

## INDEPENDENT AUDITOR'S REPORT

To the Members of Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the accompanying Special Purpose Financial Statements of Nuvama Investment Advisors (Hong Kong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose Financial Statements.

#### Other Information

This being a foreign company, the requirement regarding reporting on Other Information clause is not applicable to the Company.



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

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

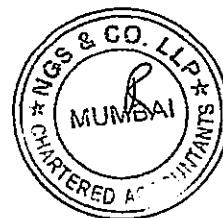
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose 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 Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the operating effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matter**

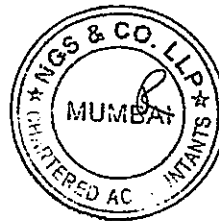
This report is issued at the request of the Company and is intended solely for the information and use of the Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ('Holding Company' or 'NWML'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2024 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of NWML) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

#### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in Paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 issued by Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since the Company is a foreign company, the reporting requirements are not applicable to it.
2. As required by Section for the purpose of Special purpose financial statements, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



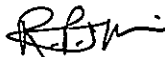
- (d) In our opinion, the aforesaid special purpose financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (f) As informed to us, the Company being a foreign company, the requirement for provisions of section 197(16) of the Companies Act, 2013 are not applicable;
- (g) With respect to the other matters to be included in the Auditor's Report in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.34 (v) to the Special Purpose financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.34 (vi) to the Special Purpose financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



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

iv. No dividend has been declared or paid during the year by the Company.

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 119850W/W100013

  
R.P. Soni  
Partner  
Membership Number: 104796



UDIN: 24104796BKBEBVL2396

Place: Mumbai  
Date: May 03, 2024

**Annexure A**

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

We have audited the internal financial controls with reference to special purpose financial statements of Nuvama Investment Advisors (Hong Kong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private 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**

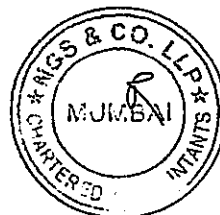
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

**Auditor's Responsibility**

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

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

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



**Meaning of Internal Financial Controls with reference to these Special Purpose Financial Statements**

A Company's internal financial controls with reference to special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to special purpose 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.

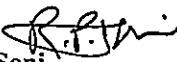
**Inherent Limitations of Internal Financial Controls with reference to Special Purpose Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these special purpose 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 special purpose financial statements to future periods are subject to the risk that the internal financial control with reference to special purpose financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 119850W/W100013

  
R.P. Soni  
Partner  
Membership Number: 104796



UDIN: 24104796BKBEVL2396

Place: Mumbai  
Date: May 03, 2024

**Nuvama Investment Advisors (Hongkong) Private Limited**  
**(formerly Edelweiss Securities (Hong Kong) Private Limited)**

**Balance Sheet**

(Currency : Indian rupees)

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2.1	9,29,56,416	8,28,85,569
Trade receivables	2.2	-	1,66,83,671
Other financial assets	2.3	17,38,060	13,33,286
		<u>9,46,94,476</u>	<u>10,09,02,526</u>
<b>Non-financial assets</b>			
Current tax assets (net)	2.4	3,90,165	8,88,520
Property, plant and equipment	2.5	76,37,742	81,706
Other non- financial assets	2.6	6,41,872	9,54,718
		<u>86,69,779</u>	<u>19,24,944</u>
<b>TOTAL ASSETS</b>		<u><u>10,33,64,255</u></u>	<u><u>10,28,27,470</u></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	2.7	-	-
(i) total outstanding dues of micro enterprises and small enterprises		43,37,868	57,30,031
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	2.8	1,17,43,085	1,69,68,878
		<u>1,60,80,953</u>	<u>2,26,98,909</u>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	2.9	-	9,44,606
Deferred tax liabilities (net)	2.10	38,950	-
Provisions	2.11	3,90,819	5,22,826
Other non-financial liabilities	2.12	1,75,73,857	1,42,58,095
		<u>1,80,03,626</u>	<u>1,57,25,527</u>
<b>TOTAL LIABILITIES</b>		<u><u>3,40,84,579</u></u>	<u><u>3,84,24,436</u></u>
<b>EQUITY</b>			
Equity share capital	2.13	11,95,06,484	11,95,06,484
Other equity	2.14	(5,02,26,808)	(5,51,03,450)
<b>TOTAL EQUITY</b>		<u><u>6,92,79,676</u></u>	<u><u>6,44,03,034</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>10,33,64,255</u></u>	<u><u>10,28,27,470</u></u>

The accompanying notes are an integral part of the financial statements

1 & 2

This is the Balance Sheet referred to in our report of even date.

