Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)

Corporate Identity Number: U66010MH2009PLC197336

Financial Statement for the year ended March 31, 2024

K. S. Aiyar & Co.
Chartered Accountants
F-7, Laxmi Mills Compound, Shakti Mills Lane,
Off. Dr. E. Moses Road, Mahalaxmi,
Mumbai – 400 011.

B. K. Khare & Co.
Chartered Accountants
706/708, Sharda Chambers,
New Marine Lines,
Mumbai – 400 020.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Edelweiss Tokio Life Insurance Company Limited

Report on the Audit of the Special Purpose Financial Statements

We have audited the accompanying Special Purpose Financial Statements of **Edelweiss Tokio Life Insurance Company 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 Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditors' report thereon.

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

Responsibility of Management for the 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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the 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 controls 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.

Other Matter

The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 is the responsibility of the Company's Appointed Actuary ("the Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("the IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in Financial Statements of the Company.

Our opinion is not modified in respect of the above matter.

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Report on Other Legal and Regulatory Requirements

1. As the Company is an Insurance Company as defined under the Insurance Act, 1938, the reporting under the Companies (Auditor's Report) Order, 2020, issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, is not applicable to the Company.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the Branches of the Company.

   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (f) 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.

   (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

   (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act read with Section 34A of the Insurance Act, 1938.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of 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 Financial Statements – Refer Note 40.1 to the Financial Statements;

(ii) Based on the information and explanations provided to us, the Company was not required to make any provisions for material foreseeable losses in respect of any long−term contracts including the interest rate derivative contracts entered into by the Company;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, 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;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

(v) The Company has not declared/paid/declared and paid any dividend during the year; and

K. S. Aiyar & Co. **Chartered Accountants** F-7, Laxmi Mills Compound, Shakti Mills Lane, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.	**B. K. Khare & Co.** **Chartered Accountants** 706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020.

(vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have 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 **K. S. Aiyar & Co**. Chartered Accountants Firm Registration No. 100186W	For **B. K. Khare & Co**. Chartered Accountants Firm Registration No. 105102W
RAJESH SHASHIKANT JOSHI Digitally signed by RAJESH SHASHIKANT JOSHI Date: 2024.05.08 19:26:37 +05'30'	HIMANSHU TRIBHOVANDAS GORADIA Digitally signed by HIMANSHU TRIBHOVANDAS GORADIA Date: 2024.05.08 16:05:25 +05'30'
Rajesh Joshi Partner Membership No. 038526 UDIN: 24038526BKEKRL6502 Place: Mumbai Date: May 8, 2024	**Himanshu Goradia** Partner Membership No. 045668 UDIN: 24045668BKFILI4681 Place: Mumbai Date: May 8, 2024

K. S. Aiyar & Co.
Chartered Accountants
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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT
[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial controls with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K. S. Aiyar & Co**.
Chartered Accountants
Firm Registration No. 100186W

RAJESH SHASHIKANT JOSHI
Digitally signed by RAJESH SHASHIKANT JOSHI
Date: 2024.05.08 19:27:30 +05'30'

Rajesh Joshi
Partner
Membership No. 038526
UDIN: 24038526BKEKRL6502
Place: Mumbai
Date: May 8, 2024

For **B. K. Khare & Co**.
Chartered Accountants
Firm Registration No. 105102W

HIMANSHU TRIBHOVANDAS GORADIA
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Date: 2024.05.08 16:05:46 +05'30'

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 24045668BKFILI4681
Place: Mumbai
Date: May 8, 2024

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED
Registration Number 147 dated 10 May 2011
Audited Balance Sheet As at March 31, 2024
Ind AS Financial Statements -Fit for Consolidation

(Currency: Indian rupees in millions)		**31-Mar-24**	**31-Mar-23**
ASSETS			
Financial assets			
(a) Cash and cash equivalents	6	2,487.54	1,249.41
(b) Bank balances other than cash and cash equivalents	7	4,900.55	4,231.78
(c) Derivative financial instruments	8	104.32	90.41
(d) Stock in trade (Securities held for trading)		-	-
(e) Receivables	9		
Trade Receivables		1,410.26	837.45
Other Receivables		1.78	0.79
(f) Loans	10	521.41	373.26
(g) Investments	11	77,779.33	64,853.02
(h) Other financial assets	12	311.34	320.30
Total financial assets		**87,516.53**	**71,956.42**
Non-financial assets			
(a) Inventories		-	-
(b) Reinsurance assets	46	3,273.98	3,013.36
(c) Current tax assets (net)		-	-
(d) Deferred tax assets (net)		-	-
(e) Investment property	13	508.23	-
(f) Property, Plant and Equipment	14	716.90	456.40
(g) Capital work in progress	15	30.83	1.63
(h) Intangible assets under development	15	93.77	47.59
(i) Goodwill		-	-
(j) Other Intangible assets	14	280.07	216.54
(k) Other non- financial assets	16	739.59	452.14
Total Non-financial assets		**5,643.37**	**4,187.66**
TOTAL ASSETS		**93,159.90**	**76,144.08**
LIABILITIES			
Financial liabilities			
(a) Derivative financial instruments		-	-
(b) Trade Payables			
i. total outstanding dues of micro enterprises and small enterprises	17.1	8.51	14.80
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	17.2	1,942.12	2,083.77
(c) Insurance claims payable		373.82	509.76
(d) Debt securities		-	-
(e) Borrowings (other than debt securities)		-	-
(f) Deposits		-	-
(g) Subordinated Liabilities		-	-
(h) Investment Contract Liability	46	1,164.43	1,111.61
(i) Other financial liabilities	18	704.83	509.80
Total financial liabilities		**4,193.71**	**4,229.74**
Non-financial liabilities			
(a) Current tax liabilities (net)		-	-
(b) Provisions	19	186.15	190.43
(c) Policyholders' liabilities	46	80,860.85	64,556.95
(d) Deferred tax liabilities (net)		-	-
(e) Other non-financial liabilities	20	732.69	386.10
Total non-financial liabilities		**81,779.69**	**65,133.48**
TOTAL LIABILITIES		**85,973.40**	**69,363.22**
EQUITY			
(a) Equity Share capital	21	9,155.52	9,155.52
(b) Other equity	22	(1,969.02)	(2,374.66)
TOTAL EQUITY		**7,186.50**	**6,780.86**
TOTAL LIABILITIES AND EQUITY		**93,159.90**	**76,144.08**
See accompanying notes to Financial Statements	1-57		

As per our report of even date

For and on behalf of the Board of Directors

RASHESH CHANDRAKANT SHAH Digitally signed by RASHESH CHANDRAKANT SHAH Date: 2024.05.07 22:12:19 +05'30'
Rashesh Shah
Chairman
DIN:00008322

PRIYADEEP CHOPRA Digitally signed by PRIYADEEP CHOPRA Date: 2024.05.07 22:09:32 +05'30'
Priyadeep Chopra
Non-executive Director
DIN:00079353

SUMIT RAI
Sumit Rai
Managing Director & CEO
DIN:08131728

SUBHRAJIT MUKHOPADHYAY
Subhrajit Mukhopadhyay
Executive Director
DIN:08718219

For K.S. Aiyar & Co
Chartered Accountants
Firm Registration No.: 100186W

RAJESH SHASHIKANT JOSHI Digitally signed by RAJESH SHASHIKANT JOSHI Date: 2024.05.08 19:32:55 +05'30'
Rajesh.S. Joshi
Partner
Membership No. 038526

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

HIMANSHU TRIBHOVANDAS GORADIA Digitally signed by HIMANSHU TRIBHOVANDAS GORADIA Date: 2024.05.08 15:57:33 +05'30'
Himanshu Goradia
Partner
Membership No. 045668

Sharad Maheshwari
Sharad Maheshwari
Interim Chief Financial Officer

NIRMAL ANIL NOGAJA
Nirmal Nogaja
Appointed Actuary

ANKUR CHADHA
Ankur Chadha
Company Secretary

Mumbai
Dated: May 08, 2024

Mumbai
Dated: May 07, 2024

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

Registration Number 147 dated 10 May 2011

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

Ind AS Financial Statements -Fit for Consolidation

(Currency: Indian rupees in millions)		For the Year ended 31-Mar-24	For the Year ended 31-Mar-23
Revenue from operations			
Interest income	23	4123.56	3547.21
Dividend Income		274.42	283.19
Fee and commission income	24	16.51	15.43
Net gain on fair value changes	25	6,170.85	-257.15
Premium from insurance business (net)	26	18878.77	16403.36
Other operating revenue	27	3.40	-
Total revenue from operations		**29467.51**	**19992.04**
Other income	28	8.97	7.89
Total income		**29476.48**	**19999.93**
Expenses			
Finance costs		32.69	32.26
Fees and commission expenses		1815.99	1278.58
Net loss on fair value changes		-	-
Employee benefits expense	29	3410.50	3211.09
Impairment on financial instruments	30	(100.69)	(172.51)
Depreciation and amortisation expenses	13 & 14	311.52	407.53
Change in insurance policy liability - actuarial	46	16,043.28	10873.74
Policy benefits paid	31	6915.81	3932.48
Other expenses	32	2613.34	2427.65
Total expenses		**31042.44**	**21990.82**
Profit before share in profit / (loss) of associates and tax		**(1,565.96)**	**(1,990.89)**
Share in profit / (loss) of associates		-	-
Profit before tax		**(1,565.96)**	**(1,990.89)**
Tax expense:			
Current tax		-	-
Deferred tax and Minimum alternate tax (MAT)		-	-
Profit for the year		**(1,565.96)**	**(1,990.89)**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(i) Re-measurements of the defined benefit plans;		5.19	(0.58)
(iii) Revaluation Gain through Other Comprehensive Income		-	-
Subtotal (A)		**5.19**	**(0.58)**
(B) Items that will be reclassified to profit or loss			
(i) Debt Instruments through Other Comprehensive Income		1,448.47	68.68
Subtotal (B)		**1,448.47**	**68.68**
Other Comprehensive Income (A+B)		**1,453.66**	**68.10**
Total Comprehensive Income		**(112.30)**	**(1,922.79)**
Earnings per share (Face value INR 10 each)	35		
- Basic		(1.71)	(2.51)
- Diluted		(1.71)	(2.51)
See accompanying notes to Financial Statements	1-57		

As per our report of even date

For and on behalf of the Board of Directors

RASHESH CHANDRAKANT SHAH
Digitally signed by RASHESH CHANDRAKANT SHAH
Date: 2024.05.07 22:12:46 +05'30'

Rashesh Shah
Chairman
DIN:00008322

PRIYADEEP CHOPRA
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Priyadeep Chopra
Non-executive Director
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SUMIT RAI

Sumit Rai
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DIN:08131728

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Subhrajit Mukhopadhyay
Executive Director
DIN:08718219

For K.S. Aiyar & Co
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RAJESH SHASHIKANT JOSHI
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Rajesh.S. Joshi
Partner
Membership No. 038526

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

HIMANSHU TRIBHOVANDAS GORADIA
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Date: 2024.05.08 15:58:11 +05'30'

Himanshu Goradia
Partner
Membership No. 045668

Sharad Maheshwari

Sharad Maheshwari
Interim Chief Financial Officer

NIRMAL ANIL NOGAJA

Nirmal Nogaja
Appointed Actuary

ANKUR CHADHA

Ankur Chadha
Company Secretary

Mumbai
Dated: May 08, 2024

Mumbai
Dated: May 07, 2024

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED

Registration Number 147 dated 10 May 2011

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024 (DIRECT BASIS)

(Rs.Millions)

	Particulars	Mar-24	Mar-23
A	**Cash Flows from operating activities:**		
1	Premium received from policyholders, including advance receipts	18,768.52	16,610.23
2	Other receipts (Other Income)	4.75	6.60
3	Payments to the re-insurance premium, net of commission and claims	(97.91)	214.83
4	Payments of claims / benefits	(7,364.26)	(4,161.31)
5	Payments of commission and brokerage	(1,683.76)	(1,275.72)
6	Payments of other operating expenses	(5,696.52)	(4,926.28)
7	Preliminary and pre-operative expenses	-	-
8	Deposits, advances	(31.08)	(13.30)
9	Income taxes (Paid) / Refund	(106.96)	(51.62)
10	Service tax / GST paid/TDS Paid	(869.44)	(722.59)
11	Other payments/ (Receipts)	(5.38)	(7.67)
12	Cash flows before extraordinary items	**2,917.94**	**5,673.17**
13	Cash flow from extraordinary operations	-	-
	Net cash flow from operating activities	**2,917.94**	**5,673.17**
B	**Cash flows from investing activities:**		
1	Purchase of fixed assets	(338.62)	(206.53)
2	Proceeds from sale of fixed assets	5.93	2.39
3	Purchases of investments	(69,118.13)	(59,264.30)
4	Loans disbursed	-	-
5	Loans against policies and Employee loan	(104.95)	(126.05)
6	Sales of investments	61,639.46	48,974.28
7	Repayments received	-	-
8	Rents/Interests/ Dividends received	4,963.72	3,552.50
9	Investments in money market instruments and in liquid mutual funds (Net)	980.00	(502.37)
10	Receipt towards Investment Contract	62.31	141.16
11	Claim paid towards Investment Contract	(165.94)	(421.26)
	Net cash flow from investing activities	**(2,076.22)**	**(7,850.16)**
C	**Cash flows from financing activities:**		
1	Proceeds from issuance of share capital (including share application money)	495.53	2,500.00
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	Repayments of Lease Liability	(99.13)	(97.81)
6	Interest/dividends paid	-	-
	Net cash flow from financing activities	**396.40**	**2,402.19**
	Effect of foreign exchange rates on cash and cash equivalents, net	-	-
	Net increase in cash and cash equivalents	**1,238.13**	**225.19**
	Cash and cash equivalents at the beginning of the year	**1,249.41**	**1,024.22**
	Cash and cash equivalents at the end of the year	**2,487.54**	**1,249.41**

Note: Previous Period numbers have been regrouped wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

RASHESH CHANDRAKANT SHAH Digitally signed by RASHESH CHANDRAKANT SHAH Date: 2024.05.07 22:13:16 +05'30'

Rashesh Shah
Chairman
DIN:00008322

PRIYADEEP CHOPRA Digitally signed by PRIYADEEP CHOPRA Date: 2024.05.07 22:10:37 +05'30'

Priyadeep Chopra
Non-executive Director
DIN:00079353

SUMIT RAI

Sumit Rai
Managing Director & CEO
DIN:08131728

SUBHRAJIT MUKHOPADHYAY

Subhrajit Mukhopadhyay
Executive Director
DIN:08718219

For K.S. Aiyar & Co
Chartered Accountants
Firm Registration No.: 100186W

RAJESH SHASHIKANT JOSHI Digitally signed by RAJESH SHASHIKANT JOSHI Date: 2024.05.08 19:34:35 +05'30'

Rajesh.S. Joshi
Partner
Membership No. 038526

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

HIMANSHU TRIBHOVANDAS GORADIA Digitally signed by HIMANSHU TRIBHOVANDAS GORADIA Date: 2024.05.08 15:59:05 +05'30'

Himanshu Goradia
Partner
Membership No. 045668

Sharad Maheshwari

Sharad Maheshwari
Interim Chief Financial Officer

NIRMAL ANIL NOGAJA

Nirmal Nogaja
Appointed Actuary

ANKUR CHADHA

Ankur Chadha
Company Secretary

Mumbai
Dated: May 08, 2024

Mumbai
Dated: May 07, 2024

EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED
Statement of changes in equity

A Equity share capital

Particulars	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
		Rs. Millions
Balance at the beginning of the year	9,155.52	6,655.52
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	9,155.52	6,655.52
Changes in equity share capital during the year	-	2,500.00
Balance at the end of the year	9,155.52	9,155.52

Refer note 21 for detailed quantitative information including investors holding more than 5% of equity share capital

B Other Equity

Rs. Millions

Particulars		Reserves and Surplus						Other Comprehensive Income	Total
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Retained earnings	Revaluation Reserve OCI	Debt instruments through Other Comprehensive Income	
Balance at 31 March 2022	-	-	-	**17,119.17**	**33.34**	**(17,826.74)**	**19.89**	**193.01**	**(461.33)**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	(1,990.89)	-	68.68	**(1,922.21)**
Retained earnings-Surplus arising due to Lapsation						9.47			**9.47**
Transfer under revaluation reserve									-
Depreciation on Revaluation Reserve	-	-	-	-	-	0.36	(0.36)	-	-
Other comprehensive income	-	-	-	-	-	(0.58)	-	-	**(0.58)**
Total Comprehensive Income for the year	-	-	-	-	-	(1,981.65)	(0.36)	68.68	**(1,913.32)**
Balance at 31 March 2023	-	-	-	**17,119.17**	**33.34**	**(19,808.39)**	**19.53**	**261.69**	**(2,374.66)**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	(1,565.96)	-	1,448.47	**(117.49)**
Retained earnings-Surplus arising due to Lapsation	-	-	-	-	-	22.41	-	-	**22.41**
Transfer under revaluation reserve	-	-	-	-	-	-	-	-	-
Depreciation on Revaluation Reserve	-	-	-	-	-	0.36	(0.36)	-	-
Other comprehensive income	-	-	-	-	-	5.19	-	-	**5.19**
Total Comprehensive Income for the year	-	-	-	-	-	(1,538.00)	(0.36)	1,448.47	**(89.89)**
Share Application Money received	**495.53**	-	-	-	-	-	-	-	**495.53**
Transfers to Securities Premium	-	-	-	-	-	-	-	-	-
Balance at 31 March 2024	**495.53**	-	-	**17,119.17**	**33.34**	**(21,346.39)**	**19.17**	**1,710.16**	**(1,969.02)**

For K.S. Aiyar & Co
Chartered Accountants
Firm Registration No.: 100186W

RAJESH SHASHIKANT JOSHI Digitally signed by RAJESH SHASHIKANT JOSHI Date: 2024.05.08 19:35:37 +05'30'

Rajesh.S. Joshi
Partner
Membership No. 038526

For B. K. Khare & Co.
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Priyadeep Chopra
Non-executive Director
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Executive Director
DIN:08718219

NIRMAL ANIL NOGAJA

Nirmal Nogaja
Appointed Actuary

Mumbai
Dated: May 08, 2024

Mumbai
Dated: May 07, 2024

Edelweiss Tokio Life Insurance Company Limited

Ind AS Fit for Consolidation Financial Statements
Material accounting policies

1. Corporate Information

Edelweiss Tokio Life Insurance Company Limited. (“the Company”) is an enterprise partnered by Edelweiss Financial Services Limited (Holding Company) and Tokio Marine Holding Inc. The Company was incorporated on 25 November 2009 under the Companies Act, 1956. The Company obtained license (Registration no. 147 dated May 10, 2011) from the Insurance Regulatory and Development Authority of India (“IRDAI”) for carrying life insurance business on May 10, 2011. The license is in force as at March 31, 2024.

