,000.00	-	-	Acuite A1+	5,000.00
Market linked debentures										
Short term	-	-	-	-	-	-	-	-	-	-
Long Term	-	-	PP-MLD [ICRA]A+/ placed on rating watch with negative implications	1,201.10	CARE PP-MLD A/Stable	950.00	BWR PP-MLD AA-/ Negative	20.00	-	-

Movement in Ratings during the year:-

1 Acuité has downgraded its long-term rating to ACUITE A+ from Acuite AA- and outlook revise Negative to Stable on 04th July 2023.

2 CARE has downgraded its long-term rating to CARE A from CARE A+ & short-term A1 from A1+ and outlook revise Negative to Stable on 03rd January 2024.

3 CRISIL has downgraded its long-term rating to CRISIL A+ from CRISIL AA- and outlook revise Negative to Stable on 18th December 2023.

As at March 31, 2023	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA- and A+ / Negative	1,32,502.90	[ICRA] A+/ Stable	2,07,319.50	CARE A+/ Negative	1,67,921.60	BWR AA- and A+/ Negative	8,000.00	ACUITE AA- and A+/Negative	7,000.00
Short term instruments	CRISIL A1+	35,000.00	-	-	CARE A1+	40,000.00	-	-	-	-
Market linked debentures										
Short term	-	-	-	-	-	-	-	-	-	-
Long Term	CRISIL PP-MLD AA-/ Negative	3,232.20	PP-MLD [ICRA] A+/ Stable	1,442.30	CARE PP-MLD A+/ Negative	950.00	BWR PP-MLD AA-/ Negative	20.00	-	-

53.U Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.V (i) Disclosure of Restructured Accounts

Disclosure of Restructured Accounts for the year ended March 31, 2024

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2023 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	155	32	14	-	201	155	32	14	-	201
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3,452.54	45.94	44.79	-	3,543.26	3,452.54	45.94	44.79	-	3,543.26
		Provision thereon	-	-	-	-	-	-	-	-	-	-	451.62	22.96	13.26	-	487.84	451.62	22.96	13.26	-	487.84
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2	-	2	-	-	2
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	244.71	-	-	244.71	-	244.71	-	-	244.71
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	105.10	-	-	105.10	-	105.10	-	-	105.10
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	(1)	-	-	-	1	(1)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3.34	(3.34)	-	-	-	3.34	(3.34)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.33	(0.33)	-	-	-	0.33	(0.33)	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(63)	(12)	(11)	-	(86)	(63)	(12)	(11)	-	(86)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(3,052.46)	(26.32)	(44.04)	-	(3,122.81)	(3,052.46)	(26.32)	(44.04)	-	(3,122.81)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(412.90)	(11.43)	(12.57)	-	(436.90)	(412.90)	(11.43)	(12.57)	-	(436.90)
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	(5)	7	-	-	(2)	(5)	7	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.79)	(9.50)	10.29	-	-	(0.79)	(9.50)	10.29	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.59)	(5.40)	6.54	-	0.55	(0.59)	(5.40)	6.54	-	0.55
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(11)	(13)	(1)	-	(25)	(11)	(13)	(1)	-	(25)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(6.52)	(6.72)	(0.54)	-	(13.78)	(6.52)	(6.72)	(0.54)	-	(13.78)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(3.53)	(5.74)	(0.54)	-	(9.82)	(3.53)	(5.74)	(0.54)	-	(9.82)
7	Restructured accounts as on 31st March, 2024 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	80	3	9	-	92	80	3	9	-	92
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	396.11	244.77	10.50	-	651.38	396.11	244.77	10.50	-	651.38
		Provision thereon	-	-	-	-	-	-	-	-	-	-	34.93	105.15	6.69	-	146.76	34.93	105.15	6.69	-	146.76

Note :

*includes recovery made during the year from the Sub-standard restructure accounts.