For NGS & Co. LLP

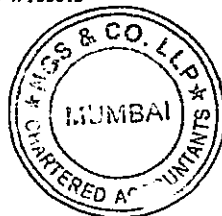
Chartered Accountants

Firm Registration No.: 119850W / W100013

*R.P. Soni*

R. P. Soni  
Partner  
Membership No.: 104796

Mumbai  
May 03, 2024



For and on behalf of the Board of Directors

*Philip Yin Loong Cheung*

Philip Yin Loong Cheung  
Director

*Shiv Sehgal*

Shiv Sehgal  
Director

May 03, 2024





**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)**

**Statement of Profit and Loss**

(Currency : Indian rupees)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Fee and commission income	2.15	7,54,39,299	9,08,83,096
Interest income	2.16	1,068	1,014
<b>Total income</b>		<u>7,54,40,367</u>	<u>9,08,84,110</u>
<b>Expenses</b>			
Finance costs	2.17	3,68,891	2,25,305
Employee benefits expense	2.18	4,32,93,489	5,90,03,868
Depreciation, amortisation and impairment	2.5	7,18,744	1,02,685
Other expenses	2.19	2,69,97,881	2,60,48,693
<b>Total expenses</b>		<u>7,13,79,005</u>	<u>8,53,80,551</u>
<b>Profit before tax</b>		40,61,362	55,03,559
<b>Tax expenses</b>			
Current tax		1,26,747	6,07,983
Deferred tax		40,843	-
<b>Profit for the year</b>		<u>38,93,772</u>	<u>48,95,576</u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Foreign exchange translation reserve (FCTR)		9,82,870	47,44,558
Other comprehensive income		<u>9,82,870</u>	<u>47,44,558</u>
<b>Total comprehensive income</b>		<u>48,76,642</u>	<u>96,40,134</u>
<b>Earnings per equity share (Face value of HKD 1 each):</b>			
Basic and diluted	2.20	0.29	0.36

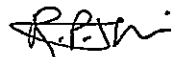
The accompanying notes are an integral part of the financial statements

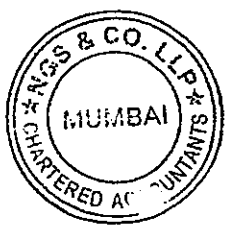
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This is the Statement of Profit and Loss referred to in our report of even date.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W / W100013

For and on behalf of the Board of Directors

  
R. P. Soni  
Partner  
Membership No.: 104796  
Mumbai  
May 03, 2024



  
Philip Yin Loong Cheung  
Director

  
Shiv Sehgal  
Director

May 03, 2024



**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securies (Hong Kong) Private Limited)**

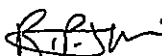
**Cash Flow Statement**

(Currency: Indian Rupees)

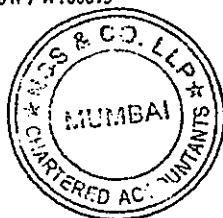
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	40,61,362	55,03,559
Adjustments for:		
Depreciation and amortisation expenses	7,18,744	1,02,685
Interest expense on lease liabilities	71,026	-
Provision for employee benefits	(1,43,050)	2,19,114
<b>Operating cash flow before working capital changes</b>	<u>47,08,082</u>	<u>58,25,358</u>
Adjustments for:		
(Increase)/ decrease in trade receivables	1,69,31,882	(82,77,750)
(Increase)/ decrease in other financial assets	(3,84,997)	(6,87,785)
(Increase)/ decrease in other non-financial assets	3,27,031	(1,33,547)
Increase/ (decrease) in trade payables	(14,77,436)	21,07,981
Increase/ (decrease) in other financial liabilities	(1,27,21,348)	19,58,656
Increase/ (decrease) in other non-financial liabilities	31,03,750	1,41,94,150
<b>Cash (used in) / generated from operations</b>	<u>1,04,86,964</u>	<u>1,49,87,063</u>
Income taxes paid (net of refund)	(5,75,607)	(15,11,744)
<b>Net cash (used in) / generated from operating activities - A</b>	<u>99,11,357</u>	<u>1,34,75,319</u>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,73,399)	(1,01,765)
<b>Net cash (used in) / generated in investing activities - B</b>	<u>(3,73,399)</u>	<u>(1,01,765)</u>
<b>C Cash flow from financing activities</b>		
Repayment of lease liabilities	(7,22,603)	-
<b>Net cash (used in)/generated from financing activities - C</b>	<u>(7,22,603)</u>	<u>-</u>
<b>D Change in foreign exchange translation reserve - D</b>	12,55,492	55,23,970
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<u>1,00,70,847</u>	<u>1,88,97,524</u>
Cash and cash equivalents as at the beginning of the year	8,28,85,569	6,39,88,045
Cash and cash equivalents as at the end of the year (refer note 2.1)	9,29,56,416	8,28,85,569