The Company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating, non-participating variable and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company’s direct sales force and the Company website.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 07 May, 2024.

2. Presentation of financial statement

This Ind AS financial statements are being prepared by the Company only for the limited purpose of consolidation with the Holding Company. This Ind AS financial statements have been prepared in accordance with Ind AS notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2013 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments);
- Employee’s defined benefit plans measured as per actuarial valuation (refer accounting policy regarding employee benefits)
- Policyholder’s liability regarding insurance contracts is calculated in accordance with the accepted actuarial practices along with the principles as per Ind AS 104 (refer accounting policy regarding Policyholder’s liability)
- Share based payments

The Company presents its balance sheet broadly in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act 2013 only for the limited purpose of the consolidation. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months).

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 recognized 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

The Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

3. Summary of Significant accounting policies

i. Product classification

Insurance contracts are those contracts when the Company has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfers significant financial risk and does not carry significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS which is in accordance with Ind AS 104.

ii Revenue recognition

a. Premium income

Insurance contracts and investment contracts

Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

In respect of linked business, premium income is recognised when the associated units are created. Top up premiums paid by unit-linked policyholders are considered as single premium and recognized as income when the associated units are created.

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

For investment contract without DPF, deposit accounting in accordance with Ind AS 104 and Ind AS 109 is followed. Consequently only to the extent of charges and fees collected from such investment contract is accounted as income in statement of profit and loss. unless they relate to services to be provided in future periods, in which case they are deferred and recognized as and when the services are provided.

b. Reinsurance premium ceded:

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

c. Income from Investments

Incomes from the investments are recognised as follows:

- ***Dividend income -*** **Dividend income is recognized on 'ex-dividend' date in case of listed equity shares and when the right to receive dividend is established in case of unlisted equity shares, if any**

Interest income on investments - Interest income is recognised as it accrues. For all debt instruments, interest income is calculated using effective interest rate method except for instruments classified/designated as fair value through profit or loss. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

- ***Realised gains and losses on debt securities measured at amortised cost and FVOCI -*** Unrealised gains or loss pertaining to debt securities measured at FVOCI are recognised in the OCI. A gain or loss on investment is realised only on disposal, transfer or derecognition.

  A gain or loss on investment is the difference between the proceeds received, net of transaction costs, and amortised cost. In case of FVOCI instruments, unrealised gains accumulated in OCI reserves will be transferred to retained earnings through the Statement of Profit and Loss.

- ***Realised and unrealised gains and losses on investments measured / designated at fair value through profit or loss -*** Changes in the fair value of the financial assets measured/ designated at fair value through profit or loss is recognised as unrealised gains and losses in the statement of profit or loss. Profit or loss on sale/redemption of equity shares/ equity exchange traded funds (ETFs), Infrastructure Investment Trust (Invit), mutual fund units and Security receipts are the difference between the sale consideration net of expenses and the previously recognized fair value.

d. Income from unit-linked policies:

Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognized as and when due.

e. Interest income on loans

Interest income on loans is recognised on accrual basis using applicable interest rate.

f. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

g. Benefits paid

Benefits paid consist of the policy benefit amounts, policyholder bonuses declared and claim settlement costs, if any.

Non-linked business

Death, rider, withdrawals, and surrender claims are accounted for on receipt of written intimation. Maturity, survival benefit and annuities are accounted when due.

Linked business

- Death and rider are accounted for on receipt of intimation.
- Maturity claims and survival benefit are accounted for on due basis when the associated units are cancelled
- Surrenders and withdrawals are accounted for on receipt of intimation when associated units are cancelled.
- Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in year of these policies.
- Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.

Reinsurance

Reinsurance claims receivable are accounted for in the same period as the related claim and also in accordance with the treaty or in- principle arrangement with the reinsurer.

h. Reinsurance business

The Company cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the Statement of Profit and Loss.

Reinsurance assets is the gross reserve/liability as on date for the contracts for which premium has been ceded to reinsurer and the primary responsibility of any claim lies with the reinsurer in accordance with the reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

i. Lease Rental on Investment Property

Lease rentals on investment property is recognised on accrual basis and include only the realisable rent.

j. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit or loss.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in the statement of profit or loss.

<u>**Financial assets**</u>

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL);

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured in Profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue on the instrument's amortised cost which are recognised in the statement of profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit or loss in the period in which it arises.

Fair value option for financial assets: The Company has also designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases. All debt securities of linked business and participatory category of business have been designed at fair value through profit or loss.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Business model assessment is done at Portfolio level and asset class wise where the asset is being held as the same best reflects the way business is being managed and information is being presented to management. This information further includes:

- Stated objectives and policies for the portfolio. Wherever management strategy focusses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to duration of financial liabilities or realizing cash flows through sale of assets.
- Performance evaluation of the portfolio and reporting to the Company's management.
- Risk impacting the performance of financial assets and management of those risks.
- Frequency, volume, and timing of sales in prior years, reasons for such sales and expectations about future sale transactions. Such sale transactions are to be considered as part of assessment of the Company's overall business objectives and realization of cash flows.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss.

(ii) Expected Credit Loss (ECL)

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- 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.

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

Reclassifications:

Financial assets are not reclassified subsequent to their initial recognition, except in the year whenever a change is being done in the business model for managing financial assets.

Financial liabilities

(i) Classification and subsequent measurement

All financial liabilities are measured at amortised cost except derivative financial liabilities.

De-recognition
Financial assets
A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such case, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial assets, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement of financial assets.

Financial liabilities

Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective-interest rate method (if the impact of discounting / any transaction costs is significant). The Company derecognises a financial liability when its contractual obligations are discharged/ cancelled/expired.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

k. Fair value measurement

'Fair value' is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument if the same is available. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Ind AS 113, 'Fair Value Measurement' requires the Company to classify the fair valuation method of the financial and non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1 - Inputs that reflect quoted prices (un-adjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or the liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Un-observable inputs reflecting the Company's own assumptions incorporated in the valuation techniques that are used to determine the fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company recognizes the transfers into / transfers out of the fair-value-hierarchy levels as of the date of the event / change in circumstances that caused the transfer.

Methodology

Fair value of various financial assets is being derived as per below for FVTPL and FVOCI category of assets:

Asset class	Valuation method
Central and State Government Securities	Crisil security level prices
Corporate Bonds/Debentures	Crisil Bond Valuer
Equity and ETF	Closing NSE prices, in case not traded on NSE than BSE closing prices
Preference Shares	Closing NSE prices, in case not traded on NSE than BSE closing prices
Mutual Fund	Latest available prices from AMFI
Alternative Investment Funds	Latest available NAV statement
REIT/Invit	Closing NSE prices, in case not traded on NSE than BSE closing prices
Treasury bills, TREPS	Carrying value
Security Receipts	Discounted cash flow
Fixed Deposits/Recurring Deposits	Carrying value

a. Derivatives

Interest rate derivative (IRD) contracts for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension, and annuity business, are accounted for in the manner specified in accordance with INDAS 109.

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

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

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

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

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

The instrument is classified as FVTPL securities and the net gain on fair value change is recognized in the Statement of Profit and Loss. The company has chosen to follow hedge accounting prospectively for the contracts which are entered into w.e.f. March 25, 2021

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

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

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

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

b. Liability adequacy test

The Company assesses at the end of each reporting period whether it's recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognized in the statement of profit or loss.

c. Policyholder Liability

Insurance contract and investment contract with DPF

Under the current Ind AS 104 requirement, insurance, and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

Investment contracts without DPF

This liability is recognized at amortized cost in accordance with IND AS 109.

Deposits (premium amount) collected are not accounted for through the statement of profit or loss but are accounted for directly through the balance sheet as an addition to the investment contract liability. Amounts paid (benefit amounts) are recorded as reductions of the investment contract liability.

l. Property, plant, and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the property, plant and equipment which are as per the provisions of Part C of the Schedule II for calculating the depreciation. Depreciation is calculated using the Straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as mentioned below.

Categories of assets	**Useful life**
Building	60 years
Furniture and fixtures (except chairs and LED lights)	10 years
Laptop	4 years
Computers - end user devices, such as desktops, etc.	3 years
Computers - servers and networks	6 years
Office equipment	5 years
Office equipment (mobile phones and tab costing up to Rs. 25,000)	2 years
Furniture and fixtures (chairs and LED lights)	3 years
Vehicles	8 years

Tangible assets individually costing upto Rs. 5,000 (except Chairs and LED) being low value assets are fully depreciated in the year of purchase.

In case of asset sold, depreciation is charged up to the date of sale.

Gains or losses arising from disposal of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the Statement of Profit and loss account, as applicable when the asset is disposed off.

Leasehold improvements are amortized over the lease term of or the estimated useful life of the asset, whichever is shorter.

Capital work-in-progress includes cost of property, plant, and equipment under installation as at the reporting date.

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

Subsequent measurement of land and building under revaluation model:

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

m. Intangible assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition, less accumulated amortization, and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. Intangible assets are amortized over a period of 5 years. Licenses are amortized over the period of license, maximum up to 5 years.

n. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Depreciation is charged on Investment property on SLM basis (Building – 60 years)

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognized.

o. Impairment of non- financial assets

The management 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 is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

p. Employee benefits

Provident fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the Statement of Profit and Loss.

Gratuity

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

Re-measurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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 recognized the charge in the Statement of Profit and Loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The liability is provided based on the number of days of unutilized leave at each balance sheet date based on a valuation by an independent actuary.

Long Term Incentive Plans (LTIPs)

EV Based incentives Based on Actuarial valuation

The Company has formulated Long Term Incentive scheme under which options eligible for settlement in cash have been granted to eligible Senior Management Employees. The vesting values of these options is linked to the appreciation in adjusted Embedded Value of the company as at the end financial year before the vesting date over the Embedded Value as at the grant date. The expense and corresponding liability is accounted for considering the change in the value of the option basis appreciation in the adjusted Embedded value as at each Balance Sheet date vis-a-vis the Embedded Value as at the grant date and are amortized over the period till vesting of the options.

Cash Based incentives

The Company has formulated Long Term Incentive scheme which is a Cash based scheme for the eligible employees subject to fulfilment of defined criteria as per policy. The proportionate liability and corresponding expenses are accounted for in line with the vesting period.

Valuation and Accounting

Long term incentive plans are other long term employee benefits and are accounted for based on actuarial valuations at the year end. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognized in the Revenue account and Profit or Loss account for the period, in which they emerge, for all the long term incentive plans.

q. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. the Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. the Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Finance Lease

Leases under which the lessee assumes substantially all the risk and rewards of ownership of the asset are classified as finance leases. Such leased asset acquired are capitalized at fair value of the asset or present value of the minimum lease rental payments at the inception of the lease, whichever is lower.

r. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

Current and deferred tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

s. Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

t. Foreign currency transactions

Transactions in foreign currencies, other than the Company's functional currency, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which these arise

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

u. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders' assets considered under Other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortized cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders' liability considered is determined on the basis of NAV of the units outstanding as at the valuation date.

- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above-mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

v. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less. Cash Flow Statement is prepared and reported using the Direct Method in accordance with Ind AS 7, "Statement of Cash Flows".

w. Employee Stock Options

Equity-settled share-based payments to employees and others providing similar services that are granted by the Holding Company are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss of the Company such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'.

On account of ESOP/SAR options vested in previous years expire unexercised, the amount pertaining to options lapsed is transferred to retained earning at the end of each reporting period.

x. Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

y. Earnings per Share

Basic earnings per share are 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. Critical accounting judgements and key sources of estimation uncertainty

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

The 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.

i. Business model assessment

Business model assessment is done at Portfolio level and asset class wise where the asset is being held as the same best reflects the way business is being managed and information is being presented to management. This information further includes:

- Stated objectives and policies for the portfolio. Wherever management strategy focusses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to duration of financial liabilities, or realizing cash flows through sale of assets.
- Performance evaluation of the portfolio and reporting to company’s management.
- Risk impacting the performance of financial assets and management of those risks.
- Frequency, volume, and timing of sales in prior years, reasons for such sales and expectations about future sale transactions. Such sale transactions are to be considered as part of assessment of Company’s overall business objectives and realization of cash flows.

Financial assets that are held for trading or and whose performance is evaluated on a fair value basis are measured at Fair value through profit or loss (FVTPL) as they are neither held to collect contractual cash flows nor held to collect contractual cash flows and to sell financial assets.

ii. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

iii. 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.

iv. Impairment of financial assets

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

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

- Probabilities of defaults (PDs) the calculation of which 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 model basis 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, exposure at defaults and loss given defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- CRISIL publishes 1 year transition rates for long term rating, i.e. PD (Probability of Default), which is applied on EAD (Exposure At Default) basis the credit rating of instrument. LGD (Loss Given Default) is applied on EAD as per the nature and type of underlying collateral offered by the issuer.

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

v. Actuarial assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India. Detailed actuarial assumptions considered by the company for calculation of liabilities are given in notes.

vi. Useful lives of Property, plant and equipment and intangible assets

Property, plant and equipment, Intangible assets and Investment properties are depreciated / amortised over their estimated useful lives, after considering estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and consider anticipated technological changes. The depreciation / amortisation for future periods are revised if there are significant changes from previous estimates.

vii. Provisions

Provisions including litigation provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions are reviewed regularly and revised to take account of changing facts and circumstances.

viii. Defined benefit plans

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. (Refer accounting policy regarding Employee Benefits)

ix. Accounting for Deferred tax

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

5. New pronouncements

Standards Issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. Ind AS 101 is amended to include "Material" Accounting policies instead of "Significant" Accounting policies earlier

Notes to financial statements (Continued)

Rs. Millions

		31-Mar-24	31-Mar-23
6	**Cash and cash equivalents**		
	Cash in hand	37.59	34.67
	Cheques in hand	353.94	385.74
	Balances with banks:	-	-
	in Current accounts	2,096.01	829.00
	in fixed deposits with original maturity less than 3 months	-	-
	Total	**2,487.54**	**1,249.41**

		31-Mar-24	31-Mar-23
7	**Bank Balance other than cash and cash equivalents**		-
	Long term bank deposits with banks (fixed deposits)	-	2,831.50
	Short term bank deposits with banks	-	-
	Accrued interest on fixed deposits	1,733.89	1,378.97
	Short term deposits with banks	3,166.66	21.31
	Accrued interest on fixed deposits	-	0.00
	Total	**4,900.55**	**4,231.78**

8 Derivative financial instruments Rs. Millions

31-Mar-24		Notional amount (Units)	Fair value of asset (INR)	Notional amount (Units)	Fair value of liability (INR)
(i)	**Interest rate derivatives**				
	Forward Rate Agreement	19,28,61,54,838	784.24	-	-
	Forwards and Interest Rate Swaps	-	-	-	-
	Options purchased	-	-	-	-
	Options sold (written)	-	-	-	-
	Futures	-	-	-	-
	Less: amounts offset (refer note 8.1)	**-16,72,06,21,049**	**-679.92**	-	-
	Subtotal	**2,56,55,33,789**	**104.32**	-	**-**
	Total	2,56,55,33,789	**104.32**	-	**-**

31-Mar-23		Notional amount (Units)	Fair value of asset (INR)*	Notional amount (Units)	Fair value of liability (INR)
(i)	**Interest rate derivatives**				
	Forward Rate Agreement	1,24,63,73,500	90.41	-	-
	Forwards and Interest Rate Swaps	-	-	-	-
	Options purchased	-	-	-	-
	Options sold (written)	-	-	-	-
	Futures	-	-	-	-
	Less: amounts offset (refer note 8.1)		-		-
	Subtotal	**1,24,63,73,500**	**90.41**	-	-
	Total	1,24,63,73,500	**90.41**	-	-

Notes

Forward Rate Agreements

The Company has guaranteed products on liability side, where the returns to the policyholders are fixed; On the investment asset side company is exposed to volatility in interest rate. A Forward Rate Agreement ('FRA') transaction is that whereby Company agrees to buy underlying security at fixed yield at future date. Company has entered in FRA to hedge interest rate risk on forecasted premium receivable at future date. As on the date of entering into the FRA, the Company fixes the yield on the investment in a sovereign bond that would take place at a future date. The Company has a Board approved Derivative Risk Management Policy and Process document covering various aspects related to functioning of the derivative transactions which are undertaken to mitigate interest rate risk as per the hedge strategy, thereby managing the volatility of returns from future fixed income investments, due to variations in market interest rates.