**includes recovery made during the year from the standard restructure accounts.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.V (ii) Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	53	399.90

Disclosure of Restructured Accounts for the year ended March 31, 2023

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2022 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	342	86	-	-	428	342	86	-	-	428
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	4,478.48	138.37	-	-	4,616.85	4,478	138	-	-	4,616.85
		Provision thereon	-	-	-	-	-	-	-	-	-	-	583.56	47.76	-	-	631.32	584	48	-	-	631.32
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	5	(5)	-	-	-	5	(5)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	26.09	(26.09)	-	-	-	26	(26)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.61	(2.61)	-	-	-	3	(3)	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(90)	(33)	-	-	(123)	(90)	(33)	-	-	(123)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(954.16)	(62.92)	-	-	(1,017.07)	(954)	(63)	-	-	(1,017.07)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(102.84)	(8.33)	-	-	(111.17)	(103)	(8)	-	-	(111.17)

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Sl No	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(31)	17	14	-	-	(31)	17	14	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.19)	19.47	44.79	-	5.07	(59)	19	45	-	5.07
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.08)	4.92	13.26	-	8.10	(10)	5	13	-	8.10
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(71)	(33)	-	-	(104)	(71)	(33)	-	-	(104)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(38.69)	(22.90)	-	-	(61.58)	(39)	(23)	-	-	(61.58)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(21.63)	(18.79)	-	-	(40.41)	(22)	(19)	-	-	(40.41)
7	Restructured accounts as on 31st Mar, 2023 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	155	32	14	-	201	155	32	14	-	201
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3,452.54	45.94	44.79	-	3,543.26	3,453	46	45	-	3,543.26
		Provision thereon	-	-	-	-	-	-	-	-	-	-	451.62	22.96	13.26	-	487.84	452	23	13	-	487.84

Note :

*includes recovery made during the year from the Sub-standard restructure accounts.

**includes recovery made during the year from the standard restructure accounts.

Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances:-

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	132	649.00

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53. W Schedule to the Balance Sheet

The following information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

	As at March 31, 2024		As at March 31, 2023	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	20,798.50	-	39,023.26	-
ii) Unsecured	13,812.41	-	20,837.60	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and Other parties)	7,814.01	-	10,349.38	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	1,778.80	-	3,450.80	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	5,000.01	-	6,700.00	-
ii) Bank Overdraft	1,303.17	-	1,348.33	-
iii) CBLO Borrowings	19,799.72	-	18,958.39	-
iv) Loan from related parties	-	-	14.27	-

	Amount Outstanding	
	As at March 31, 2024	As at March 31, 2023
2. Break up of Loans and Advances including bills receivables		
i) Secured	8,988.93	29,715.06
ii) Unsecured	4,228.44	8,930.03
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
i) Financial Lease	-	-
ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	-	-
ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	-	-
ii) Other loans	-	-
4. Break up of Investments (including securities held for trading)		
a) Current Investment - Quoted		
i) Shares		
Equity	1,742.29	-
Preference Shares	-	-
ii) Debentures and Bonds	2,645.95	312.52
iii) Units of Mutual Funds	1,499.92	-
iv) Government Securities	28,349.08	25,757.19
v) Others	-	-

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

	Amount Outstanding	
	As at March 31, 2024	As at March 31, 2023
a) Current Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
CCPS	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
a) Long term Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
a) Long term Investment - Unquoted		
i) Shares		
Equity	51.46	78.85
Preference Shares	-	-
CCPS	106.63	83.50
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds		
iv) Government Securities		
v) Others		
- Investments in security receipts of trusts	38,224.29	28,060.80
- Investment in Units of AIF	1,078.52	16,480.33
- Investment in Units of Pass through Certificate	280.82	-

5. Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2024

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	536.43	536.43
b) Other than related parties	8,588.94	3,535.84	12,124.77

Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2023

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	4,988.40	4,988.40
b) Other than related parties	26,458.05	3,649.16	30,107.21

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

6. **Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**

	As at March 31, 2024		As at March 31, 2023	
	Market Value/ Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
a) Related Parties				
Subsidiaries	-	-	-	-
Companies in the same group	30,622.91	30,622.91	16,821.29	16,821.29
Other related parties	-	-	-	-
b) Other than related parties	43,356.05	43,356.05	53,951.90	53,951.90