This is the cash flow statement referred to in our report of even date.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W / W100013


  
R. P. Soni  
Partner  
Membership No.: 104796

Mumbai  
May 03, 2024



For and on behalf of the Board of Directors

  
Phillip Yin Loong Cheung  
Director

  
Shiv Sehgal  
Director

May 03, 2024



Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)

Statement of changes in Equity

(Currency : Indian rupees)

A. Equity share capital

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	11,95,06,484	11,95,06,484
Changes in equity share capital (refer note 2.13)	-	-
Balance at the end of the year	11,95,06,484	11,95,06,484

B. Other Equity

	Reserve and surplus	Other comprehensive income	Total
	Retained earnings	Foreign Exchange Translation Reserve	
Balance as at March 31, 2022	(6,72,16,260)	24,72,676	(6,47,43,584)
Profit for the year	48,95,576	-	48,95,576
Other comprehensive income	-	-	-
Total comprehensive income for the year	48,95,576	47,44,558	96,40,134
Balance as at March 31, 2023	(6,23,20,684)	72,17,234	(5,51,03,450)
Profit for the year	38,93,772	-	38,93,772
Other comprehensive income	-	-	-
Total comprehensive income for the year	38,93,772	9,82,870	48,76,642
Balance as at March 31, 2024	(5,84,26,912)	82,00,104	(5,02,26,808)

Retained earnings

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

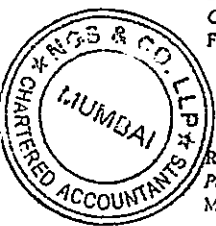
Foreign exchange translation reserve

The functional currency of the Company is Hong Kong Dollars. These INR financial statements are prepared and presented for the purpose of consolidation, which is the functional currency of the holding entity. Foreign exchange translation reserve represents the exchange difference arising on translation of balances from functional currency to the presentation currency (INR).

This is the Statement of changes in equity referred to in our report of even date.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W / W100013

For and on behalf of the Board of Directors



R. P. Soni  
Partner  
Membership No.: 104796  
Mumbai  
May 03, 2024

*[Signature]*  
Phillip Yin Loong Chung  
Director

*[Signature]*  
Shiv Sehgal  
Director

May 03, 2024



**Nuvama Investment Advisors (Hongkong) Private Limited**  
**(formerly known as Edelweiss Securities (Hong Kong) Private Limited)**

**Notes to the financial statements (Continued)**

for the year ended March 31, 2024

(Currency: Indian rupees)

**1. Material accounting policy information**

**1.1 Company background**

Nuvama Investment Advisors (Hongkong) Private Limited (Formerly known as Edelweiss Securities (Hong Kong) Private Limited) ('the Company') was incorporated on 6 February 2013. The company is a 100% subsidiary of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited). On August 25, 2022, the Company has changed its name from Edelweiss Securities (Hong Kong) Private Limited to Nuvama Investment Advisors (Hongkong) Private Limited.

**1.2 Basis of preparation of financial statements**

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

The functional currency of the Company is Hong Kong Dollar (HKD). However for consolidation purpose, the company presents these financial statements in Indian rupees (INR), which is the functional currency of the holding company.