Nature and term of outstanding contract

Forward Rate Agreement

8(a) Change in total notional principal amount (underlying security wise) **Rs. In Millions**

S.No.	Particulars	FY 2023	Purchases	Redemption	FY 2024
	6.62% GOI CG 28-11-2051	140.89	-	(47.68)	93.21
	6.67% GOI CG 17-12-2050	4,076.56	-	(976.20)	3,100.36
	6.80% GOI CG 15-12-2060	491.28	-	(246.96)	244.31
	6.95% GOI CG 16-12-2061	1,593.43	226.97	(1,161.16)	659.24
	6.99% GOI CG 15-12-2051	3,951.81	837.05	(2,087.07)	2,701.79
	7.63% GOI CG 17-06-2059	0.00	-	-	0.00
	6.76% GOI CG 22-02-2061	1,609.33	-	(374.78)	1,234.55
	7.16% GOI CG 20-09-2050	153.74	-	-	153.74
	7.19% GOI CG 15-09-2060	208.98	-	-	208.98
	7.72% GOI CG 15-06-2049	271.14	-	(271.14)	0.00
	7.40% GOI CG 19-09-2062	3,674.89	771.21	(98.18)	4,347.91
	7.36% GOI CG 12-09-2052	2,003.23	-	-	2,003.23
	7.25% GOI CG 12-06-2063	-	4,821.29	(247.29)	4,574.00
	7.46% GOI CG 06-11-2073	-	989.67	-	989.67
	Total	**18,175.26**	**7,646.19**	**(5,510.46)**	**20,310.99**

Interest Rate Futures

S.No.	Particulars	FY 2023	Purchases	Redemption	FY 2024
1	7.18% GOI CG 14-08-2033	-	150.19	-150.19	-

8(b) The fair value gains or losses (MTM) with respect to Forward Rate Agreement including incidental charges outstanding as at the Balance Sheet date is stated below

S.No.	Underlying Security	FY 2024	FY 2023
1	6.62% GOI CG 28-11-2051	2.69	(3.27)
2	6.67% GOI CG 17-12-2050	82.96	(19.91)
3	6.80% GOI CG 15-12-2060	1.99	(18.79)
4	7.16% GOI CG 20-09-2050	-0.50	(5.19)
5	7.19% GOI CG 15-09-2060	-1.42	(7.91)
6	7.72% GOI CG 15-06-2049	-	(9.52)
7	6.76% GOI CG 22-02-2061	24.70	(24.24)
8	6.95% GOI CG 16-12-2061	31.75	36.33
9	6.99% GOI CG 15-12-2051	187.35	126.17
10	7.63% GOI CG 17-06-2059	-	-
11	7.40% GOI CG 19-09-2062	167.39	18.81
12	7.36% GOI CG 12-09-2052	75.40	(2.06)
13	7.25% GOI 12-06-2063	174.31	-
14	7.46% GOI 06-11-2073	37.64	-
		784.24	**90.41**

8(c) Movement in OCI

S.No.	Hedging Instrument	FY 2024			FY 2023		
		Realised	Unrealised	Total	Realised	Unrealised	Total
	Balance at the beginning of the year	-	129.08	129.08	-	(141.84)	(141.84)
	Add: changes in the fair value during the year (Gain)	-	615.34	615.34	-	270.33	270.33
	Add : Amounts reclassified to revenue a/c	-	1.41	1.41	-	0.58	0.58
	Balance at the end of the year	-	**745.83**	**745.83**	-	**129.08**	**129.08**

8(d) Counterparty wise details

FY 2023

S.No	Particulars	Nature of the derivative contract
	Name of Counter party	1. Standard Chartered Bank 2. ICICI Bank Ltd 3. Citibank N.A. 4. Deutsche Bank AG 5. Credit Suisse AG
	Hedge Designation	Cashflow Hedge
	Credit Exposure	747.12

FY 2024

S.No	Particulars	Nature of the derivative contract
	Name of Counter party	1. Standard Chartered Bank 2. ICICI Bank Ltd 3. Citibank N.A. 4. Deutsche Bank AG 5. Credit Suisse AG* 6. Axis Bank Ltd
	Hedge Designation	Cashflow Hedge
	Credit Exposure	1,364.89

*FRA contracts with Credit Suisse have been Novated with Axis bank without change in any terms and conditions.

The exposure limit has been calculated on the basis of Credit Equivalent Amount using the Current Exposure Method (CEM) as detailed below:-
The Credit Equivalent Amount of a market related off-balance sheet transaction calculated using the CEM is the sum of
a) the current credit exposure (gross positive mark to market value of the contract); and
b) potential future credit exposure which is a product of the notional principal amount across the outstanding contract and a factor that is based on the mandated credit conversion factors as prescribed under the IRDAI circular on Interest Rate Derivatives, which is applied on the residual maturity of the contract.

8(e) P&L Impact of FRA

Total impact of FRA on P&L is Rs. 37.12 million (Previous Year Rs. 51.65 million)

8(f) Hedge Effectiveness

For FRA, hedge effectiveness is ascertained at the time of inception of the hedge and at each reporting date thereafter. The portion of fair value gain / loss on the Interest Rate Derivative that is determined to be an effective hedge is recognised directly in Other Comprehensive Income. The ineffective portion (where movement of hedge instrument is not offset by hedge item) of the change in fair value of such instruments is recognized in the Statement of Profit and Loss Account in the period in which they arise.

Regression Analysis is used to determine the hedge effectiveness. Based on the results of hedge effectiveness tests, the hedge accounting treatment is done basis IND AS 109 issued by the ICAI, applicable to cash flow hedges.

Ineffective portion refers to the extent to which the change in the fair value of the hedging instrument is not offset by a corresponding change in the fair value of the hedged item i.e. portion between the actual ratio and -1.00 is treated as the ineffective portion in case of an effective hedge.

Notes to financial statements (Continued)

8.1 Offsetting:

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

Financial assets subject to offsetting, netting arrangements

As at 31 March 2024:

Financial assets subject to offsetting	**Offsetting recognised in the balance sheet**			**Netting potential not recognised in balance sheet**			**Assets not subject to netting arrangements**	**Total assets**	**Maximum Exposure to Risk**
	Gross asset before offset	**Amount offset**	**Net asset recognised in balance sheet**	**Financial liabilities**	**Collateral received**	**Assets after consideration of netting potential**	**Assets recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial assets	784.24	679.92	104.32	-	-	104.32	-	-	104.32
Cash settlement balances from clearing houses	-	-	-	-	-	-	-	-	-
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	-	-	-	-	-	-	-	-	-
TriParty REPO (TREPS)	-	-	-	-	-	-	-	-	-
Margin placed with broker	-	-	-	-	-	-	-	-	-

Financial liabilities subject to offsetting	**Offsetting recognised in the balance sheet**			**Netting potential not recognised in balance sheet**			**Liabilities not subject to netting arrangements**	**Total liabilities**	**Maximum Exposure to Risk**
	Gross liability before offset	**Amount offset**	**Net liability recognised in balance sheet**	**Financial assets**	**Collateral paid**	**Liabilities after consideration of netting potential**	**Liabilities recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial liabilities	-	-	-	-	-	-	-	-	-

As at 31 March 2023:

Financial assets subject to offsetting	**Offsetting recognised in the balance sheet**			**Netting potential not recognised in balance sheet**			**Assets not subject to netting arrangements**	**Total assets**	**Maximum Exposure to Risk**
	Gross asset before offset	**Amount offset**	**Net asset recognised in balance sheet**	**Financial liabilities**	**Collateral received**	**Assets after consideration of netting potential**	**Assets recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial assets	90.41	-	90.41	-	-	90.41	-	-	90.41
Cash settlement balances from clearing houses	-	-	-	-	-	-	-	-	-
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	-	-	-	-	-	-	-	-	-
TriParty REPO (TREPS)	-	-	-	-	-	-	-	-	-
Margin placed with broker	-	-	-	-	-	-	-	-	-

Financial liabilities subject to offsetting	**Offsetting recognised in the balance sheet**			**Netting potential not recognised in balance sheet**			**Liabilities not subject to netting arrangements**	**Total liabilities**	**Maximum Exposure to Risk**
	Gross liability before offset	**Amount offset**	**Net liability recognised in balance sheet**	**Financial assets**	**Collateral paid**	**Liabilities after consideration of netting potential**	**Liabilities recognised on the balance sheet**	**Recognised in the balance sheet**	**After consideration of netting potential**
Derivative financial liabilities	-	-	-	-	-	-	-	-	-

9 Receivables

Trade Receivables

As at 31 March 2024			Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i) Undisputed Trade (Premium) receivables – considered good	-	-	1,410.26	-	-	-	-	1,410.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Gross receivables (A)	**-**	**-**	1,410.26	-	-	-	-	1,410.26
i) Undisputed Trade (Premium) receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	-	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	-	-	1,410.26	-	-	-	-	1,410.26

As at 31 March 2023			Outstanding for following periods from due date of payment					
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i) Undisputed Trade (Premium) receivables – considered good	-	-	837.45	-	-	-	-	837.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Gross receivables (A)	**-**	**-**	837.45	-	-	-	-	837.45
i) Undisputed Trade (Premium) receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	-	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	-	-	837.45	-	-	-	-	837.45

Other receivables

	31-Mar-24	31-Mar-23
Receivables from related party considered good - Unsecured	**1.78**	**0.79**
Provision for impairment credit impaired	-	-
Total other receivables net of provision	**1.78**	**0.79**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to financial statements (Continued)

10 Loans

Rs. Millions

Loans	31-Mar-24 at amortised cost	31-Mar-24 at FVTPL	31-Mar-24 Total	31-Mar-23 at amortised cost	31-Mar-23 at FVTPL	31-Mar-23 Total
Term Loans						
Corporate and Retail Credit	-		-	-		-
Distressed Credit	-		-	-		-
Other Credit	-		-	-		-
- considered good- Policy Loan (Including Interest)	506.27		506.27	361.75		361.75
- Loans and advances to employees	15.26		15.26	11.62		11.62
Total Gross (A)	**521.53**	**-**	**521.53**	**373.37**	**-**	**373.37**
Less: Impairment loss allowance	0.12		0.12	0.11		0.11
Total (Net) (A)	**521.41**	**-**	**521.41**	**373.26**	**-**	**373.26**
Secured by tangible assets (Property including land, building and project receivables)			-			-
Secured by Inventories, fixed deposits and other marketable securities			-			-
Secured by way of Surrender Value	506.27		506.27	361.75		361.75
Unsecured	15.26	-	15.26	11.62	-	11.62
Total Gross (B)	**521.53**	**-**	**521.53**	**373.37**	**-**	**373.37**
Less: Impairment loss allowance	0.12	-	0.12	0.11	-	0.11
Total (Net) (B)	**521.41**	**-**	**521.41**	**373.26**	**-**	**373.26**
Loans in India						
Public sector	-	-	-	-	-	-
Others	521.53	-	521.53	373.37	-	373.37
Total Gross (C)	**521.53**	**-**	**521.53**	**373.37**	**-**	**373.37**
Less: Impairment loss allowance	0.12	-	0.12	0.11	-	0.11
Total (Net) (C) (I)	**521.41**	**-**	**521.41**	**373.26**	**-**	**373.26**
Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (Net) (C) (II)	**-**	**-**	**-**	**-**	**-**	**-**
Total (C) (I) and (C) (II)	**521.41**	**-**	**521.41**	**373.26**	**-**	**373.26**

Note: Loans including Installment and Interest outstanding due from the directors amounts to Rs. Nil (Previous year Rs. Nil).

Notes to financial statements (Continued)

10.1 Credit Quality

Loans at amortised cost

Particulars	31-Mar-24				31-Mar-23			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade*	521.41	-	-	**521.41**	373.26	-	-	**373.26**
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	0.12	-	-	**0.12**	0.11	-	-	0.11
Total	**521.53**	**-**	**-**	**521.53**	**373.37**	**-**	**-**	**373.37**

*Loans considered here include only Policyholder loans and loans and advances to employees.

Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Balance at 31 March 2022	221.61	5.92	-	-	-	-	**221.61**	**5.92**
Effect of acquisitions made during the year	151.76	-	-	-	-	-	151.76	-
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net re-measurement of ECL arising	-	-	-	-	-	-	-	-
from transfer of stage	-	-	-	-	-	-	-	-
Net new and further lending/(repayments) (including write-off)	-	-5.81	-	-	-	-	-	-5.81
Balance at 31 March 2023	**373.37**	**0.11**	**-**	**-**	**-**	**-**	**373.37**	**0.11**
Effect of acquisitions made during the year	148.16	-	-	-	-	-	**148.16**	**-**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net re-measurement of ECL arising	-	-	-	-	-	-	-	-
from transfer of stage	-	0.01	-	-	-	-	-	**0.01**
Net new and further lending/(repayments) (including write-off)	-	-	-	-	-	-	-	-
Balance at 31 March 2024	**521.53**	**0.12**	**-**	**-**	**-**	**-**	**521.53**	**0.12**

The gross carrying amount as on March 31, 2024 includes loans given to employees of amount INR 7.20 million (PY INR 6.41 million)

Notes to financial statements (Continued)

11 Investments

Rs. Millions

31-Mar-24	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts			988.16		**988.16**
Government Securities		23,208.12		12,998.98	**36,207.10**
Equity Shares			19,690.59		**19,690.59**
Debt securities		9,804.09	293.62	5,459.25	**15,556.96**
AIF Fund			358.30		**358.30**
Mutual Fund			1,849.50		**1,849.50**
Preference Shares					**-**
CBLO/TREP	719.13			675.75	**1,394.88**
Treasury Bill				776.75	**776.75**
Others			957.09		**957.09**
Total	**719.13**	**33,012.21**	**24,137.26**	**19,910.73**	**77,779.33**
Investments in India	719.13	33,012.21	24,137.26	19,910.73	77,779.33
Investments outside India	-	-	-	-	-
Total	**719.13**	**33,012.21**	**24,137.26**	**19,910.73**	**77,779.33**
Less - Impairment Loss allowance	-	-	-	-	-
Total	**719.13**	**33,012.21**	**24,137.26**	**19,910.73**	**77,779.33**

31-Mar-23	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts			1,182.33		**1,182.33**
Government Securities		18,087.35		11,078.43	**29,165.78**
Equity Shares			14,853.67		**14,853.67**
Debt securities		8,962.96	361.26	4,828.90	**14,153.12**
AIF Fund			361.37		**361.37**
Mutual Fund			1,243.59		**1,243.59**
Preference Shares					**-**
CBLO/TREP	1,995.78			515.94	**2,511.72**
Treasury Bill				195.04	**195.04**
Others			1,186.41		**1,186.41**
Total	**1,995.78**	**27,050.31**	**19,188.63**	**16,618.31**	**64,853.02**
Investments in India	1,995.78	27,050.31	19,188.63	16,618.31	64,853.02
Investments outside India	-	-	-	-	-
Total	**1,995.78**	**27,050.31**	**19,188.63**	**16,618.31**	**64,853.02**
Less - Impairment Loss allowance	-	-	-	-	-
Total	**1,995.78**	**27,050.31**	**19,188.63**	**16,618.31**	**64,853.02**

Note: Investments pledged with clearing houses amounts to INR 39.26 million (previous year INR 18.57 millions)

11.1 Investments measured at FVOCI

Credit quality of assets

Rs. Millions

	31-Mar-24			
	Gross carrying amount (Stage 1)	**Gross carrying amount (Stage 2)**	**Gross carrying amount (Stage 3)**	**Gross carrying amount Total**
High grade	33,012.21	-	-	33,012.21
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
Total	33,012.21	-	-	33,012.21

Rs. Millions

	31-Mar-23			
	Gross carrying amount (Stage 1)	**Gross carrying amount (Stage 2)**	**Gross carrying amount (Stage 3)**	**Gross carrying amount Total**
High grade	25,326.82	-	-	25,326.82
Standard grade	1,723.49	-	-	1,723.49
Individually impaired	-	-	-	-
Total	27,050.31	-	-	27,050.31

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

Rs. Millions

	31-Mar-24			
	Gross Carrying Amount (Stage 1)	**12 months ECL allowance (Stage 1)**	**Gross Carrying Amount (Stage 3)**	**Life Time ECL allowance (Stage 3)***
Gross carrying amount - opening balance	27,050.31	57.37	-	-
New assets originated or purchased	17,923.31	-	-	
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(14,426.99)	(55.73)	-	-
Interest income during the period	2,465.58	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Gross carrying amount - closing balance	**33,012.21**	**1.64**	**-**	**-**

Notes to financial statements (Continued)

Rs. Millions

	31-Mar-23			
	Gross Carrying Amount (Stage 1)	**12 months ECL allowance (Stage 1)**	**Gross Carrying Amount (Stage 3)**	**Life time ECL allowance (Stage 3)**
Gross carrying amount - opening balance	21,877.48	40.03	-	-
New assets originated or purchased	18,487.44	8.69	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(15,489.84)	-	-	-
			-	-
Changes to contractual cash flow due to modification not resulting in derecognition	-	8.66	-	-
Interest income during the period	2,175.24	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Gross carrying amount - closing balance	**27,050.31**	**57.37**	**-**	-

11.2 Investments measured at amortised cost

Rs. Millions

	31-Mar-24	**31-Mar-23**
	Gross carrying amount (Stage 1)	**Gross carrying amount (Stage 1)**
High grade	719.13	1,995.78
Standard grade	-	-
Individually impaired	-	-
Total	**719.13**	**1,995.78**

Reconciliation of gross carrying amount for investments measured at amortised cost

	31-Mar-24	**31-Mar-23**
	Gross carrying amount (Stage 1)	**Gross carrying amount (Stage 1)**
Gross carrying amount - opening balance	1,995.78	668.03
New assets originated or purchased	3,44,486.06	3,39,820.02
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(3,45,853.64)	(3,38,568.99)
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-
Interest Income during the period	90.93	76.71
Amounts written off	-	-
Transfer to Stage 1 (refer instruction above)	-	-
Transfer to Stage 2 (refer instruction above)	-	-
Transfer to Stage 3 (refer instruction above)	-	-
Gross carrying amount - closing balance	**719.13**	**1,995.78**