7. **Other Information**

	Amount Outstanding	
	As at March 31, 2024	As at March 31, 2023
a) Stage 3 assets		
i) Related Parties	-	-
ii) Other than related parties	338.32	758.75
b) Stage 3 assets net of stage 3 provision		
i) Related Parties	-	-
ii) Other than related parties	184.66	447.79
c) Assets acquired in satisfaction of debt	-	-

53.X Prudential Floor for ECL

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
A	B	C	D	E = C - D	F	G = D - F
Performing Assets						
Standard	Stage 1	10,763.57	121.99	10,641.58	42.88	79.11
	Stage 2	2,115.49	280.51	1,834.98	61.70	218.81
Total Performing Assets		**12,879.06**	**402.50**	**12,476.56**	**104.58**	**297.92**
Non Performing Assets (NPA)						
Substandard	Stage 3	297.37	126.24	171.13	54.12	72.12
Doubtful - up to 1 year	Stage 3	12.40	6.56	5.84	6.79	(0.23)
1 to 3 years	Stage 3	28.53	20.86	7.67	21.92	(1.06)
More than 3 years	Stage 3	-	-	-	-	-
Total Doubtful						
Loss Assets	Stage 3	-	-	-	-	-
Total Non Performing Assets (NPA)		**338.30**	**153.66**	**184.64**	**82.84**	**70.82**
Other items such as guarantees,	Stage 1	-	-	-	-	-
loan commitments, etc.which are	Stage 2	-	-	-	-	-
in the scope of Ind AS 109 but not covered under IRACP	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	Stage 1	10,763.57	121.99	10,641.58	42.88	79.11
	Stage 2	2,115.49	280.51	1,834.98	61.70	218.81
	Stage 3	338.30	153.66	184.64	82.84	70.82
Total Loan Book		**13,217.36**	**556.16**	**12,661.20**	**187.42**	**368.74**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.Y Disclosure on liquidity risk

The following information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2024
Number of significant counterparties*	12
Amount of borrowings from significant counterparties	50,087.37
% of Total deposits	NA
% of Total liabilities**	62.15%

* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

*"Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

b) Top 20 large deposits

The Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c) Top 10 Borrowings

Particulars	As at March 31, 2024
Amount of Borrowings from top 10 lenders	48,267.49
% of Total Borrowings	68.65%

d) Funding Concentration based on significant instrument/product*

	As at March 31, 2024	
	Amount	% of Total Liabilities**
Debentures		
Non Convertible	32,009.39	39.72%
Compulsory Convertible	2,601.51	3.23%
Bank Borrowings		
Term Loans	7,814.01	9.70%
Working Capital Demand Loan	5,000.01	6.20%
Other Borrowings		
Commercial Papers	1,778.80	2.21%
TriParty Repo	19,799.72	24.57%
Cash Credit	1,303.17	1.62%

* "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

*"Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

e) Stock Ratios

Particulars	As at March 31, 2024
Commercial papers as a % of total public funds	2.53%
Commercial papers as a % of total liabilities	2.21%
Commercial papers as a % of total assets	1.64%
Non-convertible debentures as a % of total public funds	0.00%
Non-convertible debentures as a % of total liabilities	0.00%
Non-convertible debentures as a % of total assets	0.00%

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Particulars	As at March 31, 2024
Other short-term liabilities, if any as a % of total public funds*	8.97%
Other short-term liabilities, if any as a % of total liabilities**	7.82%
Other short-term liabilities, if any as a % of total assets	5.82%

*"Total public funds" refers to the aggregate of Debt securities, borrowings other than debt securities and subordinated liabilities.

*"Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities. (i.e., excluding total equity).