The entity being a foreign Company, the assets and liabilities for the purpose of preparation of these financial statements, are translated into Indian Rupees at the rate of exchange prevailing as at the Balance Sheet date. Further, revenue and expense are translated into Indian Rupees at the daily exchange rate prevailing during the year and the resulting net translation adjustment has been disclosed as "Foreign Exchange Translation Reserve" in "Statement of Changes in Equity". The same is in compliance with Indian Accounting Standard (Ind AS) 21 issued by the Institute of Chartered Accountants of India on "The Effects of Changes in Foreign Exchange Rates". Non-monetary items i.e. Share Capital & Other Equity are measured in terms of historical cost in INR are not retranslated.

**1.3 Presentation of financial statements**

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2024 of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited Reporting) (Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act").

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 2.22

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

1. The normal course of business
2. The event of default
3. The event of insolvency or bankruptcy of the Company and/or its counterparties



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**Notes to the financial statements (Continued)**

for the year ended March 31, 2024

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**1.4 Revenue from contract with customer**

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

1. Identification of contract(s) with customers;
2. Identification of the separate performance obligations in the contract;
3. Determination of transaction price;
4. Allocation of transaction price to the separate performance obligations; and
5. Recognition of revenue when (or as) each performance obligation is satisfied

The Company recognises revenue from the following sources:

- Research services fee income is accounted when there is reasonable certainty as to its receipts
- Fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Interest income is recognised on accrual basis of accounting.

**1.5 Financial Instruments**

**Date of recognition**

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

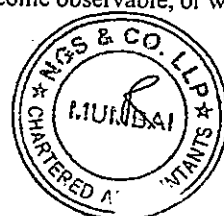
**Initial measurement of financial instruments**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.4 Revenue from contracts with customers.

**Day 1 profit or loss**

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



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**1.5 Financial Instruments (Continued)**

**Classification of financial instruments**

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

**Financial assets carried at amortised cost (AC)**

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

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

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

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

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

The Company measures financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

**Amortized cost and effective interest rate (EIR)**

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

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



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**1.5 Financial Instruments (Continued)**

**Amortized cost and effective interest rate (EIR)**

adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

**Financial assets held for trading**

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

**Financial assets at fair value through profit or loss**

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

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

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

**Financial liabilities**

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



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**Notes to the financial statements (Continued)**

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**1.5 Financial Instruments (Continued)**

**Debt securities and other borrowed funds**

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

**Financial liabilities and equity instruments**

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

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

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

**Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

**Derecognition of financial assets and financial liabilities**

**Derecognition of financial asset**

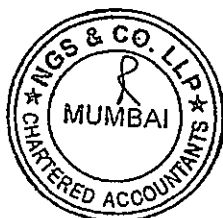
A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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

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

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

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

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





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**1.5 Financial Instruments (Continued)**

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

A transfer only qualifies for derecognition if either:

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

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

**Derecognition of financial liabilities**

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

**Impairment of financial assets**

**Simplified approach**

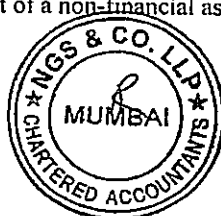
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date,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

**Determination of fair value**

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market



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**1.5 Financial Instruments (Continued)**

**Determination of fair value (Continued)**

participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments**

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

**Level 3 financial instruments**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

**Write-offs**

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

**1.6 Property, plant and equipment**

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



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**1.6 Property, plant and equipment (Continued)**

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

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

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

The estimated useful lives of the fixed assets are as follows:

Class of asset	Useful life
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years

Right-of-use assets are presented together with property, plant and equipment in the statement of financial position – refer to the accounting policy. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

**1.7 Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**1.8 Cash and cash equivalents**

Cash at Banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

**1.9 Income tax expenses**

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



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**Notes to the financial statements (Continued)**

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**1.9 Income tax expenses (Continued)**

**Current tax**

The tax currently payable is based on taxable profit for the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

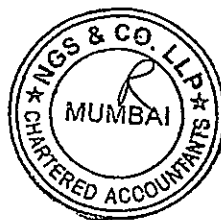
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized. Unrecognised deferred tax assets are re-assessed at each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

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

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



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**Notes to the financial statements (Continued)**

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**1.10 Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of EPS, the potential ordinary shares that would be issued on conversion are included in the weighted average number of ordinary shares used in the calculation of basic EPS (and, therefore, also diluted EPS) from the date of issue of the instrument, since their issue is solely dependent on the passage of time.

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 the 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.