12 Other financial assets

	Rs. Millions	
	31-Mar-24	**31-Mar-23**
Receivable from exchange / clearing house (net)	158.62	157.37
Share/Debenture application money pending allotment	-	-
Deposits placed with/ for exchange/ depositories	-	-
Rental deposits	59.20	49.97
Deposits- others	16.78	11.01
Reinsurance receivables	49.93	32.63
Unclaimed amount of policyholders	4.91	57.41
Others	21.90	11.91
Total	**311.34**	**320.30**

13 Investment property

Rs. Millions

	Gross Block				Depreciation and impairment				Net Block
	As at 01-Apr-23	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-24	As at 1 April 2023	Impairment charge / (reversals) for the year	Charge for the year	As at 31-Mar-24	As at Mar-24
Investment Property									
Real Estate	-	508.98	-	**508.98**	**-**	-	0.74	**0.74**	**508.23**
Total	**-**	**508.98**	**-**	**508.98**	**-**	**-**	**0.74**	**0.74**	**508.23**

Rs. Millions

	Gross Block				Depreciation and impairment				Net Block
	As at 01-Apr-22	Additions during the year	Deductions/ adjustments during the year	As at 31 Mar-23	As at 1 April 2022	Impairment charge / (reversals) for the year	Charge for the year	As at 31 Mar-23	As at 31 Mar-23
Investment Property									
Real Estate	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Fair Value of Investment Property as on		
Particulars	**As at 31 March,2024**	**As at 31 March,2023**
Kohinoor - 5th Floor	508.98	NA

Notes to financial statements (Continued)

14 Property, plant and equipment and intangibles

Particulars		Gross Block					Depreciation and amortisation					Net Block
		As at 01-04-2023	Additions/adjustments during the year	Revaluation adjustment if any	Deductions/adjustments during the year	As at 31-03-2024	As at 01-04-2023	Charge for the year	Impairment/(reversal) of impairment	Deductions/adjustments during the year	As at 31-03-2024	As at 31-03-2024
a)	**Property, Plant and Equipments**											
	Land	-	-	-	-	-	-	-	-	-	-	-
	Leasehold Land	-	-	-	-	-	-	-	-	-	-	-
	Flat and Building	281.76	-	-	-	281.76	36.27	4.52	-	-	40.79	240.97
	Leasehold Premises	-	-	-	-	-	-	-	-	-	-	-
	ROU - Building	322.88	324.94	-	-	647.82	252.92	75.43	-	-	328.35	319.47
	ROU - Leasehold Premises	163.66	19.38	-	13.07	169.97	108.50	15.49	-	11.81	112.19	57.78
	Plant and Equipment	299.20	56.61	-	71.34	284.47	243.22	34.89	-	67.71	210.39	74.08
	Furniture and Fixtures	89.45	0.51	-	0.91	89.04	68.29	5.27	-	0.81	72.75	16.29
	Vehicles	2.98	-	-	2.98	0.00	2.98	-	-	2.98	0.00	0.00
	Office equipment	55.03	3.40	-	1.77	56.66	46.38	3.73	-	1.77	48.35	8.31
Total (A)		1,214.96	404.83	-	90.07	1,529.72	758.56	139.33	-	85.07	812.82	716.90
b)	**Intangibles**											
	Software	1,435.36	234.97	-	717.45	952.88	1,218.82	171.45	-	717.45	672.82	280.07
	Trademark/ Design and	-	-		-	-	-	-		-	-	-
Total (B)		1,435.36	234.97		717.45	952.88	1,218.82	171.45	-	717.45	672.82	280.07
Total (A+B)		2,650.33	639.81	-	807.52	2,482.61	1,977.38	310.78	-	802.53	1,485.64	996.97

Particulars		Gross Block					Depreciation and amortisation					Net Block
		As at 01-04-2022	Additions/adjustments during the year	Revaluation adjustment if any	Deductions/adjustments during the year	As at 31-03-2023	As at 01-04-2022	Charge for the year	Impairment/(reversal) of impairment	Deductions/adjustments during the year	As at 31-03-2023	As at 31-03-2023
a)	**Property, Plant and Equipments**											
	Land	-	-	-	-	-	-	-	-	-	-	-
	Leasehold Land	-	-	-	-	-	-	-	-	-	-	-
	Flat and Building	281.76	-	-	-	281.76	31.76	4.51	-	-	36.27	245.49
	Leasehold Premises	-	-	-	-	-	-	-	-	-	-	-
	ROU - Building	322.88	-	-	-	322.88	181.97	70.95	-	-	252.92	69.96
	ROU - Leasehold Premises	156.01	13.40	-	5.74	163.66	98.93	14.82	-	5.25	108.50	55.17
	Plant and Equipment	297.52	28.27	-	26.59	299.20	237.35	27.63	-	21.76	243.22	55.98
	Furniture and Fixtures	89.95	0.66	-	1.16	89.45	61.45	7.80	-	0.96	68.29	21.16
	Vehicles	3.47	-	-	0.50	2.98	3.47	-	-	0.50	2.98	0.00
	Office equipment	56.59	2.58	-	4.13	55.03	50.72	4.18	-	8.52	46.38	8.65
Total (A)		1,208.17	44.90	-	38.12	1,214.96	665.65	129.89	-	36.98	758.56	456.40
b)	**Intangibles**											
	Software	1,302.42	133.40	-	0.46	1,435.36	941.35	277.64	-	0.17	1,218.82	216.54
	Trademark/ Design and	-	-		-	-	-	-		-	-	-
Total (B)		1,302.42	133.40		0.46	1,435.36	941.35	277.64	-	0.17	1,218.82	216.54
Total (A+B)		2,510.60	178.31	-	38.58	2,650.33	1,607.00	407.53	-	37.16	1,977.38	672.94

15 Capital-Work-in Progress (CWIP) and Intangible assets under development:

15.1 CWIP

(a) CWIP ageing schedule

As at 31 March 2024 Rs. Millions

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30.83	-	-	-	30.83
Projects temporarily suspended	-	-	-	-	0

As at 31 March 2023 Rs. Millions

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.63	-	-	-	1.63
Projects temporarily suspended	-	-	-	-	0

(b) There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

15.2 Intangible assets under development:

(a) Intangibles under development ageing schedule

As at 31 March 2024 Rs. Millions

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	87.41	6.36	-	-	93.77
Projects temporarily suspended	-	-	-	-	0

As at 31 March 2023 Rs. Millions

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.59	-	-	-	47.59
Projects temporarily suspended	-	-	-	-	0

(b) There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

16 Other non-financial assets

	31-Mar-24	31-Mar-23
	Rs. Millions	
Input tax credit	370.75	188.05
Prepaid expenses	129.38	113.37
Vendor Advances	17.20	69.12
Capital Advances	-	-
Deposits - others	-	-
Advances recoverable for value to be received (non-financial assets)	26.25	23.19
Other assets	195.93	58.26
	739.59	**452.14**

17 Trade payables

17.1 Trade Payables includes INR 8.51 million (Previous Year INR 14.80 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

17.2 Trade payables

Particulars	31-Mar-24	31-Mar-23
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,910.47	2,032.00
Trade payables to related parties	31.65	51.76
Total	**1,942.12**	**2,083.77**

A Trade payables ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						
Particulars	**Unbilled**	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	8.51	-	-	-	**8.51**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,478.14	-	458.81	4.54	0.63	-	**1,942.12**
(iii)Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
Total	1,478.14	-	467.32	4.54	0.63	-	**1,950.63**

As at 31 March 2023	Outstanding for following periods from due date of payment						
Particulars	**Unbilled**	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	14.80	-	-	-	**14.80**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,711.82	-	355.12	1.74	0.55	14.54	**2,083.76**
(iii)Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
Total	1,711.82	-	369.92	1.74	0.55	14.54	**2,098.57**

Notes to financial statements (Continued)

18 Other financial liabilities (at amortised cost unless otherwise specified)

	31-Mar-24	31-Mar-23
Payable to client (net)		
Lease liabilities	436.83	187.14
Payable to exchange / clearing house (net)	-	-
Book overdraft	-	-
Accrued salaries and benefits	232.10	282.92
Provision for short sale at fair value	-	-
Payable to contractors	-	-
Reinsurance payable	11.18	37.73
Deposits from sub-brokers	-	-
Rental deposits	20.40	-
Retention money payable	2.32	2.01
Unclaimed dividends	-	-
Other liabilities	2.00	-
Total	**704.83**	**509.80**

19 Provisions

Rs. Millions

	31-Mar-24	31-Mar-23
Provision for employee benefits and related costs		
Gratuity	-2.82	-4.95
Compensated absences	19.41	17.38
Long Term Incentives	169.56	178.00
Others	-	-
Total	**186.15**	**190.43**

20 Other non-financial liabilities

	31-Mar-24	31-Mar-23
Income received in advance	27.90	44.81
Statutory dues	-	-
Advances from customers	-	-
Proposal deposit from insurance business	345.32	240.24
Others	-	-
Others	252.14	-
Withholding taxes, Goods & service tax and other taxes payable	107.33	101.05
Total	**732.69**	**386.10**

Notes to financial statements (Continued)

21 Equity share capital

Authorised :

	As at 31 Mar 24		As at 31 Mar 23	Rs. Millions
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Authorised Equity Shares of ₹ 10 each	**2,00,00,00,000**	20,000.00	**2,00,00,00,000**	20,000.00
Total	2,00,00,00,000	20,000.00	2,00,00,00,000	20,000.00

Issued, Subscribed and Paid up:	**As at 31 Mar 24**		**As at 31 Mar 23**	
Equity Shares of ₹ 10 each	91,55,52,063	9,155.52	91,55,52,063	9,155.52
Total	91,55,52,063	9,155.52	91,55,52,063	9,155.52

A Reconciliation of number of shares	**As at 31-03-2024**		**As at 31-03-2023**	
	No of shares	**Amount**	**No of shares**	**Amount**
Outstanding at the beginning of the year	91,55,52,063	9,155.52	66,55,52,063	6,655.52
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)				
-Under Qualified institutional placement (QIP)	-	-	-	-
- Rights issue	-	-	25,00,00,000	2,500.00
	91,55,52,063	9,155.52	91,55,52,063	9,155.52
Less: Shares held by trusts	-	-	-	-
Outstanding at the end of the year	**91,55,52,063**	**9,155.52**	**91,55,52,063**	**9,155.52**

B Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share held.

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

C Details of shares held by promoters in the Company

As at 31-Mar-2024

S. No	**Promoter name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of total shares****	**% Change during the year*****
Equity Shares of ₹ 10 each	Edelweiss Financial Services Limited (Holding Company)	68,74,31,552	-	68,74,31,552	**75.08%**	**0.00%**
Equity Shares of ₹ 10 each	Tokio Marine & Nichido Fire Insurance Co. Ltd. (Foreign Company)	22,81,20,511	-	22,81,20,511	**24.92%**	**0.00%**
Total		**91,55,52,063**	-	**91,55,52,063**	**100.00%**	**0.00%**

As at 31-Mar-2023

S. No	**Promoter name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of total shares****	**% Change during the year*****
Equity Shares of ₹ 10 each	Edelweiss Financial Services Limited (Holding Company)	43,74,31,552	25,00,00,000	68,74,31,552	75.08%	-9.36%
Equity Shares of ₹ 10 each	Tokio Marine & Nichido Fire Insurance Co. Ltd. (Foreign Company)	22,81,20,511	-	22,81,20,511	24.92%	9.36%
Total		**66,55,52,063**	**25,00,00,000**	**91,55,52,063**	**100.00%**	-

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

		As at 31-Mar-2024	**As at 31-Mar-2023**		
	No of shares	% holding	No of shares	% holding	
Edelweiss Financial Services Limited (Holding Company)	68,74,31,552	75.08%	68,74,31,552	75.08%	
Tokio Marine & Nichido Fire Insurance Co. Ltd. (Foreign Company)	22,81,20,511	24.92%	22,81,20,511	24.92%	
	91,55,52,063	**100.00%**	**91,55,52,063**	**100.00%**	**-**

22 Other Equity

	31-Mar-24	31-Mar-23
Securities premium account	17,119.17	17,119.17
Share Application Money - Pending Allotment	495.53	-
Revaluation Reserve through other comprehensive income	19.17	19.53
Add: Revaluation of property	-	-
ESOP reserve	33.34	33.34
Opening Balance	(19,808.39)	(17,826.74)
Add: Depreciation on revaluation reserve	0.36	0.36
Retained earnings-Surplus arising due to Lapsation	22.41	9.47
Add: Profit for the year	(1,565.96)	(1,990.89)
Right of Use of Assets	-	-
Add:Re-measurement gain / (loss) on defined benefit plans (OCI)	5.19	(0.58)
Debt instruments through other comprehensive income	261.69	193.01
Add : Additions during the year	1,448.47	68.68
Equity instruments through other comprehensive income		
Total	**(1,969.02)**	**(2,374.66)**

22.1 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.

22.2 FVOCI debt investments

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold or permanently impaired.

22.3 Revaluation Reserve through other comprehensive income

Group has decided to change to revaluation model from cost model of accounting for a class of asset (i.e. building) as at 31st March 2022. Similarly, the Company has also changed their existing model for Flats and building to align with the Group policy for fit for consolidation.

23 Interest Income

For the year ended 31 Mar 2024

Rs. Millions

Particulars	Amortised cost	FVTPL/Designated FVTPL	FVOCI	Total
Interest on Loans	-	-	-	-
Interest income from investments	-	-	-	-
Interest income on debt instrument (for non-finance company) - amortised cost	90.93	-	-	90.93
Interest income on debt instrument (for non-finance company) - fair value through P&L	-	1,155.09	-	1,155.09
Interest income on debt instrument (for non-finance company) - fair value through OCI	-	-	2,465.58	2,465.58
Interest on deposits with Banks	382.03	-	-	382.03
Interest Income - Others	29.93	-	-	29.93
Total	**502.89**	**1,155.09**	**2,465.58**	**4,123.56**

For the year ended 31 Mar 2023

Rs. Millions

Particulars	Amortised cost	FVTPL/Designated FVTPL	FVOCI	Total
Interest on Loans	-	-	-	-
Interest income from investments	-	-	-	-
Interest income on debt instrument (for non-finance company) - amortised cost	76.71	-	-	76.71
Interest income on debt instrument (for non-finance company) - fair value through P&L	-	897.29	-	897.29
Interest income on debt instrument (for non-finance company) - fair value through OCI	-	-	2,168.31	2,168.31
Interest on deposits with Banks	368.95	-	-	368.95
Interest Income - Others	35.95	-	-	35.95
Total	**481.61**	**897.29**	**2,168.31**	**3,547.21**

24 Fee and commission income

Rs. Millions

	2023-24	2022-23
Income from broking		
Advisory and other fees	16.51	15.43
Total	**16.51**	**15.43**

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

Particulars	2023-24	2022-23
Service transferred at a point in time	16.51	15.43
Service transferred over time	-	-
Total revenue from contract with customers	**16.51**	**15.43**

25 Net gain on fair value changes

Rs. Millions

	2023-24	2022-23
Net gain /(loss) on financial instruments at fair value through profit or loss		
Investments mandatorily at fair value through profit or loss		
Realised		
On sale of Investment (net)	3,799.67	1,092.45
Unrealised		
Fair value gain / (loss) - P&L - equity	2,098.94	-878.18
Fair value gain / (loss) - P&L - debt	309.36	(419.77)
MTM Gain/Loss - Derivatives	(37.12)	(51.65)
Others		
Profit on sale of real estate/investment property	-	-
Total Net gain/(loss) on fair value changes	**6,170.85**	**-257.15**
Fair Value changes:		
Realised	3,799.67	1,092.45
Unrealised	2,371.18	(1,349.60)

26 Net Premiums

Rs. Millions

	2023-24	2022-23
Gross premiums on insurance contracts and investment contracts with DPF	19,259.37	16,764.25
Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF	(380.60)	(360.89)
Total	**18,878.77**	**16,403.36**

27 Other operating revenue

	2023-24	2022-23
Rental income	3.40	-
Total	**3.40**	-

28 Other income

	2023-24	2022-23
Profit on sale of fixed assets (net)	0.93	0.96
Miscellaneous income	8.04	6.93
Total	**8.97**	**7.89**

Notes to financial statements (Continued)
For the year ended 31 Mar 2024

29 Employee benefits expense

Rs. Millions

	2023-24	2022-23
Salaries and wages	3,114.79	2,943.03
Contribution to provident and other funds	170.27	161.19
Expense on employee stock option scheme	5.82	10.24
Staff welfare expenses	119.62	96.63
Total	**3,410.50**	**3,211.09**

30 Impairment on financial instruments

Rs. Millions

	2023-24	2022-23
On loans	13.68	10.26
On investments*	(55.73)	-
On Financial Assets	(58.64)	(182.77)
On trade receivables	-	-
Total	**(100.69)**	**(172.51)**

31 Policy Benefit

Rs. Millions

	2023-24	2022-23
Gross benefits and claims paid	7,242.35	4,325.78
Claims ceded to reinsurers	(326.54)	(393.30)
Total	**6,915.81**	**3,932.48**

32 Other expenses

Rs. Millions

	2023-24	2022-23
Advertisement and business promotion	1,133.45	998.78
Auditors' remuneration (Refer note 32(a))	4.71	4.27
Communication	113.27	100.94
Computer expenses	63.92	55.53
Computer software	309.31	300.56
Directors' sitting fees	4.60	1.82
Commission to non-executive directors	-	-
Contribution towards corporate social responsibility	-	0.15
Dematerialisation charges and stock exchange expenses	-	-
Insurance	0.70	0.84
Legal and professional fees	191.17	213.17
Membership and subscription	26.58	13.75
Mutual fund expenses	-	-
Office expenses	60.26	60.38
Printing and stationery	19.81	18.21
Rates and taxes	2.06	2.06
Rent	33.31	23.47
Electricity charges	27.82	20.74
Repairs and maintenance - others	24.72	21.68
Seminar and conference expenses	219.94	178.46
Stamp duty	25.64	29.70
Travelling and conveyance	152.55	142.28
Warehousing charges	-	-
Selling and Distribution expenses	-	-
Foreign exchange loss (net)	0.01	0.04
Clearing & custodian charges	5.95	4.73
Profit/Loss on sale of fixed assets	-	0.01
Goods & Service tax expenses	82.19	136.72
Housekeeping and security charges	60.10	58.10
Miscellaneous expenses	51.27	41.27
Total	**2,613.34**	**2,427.65**