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

- **The Asset Liability Management Committee, inter alia**

a. Review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.

b. Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:

i. Interest rate levels and trends

ii. Loan products and related markets

iii. Monetary and fiscal policy

c. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.

d. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.

e. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.

f. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/ products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.

g. Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.

h. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis.

i. Review stress test scenarios including the assumptions and results.

j. Review and approve the capital allocation methodology.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

k. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.

l. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.

m. Formulate ALM policy for the Company; and

n. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

- **The Risk Management Committee, inter alia**

a. Identifying, measuring and monitoring the various risks faced by the Company;

b. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

c. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

d. To assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;

e. To have oversight over implementation of risk and related policies;

f. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise; and

g. Establishing a common risk management language that includes measures around likelihood and impact and risk categories

53.Z Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Format B - For the half year ended March 31, 2024

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024
Personal Loans	21.15	-	0.15	4.13	16.87
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**21.15**	**-**	**0.15**	**4.13**	**16.87**

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.AA Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

(a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2024.

Particulars	Through Direct assignment	Through Co-lending	Through Pass Through Certificates (PTC)
Count or Loan accounts Assigned	1	879	939
Amount of Loan account Assigned (₹ in million)	420.00	3,101.40	1,055.26
Retention of beneficial economic interest (MRR)	17.23%	20.42%	14.50%
Weighted Average Maturity (Residual Maturity) (in years)	4.29	4.36	1.67
Weighted Average Holding Period (in years)	5.71	0.07	0.77
Coverage of tangible security coverage	100%	72%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	AA+(SO), AA(SO), Provisional AA-(SO)

(b) (i) Details of stressed loans transferred during the year ended March 31, 2024.

Particulars	To ARCs Year Ended March 31, 2024
Number of accounts	34
Aggregate principal outstanding of loans transferred (₹ in million)*	32,672.32
Weighted average residual tenor of the loans transferred (in years)	1.36
Net book value of loans transferred (at the time of transfer) (₹ in million)	18,369.31
Aggregate consideration (₹ in million)	18,313.50
Additional consideration realized in respect of accounts transferred in earlier years	-

* includes interest accrued, penal interest & other charges due from borrower as included in the sale agreement.

(b) (ii) The Company has acquired below loan during the year ended March 31, 2024

Particulars	From Others Year Ended March 31, 2024	From Others Year Ended March 31, 2023
Aggregate principal outstanding of loans acquired (in crs)	9,724.40	9,104.59
Aggregate consideration paid (in crs)	6,021.47	5,938.63
Weighted average residual tenor of loans acquired	1.2	4.5

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.AB Related Party Disclosure

As required in terms of paragraph B of Section I of circular RBI/2022-23/26 DOR.ACC.REC.No. 20/21.04.018/2022-23 dated April 19, 2022 - Disclosure in Financial Statemements- Notes to Accounts of NBFCs.

Related Party	Category	Parent (As per ownership or control)		Subsidiaries**		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Borrowings	Maximum Transaction during the year*	-	1,300.00	850.00	3,880.00	-	-	-	-	-	-	-	-	850.00	5,180.00
	Transactions during the year	-	1,300.00	1,044.95	8,536.85	-	13.71	-	-	-	-	-	-	1,044.95	9,850.56
	Outstanding at year end	2,400.00	2,400.00	207.78	954.23	-	-	-	-	-	-	-	-	2,607.78	3,354.23
Deposits	Maximum Transaction during the year*	-	-	7.44	14.60	-	-	-	-	-	-	-	-	7.44	14.60
	Transactions during the year	-	-	7.44	14.60	-	-	-	-	-	-	-	-	7.44	14.60
	Outstanding at year end	-	-	18.59	14.60	-	-	-	-	-	-	-	-	18.59	14.60
Placement of Deposits	Maximum Transaction during the year*	-	-	14.60	20.52	-	-	-	-	-	-	-	-	14.60	20.52
	Transactions during the year	-	-	29.42	20.52	-	-	-	-	-	-	-	-	29.42	20.52
	Outstanding at year end	-	-	35.51	31.67	-	-	-	-	-	-	-	-	35.51	31.67
Advances	Maximum Transaction during the year*	-	-	2,500.00	1,600.00	-	-	-	-	-	-	-	-	2,500.00	1,600.00
	Transactions during the year	-	-	8,760.00	12,420.00	-	-	-	-	-	-	-	-	8,760.00	12,420.00
	Outstanding at year end	-	-	500.00	4,980.00	-	-	-	-	-	-	-	-	500.00	4,980.00
Investments	Maximum purchase during the year*	-	220.00	7,334.70	6,840.90	-	456.47	-	-	-	-	-	-	7,334.70	7,517.37
	Purchase Transactions during the year	-	220.00	34,587.21	20,718.69	-	456.47	-	-	-	-	-	-	34,587.21	21,395.16
	Maximum sale during the year	-	-	5,950.00	5,062.80	-	478.22	-	-	-	-	-	-	5,950.00	5,541.02
	Sales Transactions during the year	-	-	26,103.87	17,349.68	-	478.22	-	-	-	-	-	-	26,103.87	17,827.90
	Outstanding at year end***	1,059.69	279.00	2,041.05	9,417.49	-	-	-	-	-	-	-	-	3,100.74	9,696.49
Purchase of fixed/other assets8	Transactions during the year	-	-	6,021.47	5,938.63	-	-	-	-	-	-	-	-	6,021.47	5,938.63
Sale of Fixed/Other assets8	Transactions during the year	-	0.01	21,280.98	13,198.86	-	-	-	-	-	-	-	-	21,280.98	13,198.87