**1.11 Provisions and other contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



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**Notes to the financial statements (Continued)**

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**1.12 Retirement and other employee benefit:**

**Compensated Absences**

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

**1.13 Share-based payment arrangements**

Equity-settled share-based payments to employees are granted by the Holding Company. These 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 Holding Company's estimate of equity instruments that will eventually vest. In cases where the share options granted vest in instalments over the vesting period, the Holding Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

**1.14 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

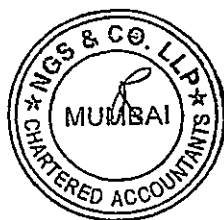
In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- (a) Assumptions used on discounted cash flows, growth rate and discount rate to justify the value of management rights reported under intangible assets.
- (b) Assumptions used in estimating the useful lives of tangible assets reported under property, plant and equipment.

**Provisions for Income Taxes**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



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**1.15 Leases**

**Company as a lessee:**

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

**Right of use assets**

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

**Lease Liabilities**

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

**1.16 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future



**Nuvama Investment Advisors (Hongkong) Private Limited**  
**(formerly known as Edelweiss Securities (Hong Kong) Private Limited)**

**Notes to the financial statements (Continued)**

for the year ended March 31, 2024

(Currency: Indian rupees)

**1.16 Key sources of estimation uncertainty (Continued)**

developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Incremental borrowing rate**

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

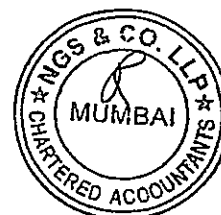
**Fair value of financial instruments**

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.

**1.17 Standards issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.
- ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.
- iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no material impact on its consolidated financial statement.





Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2024	As at March 31, 2023
2.1 Cash and cash equivalents		
Balances with banks		
- in current accounts	9,29,56,416	8,28,85,569
	9,29,56,416	8,28,85,569

2.2 Trade receivables

Unsecured and considered good	-	1,66,83,671
Less : Allowance for expected credit losses	-	-
	-	1,66,83,671

Trade receivables aging schedule

March 31, 2024	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross receivables						
Undisputed Trade receivables – considered good	-	-	-	-	-	-
Gross receivables (A)	-	-	-	-	-	-
ECL provision on receivables						
Undisputed Trade receivables – considered good	-	-	-	-	-	-
Total ECL provision on receivables (B)	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	-	-	-	-	-	-

March 31, 2023	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross receivables						
Undisputed Trade receivables – considered good	1,66,83,671	-	-	-	-	1,66,83,671
Gross receivables (A)	1,66,83,671	-	-	-	-	1,66,83,671
ECL provision on receivables						
Undisputed Trade receivables – considered good	-	-	-	-	-	-
Total ECL provision on receivables (B)	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	1,66,83,671	-	-	-	-	1,66,83,671

	As at March 31, 2024	As at March 31, 2023
2.3 Other financial assets		
(Unsecured Considered good, unless stated otherwise)		
Security Deposits	17,38,060	13,33,286
	17,38,060	13,33,286

2.4 Current tax assets (net)

Advance income taxes	3,90,165	8,88,520
	3,90,165	8,88,520



Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.5 Property, plant and equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2023	Additions during the year	Other adjustments (as applicable)	As at March 31, 2024	As at April 01, 2023	Charge for the year	Other adjustments (as applicable)	As at March 31, 2024	As at March 31, 2024
Computers	5,03,715	14,766	7,528	5,26,009	4,22,009	41,036	6,759	4,69,804	56,205
Right of use	-	82,56,745	2,724	82,59,469	-	6,77,708	224	6,77,932	75,81,537
<b>Total</b>	<b>5,03,715</b>	<b>82,71,511</b>	<b>10,252</b>	<b>87,85,478</b>	<b>4,22,009</b>	<b>7,18,744</b>	<b>6,983</b>	<b>11,47,736</b>	<b>76,37,742</b>

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2022	Additions during the year	Other adjustments (as applicable)	As at March 31, 2023	As at April 01, 2022	Charge for the year	Other adjustments (as applicable)	As at March 31, 2023	As at March 31, 2023
Computers	3,64,925	1,01,765	37,025	5,03,715	2,92,795	1,02,685	26,529	4,22,009	81,706
<b>Total</b>	<b>3,64,925</b>	<b>1,01,765</b>	<b>37,025</b>	<b>5,03,715</b>	<b>2,92,795</b>	<b>1,02,685</b>	<b>26,529</b>	<b>4,22,009</b>	<b>81,706</b>