33 Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 2023 is, as follows:

Rs. Millions

Particulars	**2023-24**	**2022-23**
Profit before tax	(1,565.96)	(1,990.89)
Tax rate	14.56%	14.56%
Income tax expense calculated based on above tax rate	(228.00)	(289.87)
Adjustment in respect of income tax of prior years	-	-
Effect of income not subject to tax	-	-
Effect of non-deductible expenses	-	-
Impact of certain items being taxed at different rates	-	-
Impact of tax rate changes between two accounting periods	-	-
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	-	-
Effect of non-recognition of deferred tax asset on current-period losses	-	-
Different tax rates of subsidiaries	-	-
Others	-	-
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	**228.00**	**289.87**
Tax expense recognised in profit or loss	-	-

Notes to financial statements (Continued)

34 Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31 March 2024

Rs. In Millions

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses							Unused tax credits	
	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total		Mat Credit
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year
FY 2023-24	-	-	-	-	-	-	1,565.96	2031-32	1,565.96	-	-
FY 2022-23	-	-	-	-	-	-	1,990.89	2030-31	1,990.89	-	-
FY 2021-22	-	-	-	-	-	-	2,059.57	2029-30	2,059.57	-	-
FY 2020-21	-	-	-	-	-	-	2,352.48	2028-29	2,352.48	-	-
FY 2019-20	-	-	-	-	-	-	2,849.00	2027-28	2,849.00	-	-
FY 2018-19	-	-	-	-	-	-	2,784.57	2026-27	2,784.57	-	-
FY 2017-18	-	-	-	-	-	-	2,454.76	2025-26	2,454.76	-	-
FY 2016-17	-	-	-	-	-	-	2,096.09	2024-25	2,096.09	-	-
Total	-	-	-		-	-	**18,153.33**		**18,153.33**	-	-

As at 31 March 2023

Rs. In Millions

Financial Year to which the loss related to	**Deductible temporary differences**		Unused tax losses							Unused tax credits	
	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total		Mat Credit
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year
FY 2022-23	-	-	-	-	-	-	1,990.89	2030-31	1,990.89	-	-
FY 2021-22	-	-	-	-	-	-	2,059.57	2029-30	2,059.57	-	-
FY 2020-21	-	-	-	-	-	-	2,352.48	2028-29	2,352.48	-	-
FY 2019-20	-	-	-	-	-	-	2,849.00	2027-28	2,849.00	-	-
FY 2018-19	-	-	-	-	-	-	2,784.57	2026-27	2,784.57	-	-
FY 2017-18	-	-	-	-	-	-	2,454.76	2025-26	2,454.76	-	-
FY 2016-17	-	-	-	-	-	-	2,096.09	2024-25	2,096.09	-	-
FY 2015-16	-	-	-	-	-	-	1,463.98	2023-24	1,463.98	-	-
Total	-	-	-	-	-	-	**18,051.34**		**18,051.34**	-	-

35 Earnings per share (EPS)

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

	2023-24	2022-23
Profit for the year attributable to owners of the parent (In Rs. millions)	(1,565.96)	(1,990.89)
Weighted average number of equity shares for calculating basic EPS (in millions)	915.55	792.95
Weighted average number of equity shares for calculating diluted EPS (in millions)	915.55	792.95
Basic earnings share (in Rs.)	(1.71)	(2.51)
Dilutive earning per share (in Rs.)	(1.71)	(2.51)

Notes to financial statements (Continued)

36 Segment information

The Company has only one segment - Insurance business representing life insurance business. Segment data for previous financial period has been reclassified to conform to current financial period's presentation.

Since the business operations of the Company are primarily concentrated in India, company is considered to operate only in the domestic segment.

Rs. Millions

	Particulars	Year Ended	
1 Segment revenue (Total income)		**31-Mar-24**	**31-Mar-23**
	Insurance business	29,476.48	19,999.93
	Total Income	**29,476.48**	**19,999.93**
2 Segment results (Profit/(loss) before tax)			
	Insurance business	(1,565.96)	(1,990.89)
	Profit/(loss) before tax	**(1,565.96)**	**(1,990.89)**
	Less: Unallocated net expenditure	-	-
	Total Profit before tax	**(1,565.96)**	**(1,990.89)**
		As at	
3 Segment Assets		**31-Mar-24**	**31-Mar-23**
	Insurance business	93,159.90	76,144.08
	Total Assets	**93,159.90**	**76,144.08**
4 Segment Liabilities			
	Insurance business	93,159.90	76,144.08
	Total Assets	**93,159.90**	**76,144.08**

37 Unconsolidated structured entities

Rs. Millions

Particulars	31 March 2024			
	Securitisation trusts	**Alternative Investment Funds**	**Total**	**Maximum exposure***
Loans			-	-
Trade Receivables			-	-
Investments at fair value through profit or loss	988.16		988.16	988.16
Total Assets	988.16	-	988.16	988.16
Off-balance sheet exposure	-	-	-	-
Size of the structured entity	841.84	-	-	-
Income from the structured entity	94.99	-	-	-

*In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts.

Rs. Millions

Particulars	31 March 2023			
	Securitisation trusts	**Alternative Investment Funds**	**Total**	**Maximum exposure***
Loans			-	-
Trade Receivables			-	-
Investments at fair value through profit or loss	1,182.33		1,182.33	1,182.33
Total Assets	1,182.33	-	1,182.33	1,182.33
Off-balance sheet exposure	-	-	-	-
Size of the structured entity	941.02	-	-	-
Income from the structured entity	100.43	-	-	-

*In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts.

38 Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of INR 131.55 million (Previous year: INR 121.23 million) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:	Rs.Millions	
	2024	**2023**
Current service cost	21.82	21.72
Interest on defined benefit obligation	8.49	5.97
Expected return on plan assets	(8.01)	(4.23)
Actuarial (gain) or losses	-	-
effect of curtailment		
Past service cost	-	-
Exchange rate adjustment	-	-
Total included in 'Employee benefits expense'	**22.31**	**23.47**

Movement in Other Comprehensive Income:

Balance at start of year (Loss)/ Gain	(21.36)	(20.77)
Re-measurements on defined benefit obligation (DBO)	-	-
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.96)	5.78
b. Actuarial (Loss)/ Gain from experience over the past year	(2.93)	(5.96)
c. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
Re-measurements on Plan Assets	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	9.08	(0.40)
Re-measurements on Asset Ceiling	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at end of year (Loss)/ Gain	**(16.17)**	**(21.36)**

Balance sheet

Reconciliation of defined benefit obligation (DBO) :		
	2024	**2023**
Present value of DBO at the beginning of the year	119.63	121.93
Acquisition/ (Divestiture)	-	-
Transfer (out)/in	-	-
Interest cost	8.49	5.97
Current service cost	21.82	21.72
Benefits paid	(23.85)	(30.17)
Past service cost	-	-
Actuarial (gain)/loss	3.89	0.18
Exchange Rate Adjustment	-	-
Present value of DBO at the end of the year	**129.99**	**119.63**

Reconciliation of fair value of plan assets:		
	2024	**2023**
Fair value of plan assets at the beginning of the year	124.58	80.92
Acquisition / (Divestiture)	-	-
Contributions by Employer	15.00	70.00
Benefits paid	(23.85)	(30.17)
Interest income	8.01	4.23
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	9.08	(0.40)
Fair value of plan assets at the end of the year	**132.81**	**124.58**

Net asset / (liability) recognised in the balance sheet:

	2024	2023	2022	2021	2020
Present value of DBO	129.99	119.63	121.93	100.72	79.99
Fair value of plan assets at the end of the year	(132.81)	(124.58)	(80.92)	(89.14)	(74.27)
Net Asset/(Liability)	2.82	4.95	(41.00)	(11.58)	(5.72)
Less: Effect of limiting net assets to asset ceiling		-	-	-	-
Liability recognised in the balance sheet	2.82	-	41.00	11.58	5.72

Experience adjustments:

	2024	2023	2022	2021	2020
On plan liabilities: loss / (gain)	2.93	5.96	11.64	5.00	4.36
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	45.00	15.00	5.00

Principal actuarial assumptions at the balance sheet date:

	2024	2023
Discount rate	6.90%	7.10%
Salary escalation	8.00%	8.00%
Employees attrition rate	15%-60%	15%-60%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Percentage Break-down of Total Plan Assets	**31 March 2024**	**31 March 2023**
Investment Funds with Insurance Company	99%	100%
Cash & cash equivalents	1%	0%

Sensitivity Analysis for 2024:

Rs.Millions

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(4)	5	5	4

Sensitivity Analysis for 2023:

Rs.Millions

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(4)	4	4	(4)

39 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.

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	2,487.54	-	2,487.54	1,249.41	-	1,249.41
(b) Bank balances other than cash and cash equivalents	4,900.55	-	4,900.55	1,400.28	2,831.50	4,231.78
(c) Derivative financial instruments	104.32	-	104.32	90.41	-	90.41
(d) Stock in trade (securities held for trading)	-	-	-	-	-	-
(e) Trade Receivables	1,410.26	-	1,410.26	837.45	-	837.45
(f) Other Receivables	1.78	-	1.78	0.79	-	0.79
(g) Loans	22.40	499.01	521.41	32.94	340.32	373.26
(h) Investments	24,645.99	53,133.35	77,779.33	21,100.61	43,752.41	64,853.02
(i) Other financial assets	245.56	65.78	311.34	293.36	26.94	320.30
Total financial assets (A)	**33,818.40**	**53,698.14**	**87,516.53**	**25,005.25**	**46,951.17**	**71,956.42**
Non-financial assets						
(a) Inventories	-	-	-	-	-	-
(b) Reinsurance assets	-	3,273.98	3,273.98	-	3,013.36	3,013.36
(c) Current tax assets (net)	-	-	-	-	-	-
(d) Deferred tax assets (net)	-	-	-	-	-	-
(e) Investment property	-	508.23	508.23	-	-	-
(f) Property, Plant and Equipment	8.44	708.46	716.90	2.81	453.59	456.40
(g) Capital work in progress	30.83	-	30.83	1.63	-	1.63
(h) Intangible assets under development	87.41	6.36	93.77	47.59	-	47.59
(i) Goodwill	-	-	-	-	-	-
(j) Other Intangible assets	60.92	219.15	280.07	14.06	202.48	216.54
(k) Other non- financial assets	731.45	8.14	739.59	446.05	6.09	452.14
(l) Asset Held for Sale	-	-	-	-	-	-
Total non-financial assets (B)	**919.05**	**4,724.32**	**5,643.37**	**512.14**	**3,675.52**	**4,187.66**
TOTAL ASSETS (C = A+B)	**34,737.44**	**58,422.46**	**93,159.90**	**25,517.39**	**50,626.69**	**76,144.08**

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
(a) Derivative financial instruments	-	-	-	-	-	-
(b) Trade Payables	1,944.27	6.36	1,950.63	1,905.17	193.40	2,098.57
(c) Insurance claims payable	373.82	-	373.82	509.76	-	509.76
(d) Debt securities	-	-	-	-	-	-
(e) Borrowings (other than debt securities)	-	-	-	-	-	-
(f) Deposits	-	-	-	-	-	-
(g) Subordinated Liabilities	-	-	-	-	-	-
(h) Other financial liabilities	457.23	247.60	704.83	322.66	187.14	509.80
(i) Investment Contract Liability	-	1,164.43	1,164.43		1,111.61	1,111.61
Total financial liabilities (D)	**2,775.32**	**1,418.39**	**4,193.71**	**2,737.59**	**1,492.15**	**4,229.74**
Non-financial liabilities						
(a) Current tax liabilities (net)	-	-	-	-	-	-
(b) Provisions	7.35	178.80	186.15	41.73	148.70	190.43
(c) Provision for policyholders' liabilities	-	80,860.85	80,860.85	-	64,556.95	64,556.95
(d) Deferred tax liabilities (net)	-	-	-	-	-	-
(e) Other non-financial liabilities	732.69	-	732.69	386.10	-	386.10
Total non-financial liabilities (E)	**740.04**	**81,039.65**	**81,779.69**	**427.83**	**64,705.65**	**65,133.48**
TOTAL LIABILITIES (F = D+E)	**3,515.36**	**82,458.04**	**85,973.40**	**3,165.42**	**66,197.80**	**69,363.22**
NET TOTAL ASSETS / (LIABILITIES) (C-F)	**31,222.08**	**(24,035.58)**	**7,186.50**	**22,351.97**	**(15,571.11)**	**6,780.86**

40 Contingent liabilities, commitments and leasing arrangements:

40.1 Contingent liabilities and commitments

- Claims against policies under litigation Rs 36.84 Million (Previous year: Rs. 18.95 million).
- Taxation matters in respect of which appeal is pending Rs.146.2(Previous year: Rs.146.2).
- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.73.08 millions(Previous year:Rs. 80.91 millions)
- Partly Paid Up Debenture for which call is remaining to be received is Rs.NIL million (PY Rs. 1575 million)

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is Rs. 138.99 million (PY Rs. 132.29 million).

Show cause notices issued by various Tax Authorities are not considered as obligation. When any demand notice is raised by the tax authorities, these are disclosed as contingent liability except in cases where the probability of any financial outflow is remote.

40.2 Lease

1) This note provides information for leases where the Company is a lessee.

Rs. Millions

	31-Mar-24	31-Mar-23
Right-of-use assets		
Buidings	647.82	322.88
Lease liability for lease of branches	433.25	187.23

2) The statement of profit or loss shows the following amounts relating to leases

Rs. Millions

	31-Mar-24	31-Mar-23
Depreciation on ROU of building	75.43	70.95
Interest cost	32.69	31.27
Expenses related to short term lease		
Expenses related to low value lease		

Measurement of lease liability	31-Mar-24	31-Mar-23
Opening Balance	**187.23**	**253.42**
Additions/(Deletions)		
Addition of new leases	324.94	-
Accretion of Interest	32.79	31.89
Lease payment for the year	(111.70)	(98.08)
Lease liability as at	**433.25**	**187.23**

3) Operating Lease - Company as lessor

Future minimum lease receipts under non–cancellable operating leases as at 31 March are, as follows:

Rs. Millions

	31-Mar-24	31-Mar-23
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

The Company has entered into commercial leases for buidlings. The leases have an average life of between 5 years. There are no restrictions placed upon the lessee by entering into these operating leases

Notes to financial statements (Continued)

41 Related party disclosures

(A)	**Where Control Exists (Holding Company)**	Edelweiss Financial Services Limited
(B)	**Enterprise having significant Influence**	Tokio Marine Holding Inc. Tokio Marine & Nichido Fire Insurance Co Limited
(C)	**Fellow Subsidiaries/Associates**	ECap Securities & Investments Limited (formerly known as ECap Equities Limited) Edelweiss Investment Adviser Limited ECap Equities Limited (formerly known as Edel Land Limited) Edel Finance Company Limited Edelweiss Rural & Corporate Services Limited EdelGive Foundation ECL Finance Limited Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) Edelweiss Retail Finance Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Trusteeship Company Limited Allium Finance Private Limited Edel Investments Limited Edelcap Securities Limited Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited) Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited) Edelweiss Securities and Investments Private Limited Edelweiss Real Assets Managers Limited Sekura India Management Limited Zuno General Insurance Limited (earlier known as Edelweiss General Insurance Company Limited) Edelweiss Global Wealth Management Limited Edelweiss Alternative Asset Advisors Pte. Limited Edelweiss International (Singapore) Pte. Limited

All Nuvama entities (except Nuvama Custodial Services Limited) has ceased to be a related party since 31st March'23

(D)	**Key Managerial Personnel**	Mr. Sumit Rai, Managing Director & CEO Mr. Subhrajit Mukhopadhyay, Executive Director

Transactions and balances with Related Parties:

Rs in Millions

Sr.No.	Nature of Transaction	Related Party Name	Status	31 March 2024	31 March 2023
	Transaction during the year				
1	Capital Infusion	Edelweiss Financial Services Limited	Holding Company	-	2,500.00
		Tokio Marine & Nichido Fire Insurance Co. Ltd	Enterprise having significant Influence	-	-
2	Share Application Money Received	Edelweiss Financial Services Limited	Holding Company	495.53	-
3	Purchase of Securities	Edelweiss Financial Services Limited	Holding Company	-	(576.79)
		ECL Finance Limited	Fellow Subsidiary	-	(3,160.36)
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	(90.00)	(30.00)
		ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	-	(1,153.89)
		Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	-	-
				-	
4	Sale of Securities	ECL Finance Limited	Fellow Subsidiary	373.31	1,154.45
		Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	-	108.24
		Edelweiss Investment Adviser Limited	Fellow Subsidiary	-	252.06
		Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	Associate	-	-
5	Brokerage and Commission	Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	Associate	-	(148.07)
		Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	Associate	-	(3.38)
				-	
6	Office Rent, Business Centre Charges and Facility Charges	ECap Securities & Investments Limited (formerly known as ECap Equities Limited)	Fellow Subsidiary	-	-
		ECL Finance Limited	Fellow Subsidiary	-	-
		ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	(11.46)	(5.60)
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	(6.27)	(8.08)
				-	
7	Group Insurance Claims	ECL Finance Limited	Fellow Subsidiary	(2.12)	(24.26)
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	(52.80)	(64.97)
		Edelweiss Retail Finance Limited	Fellow Subsidiary	(0.40)	(3.38)
				-	
8	Interest income on NCD	Edelweiss Financial Services Limited	Holding Company	127.56	39.27
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	18.55	18.50
		ECL Finance Limited	Fellow Subsidiary	81.60	125.05
		Edelweiss Asset Reconstruction Limited	Fellow Subsidiary	51.70	28.04
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	14.45	5.01
		Edelweiss Retail Finance Limited	Fellow Subsidiary	37.86	33.97
				-	
9	Managerial Remuneration	Key Managerial Personnel	Key Managerial Personnel	(151.87)	(145.21)
				-	
10	Rent Income	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	1.02	
		ECL Finance Limited	Fellow Subsidiary	2.38	
				-	
11	Purchase of Investment Property	ECL Finance Limited	Fellow Subsidiary	(508.94)	
				-	