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

Related Party / Items	Category	Parent (As per ownership or control) As at March 31, 2024	Parent (As per ownership or control) As at March 31, 2023	Subsidiaries** As at March 31, 2024	Subsidiaries** As at March 31, 2023	Associates/Joint Ventures As at March 31, 2024	Associates/Joint Ventures As at March 31, 2023	Key Management Personnel As at March 31, 2024	Key Management Personnel As at March 31, 2023	Relatives of Key Management Personnel As at March 31, 2024	Relatives of Key Management Personnel As at March 31, 2023	Others As at March 31, 2024	Others As at March 31, 2023	Total As at March 31, 2024	Total As at March 31, 2023
Interest Paid #	Transactions during the year	246.67	72.48	92.08	375.08	-	0.37	-	-	-	-	-	-	338.75	447.93
	Outstanding at year end	218.40	220.77	6.22	68.87	-	-	-	-	-	-	-	-	224.61	289.64
Interest Received #	Transactions during the year	99.38	23.22	715.36	259.98	-	6.15	-	-	-	-	-	-	814.74	289.35
	Outstanding at year end	81.84	21.21	36.61	10.26	-	-	-	-	-	-	-	-	118.45	31.47
Reimbursement of Realised Loss on Security Receipts* (Refer Note-1)	Transactions during the year	11,697.27	1,768.40	-	-	-	-	-	-	-	-	-	-	11,697.27	1,768.40
Others* (Refer Note-1)	Transactions during the year	123.12	1,157.91	893.37	1,122.42	-	2.48	138.81	119.81	-	-	-	-	1,155.31	2,402.62
	Outstanding at year end	4,000.76	35,978.89	2,526.69	9,581.33	-	-	-	-	-	-	-	-	6,527.46	45,560.22

Note:

1) *As required in above referred circular, the Company is required to specify item if total for the item is more than 5 per cent of total related party transaction, while calculating 5 per cent limit, the Company has taken sum of all transactions such as loan given, loan taken, purchase and sale of investment, securities, income & expenses, income etc. excluding closing balance of assets, liabilities. Others include total of all transactions (excluding closing balances) which are less than 5% individually.

2) * Maximum single transaction value entered amongst any of fellow subsidiary is considered.. In case investment, maximum single transaction value considered

3) **Including fellow subsidiaries, enterprises over which control is exercised by the parent company and alternative Investment Funds

4) * KMP amount includes sitting fees of independent director

5) *** At amortised cost or at fair value

6) $ Includes loan given

7) # Interest Expenses/Income recorded in P&L

8) Purchase and sale of Fixed/ Other asset includes purchase and sale of Loans/NCDs

9) Parent company include ultimate holding company

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

53.AC Breach of covenant

During the financial year ending as on 31 March 2024, there is no incidence of breach of covenant. (Previous year: Nil).