Nuyama Investment Advisors (Hongkong) Private Limited (formerly Edchweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at  
March 31, 2024      As at  
March 31, 2023

2.6 Other non-financial assets

(Unsecured Considered good, unless stated otherwise)

Prepaid expenses	5,28,523	8,39,272
Vendor advances	1,13,349	1,15,446
	<u>6,41,872</u>	<u>9,54,718</u>

2.7 Trade payables

Trade payables due for payment

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2024						
(i) MSME	-	-	-	-	-	-
(ii) Others	41,66,531	1,71,337	-	-	-	43,37,868
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	<u>41,66,531</u>	<u>1,71,337</u>	-	-	-	<u>43,37,868</u>

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023						
(i) MSME	-	-	-	-	-	-
(ii) Others	54,67,376	2,62,655	-	-	-	57,30,031
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	<u>54,67,376</u>	<u>2,62,655</u>	-	-	-	<u>57,30,031</u>

2.8 Other financial liabilities

As at  
March 31, 2024      As at  
March 31, 2023

Accrued salaries and benefits	45,00,000	1,69,68,878
Lease liability	72,43,085	-
	<u>1,17,43,085</u>	<u>1,69,68,878</u>

2.9 Current tax liabilities (net)

Provision for taxation	-	9,44,606
	<u>-</u>	<u>9,44,606</u>

2.10 Deferred tax liabilities (net)

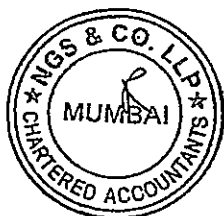
<u>Deferred tax assets</u>		
<u>Others</u>		
Right to use assets	2,002	-
Sub total (A)	<u>2,002</u>	<u>-</u>
<u>Deferred tax liabilities</u>		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	4,671	-
<u>Employee benefit obligations</u>		
ESOP cost	36,281	-
Sub total (B)	<u>40,952</u>	<u>-</u>
Total (B - A)	<u>38,950</u>	<u>-</u>

2.11 Provisions

Provision for employee benefits		
Compensated leave absences	3,90,819	5,22,826
	<u>3,90,819</u>	<u>5,22,826</u>

2.12 Other non-financial liabilities

Income received in advance	1,75,09,119	1,41,94,416
Others	64,738	63,679
Withholding taxes, Goods & service tax and other taxes payable	<u>1,75,73,857</u>	<u>1,42,58,095</u>



Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2024	As at March 31, 2023
<b>2.13 Equity share capital</b>		
(a) Issued, Subscribed and Paid up:		
13,623,767 (Previous year: 13,623,767) ordinary shares of HKD 1 each, fully paid-up	11,95,06,484	11,95,06,484
	<u>11,95,06,484</u>	<u>11,95,06,484</u>

(b) Movement in share capital :

	March 31, 2024		March 31, 2023	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	1,36,23,767	11,95,06,484	1,36,23,767	11,95,06,484
Issue of shares during the year	-	-	-	-
Balance at the end of the year	<u>1,36,23,767</u>	<u>11,95,06,484</u>	<u>1,36,23,767</u>	<u>11,95,06,484</u>

(c) Terms/rights attached to equity shares :

The Company has only one class of ordinary shares having a par value of HKD 1. Each holder of ordinary shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(d) Shares held by promoters at the end of the year

Promoter Name	March 31, 2024			March 31, 2023		
	No of shares	%of total shares	% Change during the year	No of shares	%of total shares	% Change during the year
Nuvama Wealth Management Limited, Holding company (formerly known as Edelweiss Securities Limited)	1,36,23,767	100%	-	1,36,23,767	100%	-
	<u>1,36,23,767</u>	<u>100%</u>	<u>-</u>	<u>1,36,23,767</u>	<u>100%</u>	<u>-</u>

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2024			March 31, 2023		
	No of shares	Amount	%	No of shares	Amount	%
Nuvama Wealth Management Limited, Holding company (formerly known as Edelweiss Securities Limited)	1,36,23,767	11,95,06,484	100%	1,36,23,767	11,95,06,484	100%
	<u>1,36,23,767</u>	<u>11,95,06,484</u>	<u>100%</u>	<u>1,36,23,767</u>	<u>11,95,06,484</u>	<u>100%</u>