Sr.No.	Nature of Transaction	Related Party Name	Status	31 March 2024	31 March 2023
12	Insurance Premium Collected	Edelweiss Financial Services Limited	Holding Company	0.59	0.61
		ECL Finance Limited	Fellow Subsidiary	5.06	16.75
		Edelweiss Housing Finance Limited	Fellow Subsidiary	27.88	1.95
		Edelweiss Retail Finance Limited	Fellow Subsidiary	1.71	2.29
		ECap Securities & Investments Limited (formerly known as ECap Equities Limited)	Fellow Subsidiary	0.01	-0.29
		Edel Finance Company Limited	Fellow Subsidiary	0.08	-0.07
		Edel Investments Limited	Fellow Subsidiary	0.54	0.14
		ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	0.43	0.73
		Edelcap Securities Limited	Fellow Subsidiary	0.88	1.43
		EdelGive Foundation	Fellow Subsidiary	0.04	0.07
		Edelweiss Alternative Asset Advisors Limited	Fellow Subsidiary	2.77	2.29
		Edelweiss Asset Management Limited	Fellow Subsidiary	1.46	1.63
		Edelweiss Asset Reconstruction Limited	Fellow Subsidiary	1.41	1.30
		Edelweiss Securities And Investments Private Limited	Fellow Subsidiary	0.04	
		Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	Associate	-	11.08
		Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	Fellow Subsidiary	0.03	0.39
		Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	Fellow Subsidiary	0.01	0.00
		Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	Associate	-	0.64
		Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	Associate	-	1.99
		Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	1.89	2.26
		Edelweiss Global Wealth Management Limited	Fellow Subsidiary	0.01	-0.21
		Edelweiss Investment Adviser Limited	Fellow Subsidiary	0.02	0.02
		Edelweiss Real Assets Managers Limited	Fellow Subsidiary	0.08	0.05
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	0.87	0.89
		Nuvama Capital Services (IFSC) Limited (formerly Edelweiss Securities (IFSC) Limited)	Associate	-	0.02
		Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	Associate	-	3.51
		Edelweiss Trusteeship Company Limited	Fellow Subsidiary	0.00	0.00
		Nuvama Asset Management Limited (formerly ESL Securities Limited)	Associate	-	0.84
		Sekura India Management Limited	Fellow Subsidiary	0.62	0.34
		Key Managerial Personnel	Key Managerial Personnel	1.58	2.08
13	Reimbursement of Cost of premium for Professional Indemnity and Crime Insurance	Edelweiss Financial Services Limited	Holding Company	-	-
				-	
14	Reimbursement of Cost of mediclaim premium	Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	(86.95)	(79.99)
				-	
15	Branding fees	Edelweiss Financial Services Limited	Holding Company	(42.50)	(37.50)
				-	
16	Training Centre Cost	ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	(0.82)	(0.39)
				-	
17	Share of Gratuity for transferred employees	Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	-	-
		ECL Finance Limited	Fellow Subsidiary	-	-
		Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	-	-
				-	
18	ESOP Cross Charge	Edelweiss Financial Services Limited	Holding Company	(5.82)	(10.24)
				-	
19	Information Technology Cost	Edelweiss Financial Services Limited	Holding Company	-	-
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	(63.00)	(58.12)
		Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	Associate	-	(0.20)
		ECap Securities & Investments Limited (formerly known as ECap Equities Limited)	Fellow Subsidiary	-	-
		ECL Finance Limited	Fellow Subsidiary	-	-
				-	
20	Advertisement and Promotions	Edelweiss Financial Services Limited	Holding Company	-	
		Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	Fellow Subsidiary	-	-
				-	
21	Professional expenses	Edelweiss Financial Services Limited	Holding Company	-	-
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	(6.75)	(6.43)
				-	
22	Marketing Charges	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	(29.98)	
				-	
23	Redemption of Securities	ECL Finance Limited	Fellow Subsidiary	140.81	-
		Edelweiss Retail Finance Limited	Fellow Subsidiary	-	-
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	-	-
		Edelweiss Financial Service Limited	Holding Company	30.05	
		Edelweiss Asset Reconstruction Limited	Fellow Subsidiary	84.39	
				-	
27	Service fees towards Research Services	Tokio Marine Asia Pte. Limited	Fellow Subsidiary	-	-
				-	
28	Security Deposit	ECL Finance Limited	Fellow Subsidiary	14.28	-
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	6.12	
		ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	(9.03)	
29	ESOP/SAR Lapsation	Edelweiss Financial Services Limited	Holding Company	(22.41)	(9.46)
				-	
	Investment Held			-	
30	Investment in NCDs	Edelweiss Financial Services Limited	Holding Company	2,269.46	1,277.83
		Edelweiss Retail Finance Limited	Fellow Subsidiary	148.11	153.51
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	276.07	56.23
		ECL Finance Limited	Fellow Subsidiary	147.55	870.11
		Edelweiss Asset Reconstruction Limited	Fellow Subsidiary	391.41	475.31
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	199.49	199.84

				-	
Sr.No.	**Nature of Transaction**	**Related Party Name**	**Status**	**31 March 2024**	**31 March 2023**
	Balance Payable			-	
31	Branding Fees/ESOP	Edelweiss Financial Services Limited	Holding Company	(15.64)	(40.67)
				-	
33	Office Rent, Business Centre Charges and Facility Charges	ECap Securities & Investments Limited (formerly known as ECap Equities Limited)	Fellow Subsidiary	-	(0.05)
				-	
34	Balance Payable	Edelweiss Housing Finance Limited	Fellow Subsidiary	-	-
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	(14.05)	
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	(21.53)	
				-	
35	Training Centre Charges/Facility Charges	ECap Equities Limited (formerly known as Edel Land Limited)	Fellow Subsidiary	(0.54)	(1.06)
				-	
37	IT Support and Facility Charges	Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	-	(9.76)
				-	
38	Security Deposit Payable	ECL Finance Limited	Fellow Subsidiary	(14.45)	(0.17)
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	(6.23)	(0.11)
				-	
39	Balance	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Limited)	Fellow Subsidiary	(1.46)	-0.29
				-	
40	Unallocated Premium Deposits	Edelweiss Financial Services Limited	Holding Company	-	-
		ECL Finance Limited	Fellow Subsidiary	1.36	-
		Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	Fellow Subsidiary	-	0.03
		Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	Fellow Subsidiary	-	0.00
		Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	-	0.14
		Edelweiss Global Wealth Management Limited	Fellow Subsidiary	-	0.28
		Edelweiss Investment Adviser Limited	Fellow Subsidiary	-	0.00
		Edelweiss Trusteeship Company Limited	Fellow Subsidiary	-	0.00
		Edelweiss Retail Finance Limited	Fellow Subsidiary	0.07	
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	0.01	
		Edelweiss Asset Reconstruction Company Limited	Fellow Subsidiary	0.10	
				-	
	Balance Receivable			-	
41	Gratuity Receivable	ECL Finance Limited	Fellow Subsidiary	0.01	0.01
				-	
42	ESOP	Edelweiss Financial Services Limited	Holding Company	-	-
				-	
43	Security Deposit	Ecap Equities Limited	Fellow Subsidiary	9.03	
				-	
44	Insurance Charges	Zuno General Insurance Limited (formerly Edelweiss General Insurance Company Limited)	Fellow Subsidiary	-	-
				-	
45	Accrued Interest on NCDs	Edelweiss Financial Services Limited	Holding Company	25.07	17.89
		Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	Fellow Subsidiary	13.46	2.00
		Edelweiss Rural & Corporate Services Limited	Fellow Subsidiary	5.12	5.07
		ECL Finance Limited	Fellow Subsidiary	3.74	48.95
		Edelweiss Asset Reconstruction Limited	Fellow Subsidiary	0.09	0.06
		Edelweiss Retail Finance Limited	Fellow Subsidiary	227.23	189.37

42 Capital management

The Company's policy is to always have a strong capital base with an objective to augment new business growth, seizing opportunities and also to meet the requirements of the policyholders, regulators, and rest of the stakeholders too. The Company periodically assesses both the short term and long term capital requirements on basis of the operational plan and long term strategic plan keeping a focus towards generating expected rate of return.

Insurance Business has met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's Capital Management Policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

The solvency ratio of last 3 years has been summarized in the below table:

Rs. Millions

Solvency ratio(As per IGAAP)*	Mar-24	Mar-23	Mar-22
Solvency ratio (ASM/RSM)	179%	220%	211%

The solvency position of the Company is robust and the current level of solvency as at March 31, 2024 is 179% (PY 220%) of RSM (minimum regulatory requirement is 150% of RSM). The Company has an additional fund of INR 411 million as at March 31, 2023 (PY 979 million) in Shareholder's 'Fund beyond Solvency' account which is available for future business growth, supporting the increasing solvency requirements and for managing any adverse deviations in experience.

* As per Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016

43 Share based payments:

The Edelweiss Group has granted ESOPs under two plans viz. ESOP 2011 & SAR 2019 to its employees on an equity-settled basis. The ESOPs/SARs provide a right to its holder (i.e. Edelweiss Group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss Group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

Consequent to the above, the Holding Company has granted stock options to eligible employees of the Company. In accordance with the SEBI Guidelines and the guidance note on “Accounting for Employee Share based payments”, fair value of the option is amortised on a graded basis over the vesting period. Based on the group arrangement, Edelweiss Financial Services Limited (EFSL) charges the fair value of such stock options, the Company accepts such cross charge and recognises the same under employee costs

The Board of Directors of the Holding Company, Edelweiss Financial Services Limited, has given its approval on 26 March 2019 for implementing Edelweiss Employee Stock Appreciation Rights Plan 2019 (SAR Plan 2019) wherein Stock Appreciation Rights (SARs) would be granted to the eligible employees of the Group. Such SARs shall give the concerned employee a right to receive the difference between SAR price and the market price of equity shares of the Company on the date of exercise, either by way of cash or issuance of equity shares of the Company, at the discretion of the Company.

Further, the maximum number of SARs granted under the SAR plan 2019 shall not exceed such number of SARs as would be exercisable into more than 40 million equity shares of the Company.

Consequent to the above, the Holding Company has granted SARs to eligible employees of the Company. In accordance with the SEBI Guidelines and the guidance note on “Accounting for Employee Share based payments”, fair value of the SARs is amortised on a graded basis over the vesting period. Based on the group arrangement, Edelweiss Financial Services Limited (EFSL) charges the fair value of such stock options, the Company accepts such cross charge and recognise the same under employee cost

The Company has reimbursed the Holding Company Rs. 0.41 million (PY Rs.1.3 million) and Rs. 5.40 million (PY Rs. 8.94 million) during the year on account of ESOP and SAR respectively and the same is forming part of Employee costs and included under the head 'Employee benefit Expense'

On account of ESOP and SAR Lapsation during the year, Rs. 22.41 million has been credited to Retained Earnings in accordance with Guidance note on Share Based Payments

Valuation and Accounting

The Graded Vested Long term incentive plans are accounted for based on actuarial valuations at the year end conducted by an independent actuary using projected unit credit method. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Profit and Loss account for the period, in which they emerge, for all employee benefits. The Company recognises expense for the services received, as the employees render services over the vesting period.

In case of Non Graded Vested Long term incentive plans, the company recognises expense/liability in respect of deferred remuneration in the reporting financial year. Deferred remuneration pertaining to previous financial years and paid in the reporting financial year will be adjusted against the liability outstanding in the books of accounts at the beginning of the year. In case of forfeiture of deferred pay, the corresponding liability outstanding shall be reduced accordingly. In case of recovery of earlier paid remuneration, if any, the same shall be credited to Profit and Loss Account

43.1 Long term Incentives

EV based incentives

Long Term Incentive Plan 2020

Total number of options approved	26,720.00	
Vesting Requirements	The options will vest as per the following schedule:	
	Vesting Period from Grant Date	Vesting Schedule
	25-May-23	1/3rd
	25-May-24	1/3rd
	25-May-25	1/3rd
	The first option granted to eligible employees on Sep 4, 2020 at notional value of Rs 10000/- per unit	
Maximum term of options granted	5 years from grant date	

There is an appreciation in the EV as compared to the EV of Previous Year Ended March 31, 2023 which has been considered as base and hence an expense and corresponding liability has been recognised for Year Ended March 31, 2024.

The Company has charged an amount of Rs. 26.74 millions for the year ended March 31, 2024 (PY Rs. 62.79 millions) under ‘Employees remuneration and welfare benefits’. The amount outstanding as at March 31, 2024 is Rs. 98.51 millions (PY Rs. 121.59 millions). The amount of LTIP is subject to maximum limit as approved by IRDAI for MD & CEO and Executive Director.

Option movement during the year

Particulars	**FY-24**	**FY-23**	**FY-22**
Number of options outstanding at the beginning of the period	23,292	26,720	26,720
Number of options granted during the year			-
Number of options forfeited / lapsed during the year	-2,084	-3,428	-
Number of options vested during the year			-
Number of options exercised during the year	-1042		-
Number of options outstanding at the end of the year	20,166	23,292	26,720

Cash Based incentives

The Company has charged an amount of Rs. 28.40 millions for the year ended March 31, 2024 (PY Rs. 56.20 millions) under ‘Employees remuneration and welfare benefits’. The amount outstanding as at March 31, 2024 is Rs. 71.05 millions (PY Rs. 56.40 millions)

44 Fair Value Measurement

44.1 Valuation Principles :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 44.4

44.2 Valuation governance :

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 responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

44.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 8.1.

Rs. Millions

Particulars	31 March 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
OTC derivatives (FRA)	-	104.32	-	104.32
Embedded derivatives in market-linked debentures issued	-	-	-	-
Total derivative financial instruments (assets)	**-**	**104.32**	**-**	**104.32**
Stock-in-trade				
Government Securities	-	-	-	-
Debt Securities	-	-	-	-
Mutual Fund	-	-	-	-
Equity Instruments	-	-	-	-
Preference Shares	-	-	-	-
Stock-in-trade	**-**	**-**	**-**	**-**
Investments				
Government securities	-	37,659.60	-	37,659.60
Debt securities	-	15,556.96	-	15,556.96
Mutual fund units	1,849.50	-	-	1,849.50
Security receipts	-	-	988.16	988.16
Units of AIF	-	358.30	-	358.30
Equity instruments*	18,836.10	854.49	-	19,690.59
Preference Shares	-	-	-	-
Others(InvIT and REIT)	957.09	-	-	957.09
Total investments measured at fair value	21,642.69	54,429.36	988.16	77,060.20
Loans and other financial assets measured at fair value				
Total financial assets measured at fair value on a recurring basis	**21,642.69**	**54,533.68**	**988.16**	**77,164.52**

*Rs. 179.51 million of unlisted equity share is transferred from Level 2 to Level 1 during FY24

Particulars	31 March 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
OTC derivatives (FRA)	-	90.41	-	90.41
Embedded derivatives in market-linked debentures issued	-	-	-	-
Total derivative financial instruments (assets)	-	90.41	-	90.41
Stock-in-trade				
Government Securities	-	-	-	-
Debt Securities	-	-	-	-
Mutual Fund	-	-	-	-
Equity Instruments	-	-	-	-
Preference Shares	-	-	-	-
Stock-in-trade	-	-	-	-

Investments				
Government securities	-	29,876.75	-	29,876.75
Debt securities	-	14,295.69	-	14,295.69
Mutual fund units	1,243.59	-	-	1,243.59
Security receipts	-	-	1,182.33	1,182.33
Units of AIF*	-	361.37	-	361.37
Equity instruments	13,799.96	1,053.71	-	14,853.67
Preference Shares	-	-	-	-
Others (InvIT & REIT)	1,043.84	-	-	1,043.84
Total investments measured at fair value	**16,087.39**	**45,587.52**	**1,182.33**	**62,857.24**
Loans and other financial assets measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	**16,087.39**	**45,677.93**	**1,182.33**	**62,947.65**

* AIF has been reclassified to Level 2 from Level 3

Particulars	**31 March 2024**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):	-	-	-	-
Exchange-traded derivatives	-	-	-	-
OTC derivatives (FRA)	-	-	-	-
Embedded derivative liabilities in market-linked debentures	-	-	-	-
Non convertible debentures issued	-	-	-	-
Short sales	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

Particulars	**31 March 202**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	-	-	-	-
OTC derivatives (FRA)	-	-	-	-
Embedded derivative liabilities in market-linked debentures	-	-	-	-
Non convertible debentures issued	-	-	-	-
Short sales	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

44.4 Fair valuation techniques :

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets. In life insurance business, CRISIL security level prices are considered.

Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Company 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. Therefore, the company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments, therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially valued at transaction price and re-measured on periodical basis at valuation provided by external valuer at instrument level. As per the latest valuation report, these unlisted equity securities are classified at Level 2

Units of Alternative Investment Funds and Mutual Fund.

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

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

FRA Derivatives:

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

IRF:

The realised profit / loss is recognised as Income in the Profit & Loss Account. The unrealised gains / losses arising due to change in fair value of outstanding IRF contracts are recognised in Profit & Loss Account as per the MTM movement under the head 'Fair Value Change account' in the Balance Sheet. Fair Value is determined using quoted closing market prices in an actively traded market.