53.AD Divergence in Asset Classification and Provisioning

The following information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024).

FY2023-24

The Company has received inspection report dated February 16, 2024 from Reserve Bank of India (RBI) for financial statements ending March 31, 2023. Based on the inspection report, Details of divergence are as follows:

a) Divergence in relation to Gross NPA identified by RBI

Sr.	Particulars	Amount
1	Gross NPAs as on March 31, 2023 as reported by the NBFC	758.73
2	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India	758.73
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2023 as reported by the NBFC	447.77
5	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India	447.77
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	310.96
8	Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India	310.96
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	1,223.62
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	1,108.40
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	775.47

b) The RBI in its inspection report has inter alia raised matter relating to the following:

i) SR's 444.9 million on additional provision on SR's : Impact as on March 31, 2024 was ₹22 million and has been considered in FY24 financials.

ii) ₹ 977.1 million capital charge for securitisation in cases where the company as originator retained more than 20% of the securitization exposure: Impact as on March 31, 2024 was ₹211.4 million and considered in CAPAD computation.

iii) ₹ 3079.7 million capital charge on account of Investment in subordinated AIF units: No impact in CAPAD, as exited during the FY24.

iv) ₹ 339.6 Impact on Group exposure due to exclusion of PDI from Owned Fund: Impact has been taken in computation of CAPAD in FY24.

The company has duly responded to above observation made by RBI.

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

54. Other Disclosures

54.A Initial Disclosure under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 on Large corporates

Particulars	Amount
Name of the Company	ECL Finance Limited
CIN	U65990MH2005PLC154854
Outstanding borrowing of company as on 31st March 2024	₹ 47,905 millions (excluding CCD & CBLO)
Highest Credit Rating During the previous FY along name of the Credit Rating Agency	CRISIL AA-, ICRA A+, CARE A+, BWR AA-, ACUITE AA-
Name of stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

We confirm that we are a large Corporate as per the applicability criteria given under the SEBI circular SEBI / HO/ DDHS / CIR/ P / 2018 /144 dated November 26, 2018.

54.B Details of incremental borrowings during the year ended March 31, 2024

Particulars	Details
2 years block period	**FY-2024 and FY-2025**
Incremental borrowing done in FY 2024 (a)	4,400.00
Mandatory borrowing to be done through issuance of debt securities in FY24 (b) = (25% of a)	1,100.00
Actual borrowings done through debt securities in FY 2024 (c)	-
Shortfall in the mandatory borrowing through debt securities, if any, for FY23 carried forward to FY24 (d)	-
Quantam of (d), which has been met from (c) - (e)	-
Shortfall, if any, in the mandatory borrowing through debt securities for FY24 (after adjusting for any shortfall in borrowing for FY23 which was carried forward to FY24) ' (f) = (b) - [-(c) -(e)] [If the calculated value is zero or negative, write ""nil']	1,100.00

Details of penalty to be paid, if any, in respect to previous block :

Particulars	Details
2 years block period	FY2022-23 and FY2023-24
Amount of fine to be paid for the block, if applicable Fine = 0.2% of [(d) - (e)]	Nil

Notes to the Financial Statement for the year ended March 31, 2024

(Currency:Indian rupees in million)

54.C 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.

54.D There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024.

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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **Chetan T. Shah & Co.**
Chartered Accountants
ICAI Firms Registration Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828

For **V. C. Shah & Co.**
Chartered Accountants
ICAI Firms Registration Number: 109818W

Viral J. Shah
Partner
Membership No: 110120

Mumbai May 8, 2024

For and on behalf of the Board of Directors

Phanindranath Kakarla
Managing Director
DIN: 02076676

Mehernosh Tata
Executive Director
DIN : 08603284

Sandeep Agarwal
Chief Financial Officer

Kashmira Mathew
Executive Director & Company Secretary
DIN : 02341875
Membership No: ACS-11833

Mumbai May 8, 2024

Edelweiss
Ideas create, values protect
ECL
Finance Ltd.

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ECL Finance Limited

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