Investment Property:

Investment property is held to earn rental income or for capital appreciation. Investment property is initially valued at cost including any directly attributable transaction costs. Depreciation is charged on SLM basis. Fair Value of the Investment property is reviewed and impairment loss, if any is debited to Profit and Loss Account

44.5 Transfer between Level 1 and level 2

During the year, Rs. 179.51 million of unlisted equity previously classified in Level 2 was transferred to Level 1. There were no transfers from or transfer to level 3.

44.6 Movement in level 3 financial instruments measured at fair value

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets measured at fair value:

Rs. Millions

	Financial assets						Financial liabilities	
	Security Receipts	Equity & Preference	Debt Securities	AIFs*	Loans classified as FVTPL	Derivative financial assets	Derivative financial liabilities	Non-convertible debentures issued
As at 31 March 2023	**1,182.33**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchases		-	-	-	-	-	-	-
Sales	(99.18)	-	-	-	-	-	-	-
Issuance	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-
Unrealised Gain / Loss for the period in profit and loss	-94.99	-	-	-	-	-	-	-
As at 31 March 2024	**988.16**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unrealised gains / (losses) related to balances held at the end of the period	146.33	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
As at 31 March 2022	**421.37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchases	700.23	-	-	-	-	-	-	-
Sales	(39.69)	-	-	-	-	-	-	-
Issuance	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-
Unrealised Gain / Loss for the period in profit and loss	100.43	-	-	-	-	-	-	-
As at 31 March 2023	**1,182.33**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unrealised gains / (losses) related to balances held at the end of the period	241.32	-	-	-	-	-	-	-

*AIF has been reclassified from Level 3 to Level 2 in FY 22-23

44.7 Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2024

Rs. Millions

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt					
		Cash Flow		5%	237.59	5%	237.59
	Discounted projected cash flow	Discount rates	Various	50 basis points	237.59	50 basis points	237.59
Investments in units of AIF	Net Asset approach	Fair value of underlying investments					
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share					
Debt investments classified at FVTPL	Comparable transaction and P/E	Fair value of the instrument					
Units of venture fund	Net Asset approach	Fair value of underlying investments					
Loans classified as FVTPL	Comparable transaction value	Discounting rate					
Embedded derivatives in market-linked debentures issued (asset) (net)	Discounted cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market index curve					
		Risk-adjusted discount rate					
Embedded derivatives in market-linked debentures issued (liability) (net)	Fair value of index	Index levels					
Non-convertible debentures issued	Discounted projected cash flow	Expected gross recoveries Discount rates					

As at 31 March 2023

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt					
		Cash Flow	-	5%	404.21	5%	404.21
	Discounted projected cash flow	Discount rates	Various	50 basis points	404.21	50 basis points	404.21
Investments in units of AIF	Net Asset approach	Fair value of underlying investments					
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share					
Debt investments classified at FVTPL	Comparable transaction and P/E	Fair value of the instrument					
Units of venture fund	Net Asset approach	Fair value of underlying investments					
Loans classified as FVTPL	Comparable transaction value	Discounting rate					
Embedded derivatives in market-linked debentures issued (asset) (net)	Discounted cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market index curve					
		Risk-adjusted discount rate					
Embedded derivatives in market-linked debentures issued (liability) (net)	Fair value of index	Index levels					
Non-convertible debentures issued	Discounted projected cash flow	Expected gross recoveries					
		Discount rates					

44.8 Financial instruments not measured at Fair Value

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

Amt in millions

Particulars	31-Mar-24				
	Total Carrying Amounts	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial Assets:					
Loans	521.53	521.41	-	-	521.41
Financial Liabilities:					
Debt Securities	-	-	-	-	-
Borrowing (other than Debt Securities)	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Off-balance sheet item					
Loan commitments	-	-	-	-	-

Amt in millions

Particulars	31-Mar-23				
	Total Carrying Amounts	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial Assets:					
Loans	373.37	373.26	-	-	373.26
Financial Liabilities:					
Debt Securities	-	-	-	-	-
Borrowing (other than Debt Securities)	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Off-balance sheet item					
Loan commitments	-	-	-	-	-

45 Risk Management

45.1 Risk management framework of Life Insurance business ("ETLIFE")

Governance Framework
The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The Company has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

The Company has a risk balancing approach and follows the process of risk evaluation, monitoring and control. The Company has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This is supplemented with the clear organisational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

Capital management objectives, policies and approach
The primary source of capital used by the Company is Equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.
The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:
• To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
• To maintain the required level of stability of the Company, thereby providing a degree of security to policyholders
• To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
• To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
• To align the profile of assets and liabilities, taking account of risks inherent in the business
• To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
• To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value
In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Company's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that ETLIFE is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

ETLIFE's ALM is:

o Integrated with the management of the financial risks associated with ETLIFE's other financial assets and liabilities not directly associated with insurance and investment liabilities.

o As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

The company undertakes Asset Liability Management to reduce interest rate risk. The company uses expected future cashflows from already written policies and investments to assess the interest rate risk. The Company enters into interest rate derivative contracts, solely to hedge the residual interest rate risk. Derivatives are financial instruments which attempt to mimic the economic performance of an underlying asset, security or portfolio. Interest rate derivatives include forward rate agreement, interest rate futures and Interest rate swaps.

The company uses Interest Rate Derivatives (Forward Rate Agreement and Interest Rate Futures) to minimise the exposure to fluctuations in interest rates on plan assets and liabilities. The company has a Board approved Derivative policy covering strategic objectives, limits, regulatory and operational framework. It underscores risks inherent in a derivative contract along with a system for measurement and accounting in order to have effective monitoring and control.

Hedge effectiveness is determined based on the principles laid down in the Guidance note on Derivatives issued by The Institute of Chartered Accountants of India. The company uses regression analysis to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. However, if the hedge is effective, further the effective and ineffective portion of the movement in the Fair Value of the Underlying and the derivative instrument is determined by the Dollar Offset method. The effective portion is transferred to 'Fair Value change' account in Balance Sheet and Ineffective portion is transferred to Profit and Loss account

Insurance risk

ETLIFE's main lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). Company has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

ETLIFE is required to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

The main Insurance Risks that ETLIFE is exposed to are as follows:

(i) Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

(ii) Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected

(iii) Investment Risk - Risk of loss arising from actual returns being different than expected

(iv) Expense Risk - Risk of loss arising from expense experience being different than expected

(v) Reinsurance Risk - The Company enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer

(vi) Concentration Risk - The Company faces concentration Risk by selling business to specific geography or by writing only single line business etc

Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim pay-outs.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as ETLIFE is in 12th year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk.

ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place. Complicated and large claims are referred to ETLIFE's Claims Committee

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group’s strategic planning and budgeting process.Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the Company.

Operational risks within the Company are categorized into 6 (six) types namely:

- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

Risk control and mitigation plan forms important part of the risk management processes within the Company. The Company ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. Operational risk impact within the Company is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization.

The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

45.2 Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.
Credit risk is monitored by the Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.
The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.
Detailed due diligence guidelines have been created to assess credit risk in potential investments to reduce reliance on Credit ratings alone. The due diligence includes industry, company and business model analysis. In addition, detailed financial statement analysis is carried out to assess the financial strength and debt repayment capability. Specific financial ratio criteria have been defined for various sectors (Banks, NBFCs, Housing & Infrastructure companies, and other non financial sector companies) to short list potential fixed income securities for investments.
In addition, credit quality review process is carried out quarterly to assess the possibility of credit deterioration and potential loss as a result of emerging market events which impact the holdings and take corrective actions

45.3 Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 10.1.

Industry analysis - Risk concentration for 31 March 2024

Components	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Services	Others	Total
Cash and bank balances	7,388.09	-	-	-	-	-	-	-	**7,388.09**
Derivative financial instruments	104.32	-	-	-	-	-	-	-	**104.32**
Stock in trade	-	-	-	-	-	-	-	-	-
Trade & Other receivables	-	-	-	1,412.04	-	-	-	-	**1,412.04**
Loans	-	-	-	521.41	-	-	-	-	**521.41**
Investments	19,315.63	38,378.73	16,761.93	217.75	296.10	104.16	-	2,705.03	**77,779.33**
Other financial assets	294.56	-	-	16.78	-	-	-	-	**311.34**
Total	**27,102.60**	**38,378.73**	**16,761.93**	**2,167.98**	**296.10**	**104.16**	**-**	**2,705.03**	**87,516.53**
Other Commitments	376.34			73.08					**449.42**

Industry analysis - Risk concentration for 31 March 2023

Components	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Services	Others	Total
Cash and bank balances	5,481.19	-	-	-	-	-	-	-	**5,481.19**
Derivative financial instruments	90.41	-	-	-	-	-	-	-	**90.41**
Stock in trade	-	-	-	-	-	-	-	-	-
Trade & Other receivables	-	-	-	838.24	-	-	-	-	**838.24**
Loans	-	-	-	373.26	-	-	-	-	**373.26**
Investments	16,398.63	31,872.52	14,641.44	59.90	-	81.41	-	1,799.12	**64,853.02**
Other financial assets	259.32	-	-	60.98	-	-	-	-	**320.30**
Total	**22,229.55**	**31,872.52**	**14,641.44**	**1,332.38**	**-**	**81.41**	**-**	**1,799.12**	**71,956.42**
Other Commitments	1,243.50			80.91					**1,324.41**

45.4 Collateral and other credit enhancements

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

Rs. Millions

	Maximum exposure to credit risk		
	31 March 2024	**31 March 2023**	**Principal type of collateral**
Financial assets			
Cash collateral on securities borrowed and reverse repurchase agreement	7,388.09	5,481.19	NA
Loans:			
Retail Loans and Wholesale loans	521.41	373.26	Surrender Value of the Policy Holder Loan Employee loans and advances of Rs.12.24 million are unsecured.
Distressed assets			
Other credits			
Trade receivables	1,410.26	837.45	NA
Debt instruments at amortised cost	719.13	1,995.78	Government security and Book debts
Total financial assets at amortised cost	**10,038.89**	**8,687.68**	
Derivative financial instruments	104.32	90.41	NA
Financial assets at FVTPL (except equity)	4,446.68	4,334.96	NA
Financial instrument designated at fair value through profit or loss (except Pref. Shares)	19,910.73	16,618.31	NA
Total financial instruments at fair value through profit or loss	**24,461.72**	**21,043.67**	
Debt instruments at fair value through OCI (except Pref. Shares)	33,012.21	27,050.31	Government security and Book debts
Total debt instruments at fair value through OCI	**33,012.21**	**27,050.31**	
Other commitments (max exposure)			
Total	**67,512.83**	**56,781.66**	
Loans designated at FVTPL	-	-	
Total debt instruments designated at fair value	**-**	-	

45.5 Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecast using multiple economic scenarios.

As at 31 March 2024

Rs. Millions

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail and wholesale loans				
Distressed assets				
Total financial assets at amortised cost	-	-	-	-
Debt instruments at fair value through OCI	-	-	-	-
Total	-	-	-	-
Loan commitments				
Financial guarantee contracts				
Total	-	-	-	-

As at 31 March 2023

Rs. Millions

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail and wholesale loans				
Distressed assets				
Total financial assets at amortised cost	-	-	-	-
Debt instruments at fair value through OCI	-	-	-	-
Total	-	-	-	-
Loan commitments				
Financial guarantee contracts				
Total	-	-	-	-

45.6 Liquidity risk and funding management

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. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, the Company has bucketed both expected asset and liability cash flows into maturity buckets, and adopted a policy of investing assets with timing of liability cash flow requirements in mind and monitoring future liquidity position on a continuous basis.

The Company actively monitors and controls the rating and maturity profile of its investments to avoid re-investment/asset liquidation/concentration risk.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption in cash flow. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and the Company specifically.

Solvency ratios:

One of the measure by the Company to manage the liquidity risk and funding management is to monitor solvency ratio. The Company has a robust system to monitor the Solvency Ratios periodically. For further details refer Note on Capital Management.

Rs. Millions

Solvency ratio(As per IGAAP)*	**Mar-24**	**Mar-23**	**Mar-22**
Solvency ratio (ASM/RSM)	179%	220%	211%

45.6.1 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the company can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at 31 March 2024 Rs. Millions

Non-derivative financial liabilities	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Trade payables	974.13	503.52	285.49	158.27	20.72	1,942.12
Borrowings (other than debt securities)	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Lease liabilities	40.91	43.58	47.62	189.09	115.62	436.83
Other financial liabilities	234.11	11.19	2.32	20.38		268.00
Insurance Claims Payable	373.82	-	-	-	-	373.82
Total undiscounted non-derivative financial liabilities	**1,622.97**	**558.29**	**335.43**	**367.74**	**136.34**	**3,020.77**

Non-derivative financial assets	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Cash and cash equivalent and other bank balances	2,589.62	358.34	4,514.55	-	-	7,462.51
Stock-in-trade	-	-	-	-	-	-
Trade receivables	1,412.04					1,412.04
Loans	4.65	17.82	12.41	42.64	519.77	597.28
Investments at fair value through profit or loss	161.64	150.00	407.97	31.86	427.83	1,179.30
Investments at fair value through profit or loss pledged as collateral						-
Investments at designated fair value through profit or loss	391.14	3.47E+02	917.04	3,104.03	47,324.08	52,082.83
Investments at FVOCI	737.47	553.42	1,611.55	5,607.48	82,352.70	90,862.62
Investments at FVOCI pledged as collateral						-
Investments at amortised cost	16.46	30.94	5,186.03			5,233.42
Investments at amortised cost pledged as collateral						-
Other financial assets	100.80	101.11	51.77	16.22	41.44	311.34
Total undiscounted non-derivative financial assets	**5,413.81**	**1,558.16**	**12,701.32**	**8,802.24**	**1,30,665.82**	**1,59,141.35**

Derivatives	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Net settled derivatives entered into for trading purposes	-	-	-	-	-	-
Other net settled derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-

Commitments	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Undrawn loan and other commitments	-	-	-	-	-	-
Other commitments - RD	83.40	83.40	111.40	-	-	278.20
Other commitments - AIF	98.14	-	-	-	-	98.14
Other commitments - Open PO (Capital commit	20.00	29.01	14.34	9.73	-	73.08

Notes to financial statements (Continued)

As at 31 March 2023

Rs. Millions

Non-derivative financial liabilities	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Trade payables	1,052.59	544.07	308.48	171.02	22.38	2,098.54
Borrowings (other than debt securities)	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Lease liabilities	28.38	12.78	29.61	137.72	80.44	288.93
Other financial liabilities	237.73	82.92	2.01	-	-	322.66
Insurance Claims Payable	509.76	-	-	-	-	509.76
Total undiscounted non-derivative financial liabilities	**1,828.46**	**639.77**	**340.09**	**308.73**	**102.83**	**3,219.89**

Non-derivative financial assets	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Cash and cash equivalent and other bank balances	1,270.72	37.52	620.38	3,918.64	-	5,847.26
Stock-in-trade						-
Trade receivables	838.24	-	-	-	-	838.24
Loans	10.89	0.57	0.73	25.33	283.76	321.28
Investments at fair value through profit or loss	57.94	150.00	841.09	31.86	475.63	1,556.52
Investments at fair value through profit or loss pledged as collateral	-	-	-	-	-	-
Investments at designated fair value through profit or loss	1,516.29	263.92	1,039.45	2,676.32	34,989.54	40,485.52
Investments at FVOCI	1,365.57	529.28	852.81	4,761.87	65,265.10	72,774.62
Investments at FVOCI pledged as collateral	-	-	-	-	-	-
Investments at amortised cost	2,429.07	3.29	52.88	4,908.03	-	7,393.28
Investments at amortised cost pledged as collateral	-	-	-	-	-	-
Other financial assets	172.01	8.70	72.71	30.78	36.10	320.30
Total undiscounted non-derivative financial assets	**7,660.74**	**993.26**	**3,480.06**	**16,352.84**	**1,01,050.13**	**1,29,537.02**

Derivatives	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Net settled derivatives entered into for trading purposes	-	-	-	-	-	-
Other net settled derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-

Commitments	**Upto 3 months**	**Between 3 to 6 months**	**Between 6 months to 1 year**	**Between 1 year to 3 years**	**More than 3 years**	**Total**
Undrawn loan and other commitments	-	-	-	-	-	-
Other commitments - RD	83.40	83.40	166.80	278.20	-	611.80
Other commitments - AIF	106.70	-	-	-	-	106.70
Other commitments - Partly paid up Investment	125.00	400.00	-	-	-	525.00
Other commitments - Open PO (Capital commit	30.92	29.38	14.81	5.79	-	80.91

45.7 Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).
The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.

The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

The Company issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund.

The Company's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest rate risk
Interest rate risk is a key investment risk as it has an impact on the present value of cash flows of assets and liabilities, and therefore, ultimately affects profitability. As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates. Currently, the Company uses Interest Rate derivatives to manage 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 following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity.
The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity

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.

Rs. Millions

Currency of item	2023-24					
	Increase in basis points	**Effect on profit before tax***	**Effect on Equity****	**Decrease in basis points**	**Effect on profit before tax***	**Effect on Equity****
INR	25	(649.94)	(808.37)	25	649.94	808.37
US dollar	25	NA	NA	25	NA	NA

Currency of item	2022-23					
	Increase in basis points	**Effect on profit before tax**	**Effect on Equity**	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	25	(545.82)	(633.66)	25	545.82	633.66
US dollar	25	NA	NA	25	NA	NA

*Impact due to MTM change in IRF
**Impact due to Fixed Income (Except Par and ULIP)

Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Company's had significant exposure at the end of the reported periods.

Rs. Millions

Currency	2023-24					
	Increase in exchange rate (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in exchange rate (%)**	**Effect on profit before tax**	**Effect on Equity**
US dollar	5	NA	NA	5	NA	NA
INR	5	NA	NA	5	NA	NA
Others	5	NA	NA	5	NA	NA

Currency	2022-23					
	Increase in exchange rate (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in exchange rate (%)**	**Effect on profit before tax**	**Effect on Equity**
US dollar	5	NA	NA	5	NA	NA
INR	5	NA	NA	5	NA	NA
Others	5	NA	NA	5	NA	NA

Equity Price risk:

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.
The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit–linked business.
The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector and market.
The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the statement of profit or loss) and equity (that reflects changes in fair value of AFS financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables did not change from the previous period.

Rs. Millions

Impact on	2023-24					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA	NA	5	NA	NA
Others**	5	41.86	NA	5	(41.86)	NA

Impact on	2022-23					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA	NA	5	NA	NA
Others**	5	25.95	NA	5	(25.95)	NA

** Excluding Par and ULIP

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

Rs. Millions

Impact on	2023-24					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA	-	5	NA	-
Others	5	NA	-	5	NA	-

Impact on	2022-23					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	NA	-	5	NA	-
Others	5	NA	-	5	NA	-

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Rs. Millions

Impact on	2023-24					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5	43.25	NA	5	(43.25)	NA
Units of AIFs and Trusts	5	30.01	NA	5	(30.01)	NA
Others	5	NA	NA	5	NA	NA

Impact on	2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5	47.39	NA	5	(47.39)	NA
Units of AIFs and Trusts	5	38.86	NA	5	(38.86)	NA
Others	5	NA	NA	5	NA	NA

46 **Key disclosures related to life insurance business**

a. Life insurance and Investment Contract Liability

Rs. Millions

Particulars	31-Mar-24				31-Mar-23			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Liability								
Life	18,498.75	19,819.64	40,115.21	**78,433.60**	13,594.11	16,384.15	32,349.80	**62,328.06**
Health	-	-	75.34	**75.34**	-	-	70.46	**70.46**
Annuity	-	-	757.05	**757.05**	-	-	693.80	**693.80**
Pension	1,279.05	315.81	-	**1,594.86**	1,182.54	282.09	-	**1,464.63**
Total	**19,777.80**	**20,135.45**	**40,947.59**	**80,860.85**	**14,776.64**	**16,666.24**	**33,114.06**	**64,556.95**
Investment Contract Liability								
Life		1,052.72	111.71	**1,164.43**	-	997.08	114.53	**1,111.61**
Health					-	-	-	-
Annuity					-	-	-	-
Pension					-	-	-	-
Total	-	**1,052.72**	**111.71**	**1,164.43**	**-**	**997.08**	**114.53**	**1,111.61**

b. Movement of life insurance contract liabilities

Particulars	31-Mar-24				31-Mar-23			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	14,776.64	16,666.24	33,114.06	**64,556.95**	11,200.71	16,409.81	26,492.09	**54,102.61**
	-	-	-					
Add/(Less)								
Premium	5,864.69	3,641.06	9,752.85	**19,258.61**	5,044.15	3,140.66	8,578.74	**16,763.55**
Unwinding of the discount / Interest credited	2,128.33	5,159.53	2,524.89	**9,812.75**	673.06	262.40	2,011.77	**2,947.23**
Changes in valuation for expected future benefits	(2,445.35)	(516.21)	(3,933.99)	**(6,895.55)**	(1,840.73)	(493.71)	(2,977.72)	**(5,312.16)**
Insurance liabilities released	(612.85)	(4,750.88)	(398.51)	**(5,762.24)**	(172.28)	(2,605.58)	(780.69)	**(3,558.55)**
Undistributed Participating Policyholders surplus (UPPS)	74.08	-	-	**74.08**	95.34	-	-	**95.34**
Others	-	-	-	**-**	-	-	-	**-**
Change in other Liabilities	-7.75	(64.29)	(111.71)	**(183.75)**	-223.59	-47.35	-210.13	**-481.07**
Gross Liability at the end of the year	**19,777.80**	**20,135.45**	**40,947.59**	**80,860.85**	**14,776.65**	**16,666.24**	**33,114.06**	**64,556.95**

c. Investment contract liabilities without DPF are stated at fair value.

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Company takes credit risk into account in assessing the fair value of the liabilities.

Particulars	31-Mar-24			31-Mar-23		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	**997.08**	**114.53**	**1,111.61**	**884.09**	**458.63**	**1,342.72**
Additions						-
Premium	59.61	2.70	62.31	138.33	2.83	**141.17**
Interest and Bonus credited to policyholders	164.96	7.82	172.78	46.94	17.68	**64.62**
Others	0.07	0.10	0.17	0.02	-0.52	**-0.50**
Deductions	-	-				-
Withdrawals / Claims	(152.59)	(13.35)	(165.94)	(57.50)	(363.47)	**(420.97)**
Fee Income and Other Expenses	(16.40)	(0.09)	(16.50)	(14.81)	(0.62)	**(15.43)**
At the end of the year	**1,052.72**	**111.72**	**1,164.43**	**997.08**	**114.53**	**1,111.61**

Change in insurance contract liabilities

Particulars	31-Mar-24				31-Mar-23			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	5,001.15	3,469.21	7,833.53	**16,303.89**	3,575.94	256.42	6,621.97	**10,454.34**
b) Amount ceded in reinsurance	-	(0.01)	(260.29)	(260.29)	-	-0.14	419.22	**419.08**
c) Amount accepted in reinsurance				**-**	-	-	-	**-**
Net change in insurance contract liabilities	**5,001.15**	**3,469.20**	**7,573.25**	**16,043.60**	**3,575.94**	**256.28**	**7,041.19**	**10,873.42**

Change in Reinsurance assets

Particulars	**31-Mar-24**	**31-Mar-23**
Opening Reinsurance Assets	3,013.36	3,432.77
Premium	380.60	360.89
Unwinding of the Discount/Interest Credited	206.53	236.27
Change in Valuation for expected future benefits	(605.96)	(695.07)
Insurance Liabilities released	279.45	-321.50
Closing Reinsurance Assets	**3,273.98**	**3,013.36**

At 31 March 2024, the Company conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.

During the year, the Company entered into reinsurance arrangements that resulted in profit of INR 8.08 million for the financial year 2023-24 (PY INR 72.58 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2024 and 31 March 2023, there are no impaired reinsurance assets.

d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India.
For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc. in excess of future charges. For discontinued policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and the same has been kept as reserves. Further, for the discontinuance polices, the non-unit reserves are also kept.

The reserves/ liabilities under non-linked business is calculated using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies, the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 7.07% for the first 5 years and 4.00% - 6.28% thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival year) assuming a probability of revival at 10% for non-par policies and 15% for par policies will be revived.

Mortality assumptions are set with reference to the published IALM (2012-2014) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the IIAM 12-15 – Indian Individual Annuitant Mortality Table (2012-15). Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) or similar existing product assumptions and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency of closure to new business and to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.

For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

Free look assumption has been set based on the actual cancellation experience observed by the company for all lines of business, trend of the experience in the last few years and consistency of the rate in comparison to the past year. The assumption of free look rate is set at 4% this year (no change from last year).

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (One Year Renewable Group Term Life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

Portfolio assumptions impacting net liabilities	**Range**	**FY 2024**	**FY 2023**
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	227% (Without MAD)*	230% (Without MAD)*
	Min	30% (Without MAD)	28% (Without MAD)
Discount/ interest rates***	Max	8% (Without MAD)	8% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	10,775 (INFL @5%) (without MAD) 21 (INFL @ 5%) (without MAD) for micro Insurance plan	10262 (INFL @5%) (without MAD) 20 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	319 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan	304 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: Mortality: 15% Interest: 72.5 - 575 bps	Mortality: Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk Interest: 78 - 575 bps
		Expenses: 10%	Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 – Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates

*** Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used

**** The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

For Year Ended March 31, 2024 Rs. Millions

	Gross Liability				
Sensitivity Parameters	Insurance Contracts			Investment Contracts	
	With DPF	**Linked**	**Others**	**Linked**	**Others**
Mortality increased by 10%	19,864.86	20,137.48	42,291.19	1,052.74	111.73
Mortality decreased by 10%	19,767.65	20,134.02	39,596.20	1,052.71	111.69
Lapses increased by 10%	19,770.80	20,135.18	40,519.04	1,052.72	111.71
Lapses decreased by 10%	19,909.75	20,135.75	41,401.57	1,052.73	111.71
Expenses increased by 10%	19,845.72	20,135.94	41,112.24	1,052.73	111.71
Expenses decreased by 10%	19,767.44	20,135.06	40,782.21	1,052.71	111.70
Interest Rate increased by 100 bps	18,137.48	20,134.76	33,705.86	1,052.71	111.70
Interest Rate decreased by 100 bps	21,798.21	20,136.47	50,842.84	1,052.73	111.71
Inflation Rate increased by 100 bps	19,840.79	20,135.96	41,111.44	1,052.72	111.71
Inflation Rate decreased by 100 bps	19,771.52	20,135.19	40,799.71	1,052.72	111.70

For Year Ended March 31, 2023

	Gross Liability				
Sensitivity Parameters	Insurance Contracts			Investment Contracts	
	With DPF	**Linked**	**Others**	**Linked**	**Others**
Mortality increased by 10%	14,785.10	16,669.22	34,428.91	997.08	114.54
Mortality decreased by 10%	14,773.24	16,664.32	31,797.65	997.08	114.52
Lapses increased by 10%	14,775.69	16,665.84	32,693.93	997.08	114.53
Lapses decreased by 10%	14,781.76	16,666.70	33,560.48	997.08	114.53
Expenses increased by 10%	14,782.15	16,667.01	33,273.18	997.08	114.54
Expenses decreased by 10%	14,773.15	16,665.66	32,954.29	997.07	114.53
Interest Rate increased by 100 bps	13,503.10	16,606.55	26,725.63	969.31	114.53
Interest Rate decreased by 100 bps	16,339.21	16,729.64	41,593.24	1,027.16	114.53
Inflation Rate increased by 100 bps	14,778.60	16,667.03	33,259.50	997.08	114.53
Inflation Rate decreased by 100 bps	14,774.84	16,665.90	32,983.52	997.08	114.53

f. Gross premiums on insurance contracts and investment contracts with DPF

Rs. Millions

Net Premium	2023-24	2022-23
Particulars		
Life Insurance	19,259.37	16,764.25
Total Gross Premiums	**19,259.37**	**16,764.25**

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF	2023-24	2022-23
Particulars		
Life Insurance	(380.60)	(360.89)
Total premiums ceded to reinsurers	**(380.60)**	**(360.89)**
Net Premium	18,878.77	16,403.36

Net benefits and claims	2023-24	2022-23
Particulars		
a. Gross benefits and claims paid		
Life insurance contracts	7,236.28	4,325.78
Investment contracts with DPF	-	-
Total gross benefits and claims paid	7,236.28	4,325.78
b. Claims ceded to reinsurers		
Life insurance contracts	(320.47)	(393.30)
Investment contracts with DPF	-	-
Total claims ceded to reinsurers	(320.47)	(393.30)
Net benefits and claims	**6,915.81**	**3,932.48**

g. The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the CRISIL Credit Agency's credit ratings of the counterparties. AAA is the highest possible rating.

As at March 31, 2024 Rs. Millions

Particulars	AAA	AA	AA- and Below	Not Rated	Total
a) Financial Instruments :-					
Amortized cost financial assets					
- Debt securities					**-**
- Equity securities					**-**
- Mutual Funds	719.13	-	-	-	**719.13**
Financial assets at FVTOCI	-	-	-	-	**-**
- Debt securities	29,024.38	-	3,987.84	-	**33,012.21**
- Equity securities	-	-	-	-	**-**
- Mutual Funds	-	-	-	-	**-**
Financial assets at FVTPL	-	-	-	-	**-**
- Debt securities	-	-	293.62	-	**293.62**
Equity securities, InvIT, REIT	957.09	-	-	21,037.05	**21,994.14**
- Mutual Funds	-	-	449.98	1,399.53	**1,849.50**
Designated Financial assets at FVTPL	-	-	-	-	**-**
- Debt securities	19,259.73	-	651.00	-	**19,910.73**
- Equity securities					**-**
- Mutual Funds					**-**
Total	**49,960.32**	**-**	**5,382.44**	**22,436.58**	**77,779.34**
b) Reinsurance assets					**-**
c) Insurance receivables				1,415.83	**1,415.83**
d) Cash and short term deposits					**-**
Total Credit Risk Exposure	**49,960.32**	**-**	**5,382.44**	**23,852.41**	**79,195.17**

As at March 31, 2023 Rs. Millions

Particulars	AAA	AA	AA- and Below	Not Rated	Total
a) Financial Instruments :-					
Amortized cost financial assets					
- Debt securities	1,995.78				**1,995.78**
- Equity securities					**-**
- Mutual Funds					**-**
Financial assets at FVTOCI					
- Debt securities	22,878.08		4,172.23		**27,050.31**
- Equity securities					**-**
- Mutual Funds					**-**
Financial assets at FVTPL					
- Debt securities			503.83		**503.83**
- Equity securities	1,043.84			16,397.38	**17,441.22**
- Mutual Funds	200.25		250.31	793.03	**1,243.59**
Designated Financial assets at FVTPL					
- Debt securities	16,127.41	-	490.90	-	**16,618.31**
- Equity securities	-	-	-	-	**-**
- Mutual Funds	-	-	-	-	**-**
Total	**42,245.36**	**-**	**5,417.25**	**17,190.41**	**64,853.02**
b) Reinsurance assets	-	-	-		**-**
c) Insurance receivables	-	-	-	871.18	**871.18**
d) Cash and short term deposits	-	-	-	-	**-**
Total Credit Risk Exposure	**42,245.36**	**-**	**5,417.25**	**18,061.59**	**65,724.20**

h. Maturity Profiles

The table below details the Company's remaining contractual maturity for its insurance contract liabilities. The contractual cash flows reflect the undiscounted cash flows of insurance contract liabilities based on the earliest date on which the Company can be required to pay.

Rs. Millions

	Contractual cash flows as at March 31, 2024			Contractual cash flows as at March 31, 2023		
Contractual Cash Flows arising from	**1 year value or less**	**1 year to 5 years**	**5 years or more**	**1 year value or less**	**1 year to 5 years**	**5 years or more**
Policyholder Liabilities at the end of the year						
Insurance contract liabilities :						
With DPF	(3,750.74)	(9,791.59)	1,33,899.15	(3,247.16)	(9,297.94)	1,11,030.82
Linked	962.14	4,105.87	15,067.44	915.55	3,238.06	12,524.43
Others	(4,748.07)	(12,316.98)	1,45,730.92	(4,731.59)	(11,792.21)	1,21,737.81
	-	-	-			
Investment contract liabilities :	-	-	-			
Without DPF	-	-	-			
Linked	1,052.72	-	-	997.08	-	-
Others	111.71	-	-	114.53	-	-
			-	-	-	-
Total	**(6,372.24)**	**(18,002.70)**	**2,94,697.51**	**(5,951.59)**	**(17,852.09)**	**2,45,293.06**
Assets held to cover for Policyholder Liabilities						
Amortized cost financial assets	5,233.42	-	-	2,485.25	4,908.03	-
Financial assets at FVOCI	2,902.44	11,677.04	82,352.70	2,747.65	9,120.23	60,906.74
Financial assets at FVTPL	19.60	63.73	427.83	699.03	63.73	443.76
Designated FVTPL	995.25	4,252.85	45,417.69	1,351.22	3,511.48	29,935.88
Loans						
Other financial assets	-	-	-			
Cash and cash equivalents				-	-	-
Total	**9,150.72**	**15,993.61**	**1,28,198.21**	**7,283.15**	**17,603.47**	**91,286.38**

47 Details of Benami Property held

There are no benami properties held by the Company and 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.

48 The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

49 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or any other lender.

50 Relationship with Struck off Companies

The Company does not have any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

51 Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

52 Utilisation of Borrowed funds and share premium:

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies),including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(B) The 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 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;

53 Undisclosed income

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

54 Details of Crypto Currency or Virtual Currency

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

55 All Title deeds of Immovable Properties owned by the Company are available with the Company.

56 There are no loans or advances granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

57 Previous year's figures have been regrouped / reclassified to conform to current year presentation.

As per our report of even date

For K.S. Aiyar & Co
Chartered Accountants
Firm Registration No.: 100186W

RAJESH SHASHIKANT JOSHI
Digitally signed by RAJESH SHASHIKANT JOSHI
Date: 2024.05.08 19:36:26 +05'30'

Rajesh.S. Joshi
Partner
Membership No. 038526

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

HIMANSHU TRIBHOVANDAS GORADIA
Digitally signed by HIMANSHU TRIBHOVANDAS GORADIA
Date: 2024.05.08 16:00:09 +05'30'

Himanshu Goradia
Partner
Membership No. 045668

Mumbai
Dated: May 08, 2024

For and on behalf of the Board of Directors

RASHESH CHANDRAKANT SHAH
Digitally signed by RASHESH CHANDRAKANT SHAH
Date: 2024.05.07 22:14:26 +05'30'

Rashesh Shah
Chairman
DIN:00008322

PRIYADEEP CHOPRA
Digitally signed by PRIYADEEP CHOPRA
Date: 2024.05.07 22:11:38 +05'30'

Priyadeep Chopra
Non-executive Director
DIN:00079353

SUMIT RAI

Sumit Rai
Managing Director & CEO
DIN:08131728

SUBHRAJIT MUKHOPADHYAY

Subhrajit Mukhopadhyay
Executive Director
DIN:08718219

Sharad Maheshwari

Sharad Maheshwari
Interim Chief Financial Officer

NIRMAL ANIL NOGAJA

Nirmal Nogaja
Appointed Actuary

ANKUR CHADHA

Ankur Chadha
Company Secretary

Mumbai
Dated: May 07, 2024