	As at March 31, 2024	As at March 31, 2023
<b>2.14 Other equity</b>		
a) Retained Earnings		
Opening balance	(6,23,20,684)	(6,72,16,260)
Add: Profit for the year	<u>38,93,772</u>	<u>48,95,576</u>
Amount available for appropriation	(5,84,26,912)	(6,23,20,684)
b) Foreign Exchange Translation Reserves		
Opening balance	72,17,234	24,72,676
Add : Additions during the year	<u>9,82,870</u>	<u>47,44,558</u>
	82,00,104	72,17,234
Total (a+b)	<u>(5,02,26,808)</u>	<u>(5,51,03,450)</u>



**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements *(Continued)*

(Currency : Indian rupees)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>2.15 Fee and commission income</b>		
Advisory and other fees	7,54,39,299	9,08,83,096
	<u>7,54,39,299</u>	<u>9,08,83,096</u>
<b>2.15A Service transferred at a point in time</b>	5,47,35,657	7,44,99,815
Service transferred over time	2,07,03,642	1,63,83,281
	<u>7,54,39,299</u>	<u>9,08,83,096</u>
<b>2.16 Interest income</b>		
Bank interest	1,068	1,014
	<u>1,068</u>	<u>1,014</u>



Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>2.17 Finance costs</b>		
Financial and bank charges	2,97,865	2,25,305
Interest on lease liability	71,026	-
	<u>3,68,891</u>	<u>2,25,305</u>
<b>2.18 Employee benefit expenses</b>		
Salaries, wages and bonus	4,38,57,223	5,68,83,565
Contribution to provident and other funds (refer note 2.33)	3,97,015	3,70,407
Employee Stock Option Plan (ESOP) (refer note below)	(10,88,935)	13,10,721
Staff welfare expenses	1,28,186	4,39,175
	<u>4,32,93,489</u>	<u>5,90,03,868</u>
<b>Note:-</b>		
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) has granted Employee Stock Option Plans ("ESOP") to the Group's employees on an equity-settled basis. The Company has recognised share based payment expenses based on fair value as on the grant date calculated as per option pricing model.		
<b>2.19 Other expenses</b>		
Advertisement and business promotion	14,70,994	10,44,949
Auditors' remuneration (refer note below)	24,09,316	20,48,246
Communication	8,24,747	7,65,174
Legal and professional fees	90,88,837	1,04,94,612
Printing and stationery	7,150	25,411
Rent (refer note 2.31)	44,98,670	49,12,603
Foreign exchange loss (net)	27,06,966	30,56,979
Computer expenses	55,366	45,797
Membership and subscription	43,40,893	32,63,541
Office expenses	14,956	18,446
Postage and courier	25,496	38,696
Seminar & Conference	10,22,409	1,07,648
Travelling and conveyance	5,02,536	2,26,591
Miscellaneous expenses	29,545	-
	<u>2,69,97,881</u>	<u>2,60,48,693</u>
<b>Auditors' remuneration:</b>		
As Auditors		
Statutory audit fees	23,72,245	19,01,000
Reimbursement of expenses	37,071	1,47,246
	<u>24,09,316</u>	<u>20,48,246</u>



**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements *(Continued)*

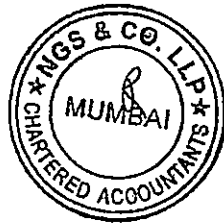
(Currency : Indian rupees)

**2.20 Earnings per share**

In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars	March 31, 2024	March 31, 2023
a) Net profit for the year attributable to ordinary shareholders	38,93,772	48,95,576
b) Calculation of weighted average number of ordinary Shares of HKD 1/- each :		
- Number of shares at the beginning of the year	1,36,23,767	1,36,23,767
- Shares issued during the year (number of shares issued)	-	-
Total number of ordinary shares outstanding at the end of the year (based on the date of issue of shares)	1,36,23,767	1,36,23,767
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	1,36,23,767	1,36,23,767
Value per share in HKD	1	1
c) Basic and diluted earnings per share (in Rupees) (a/b)	0.29	0.36

The basic and diluted earnings per share are the same as there are no dilutive potential ordinary shares.



Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.21a Income Tax

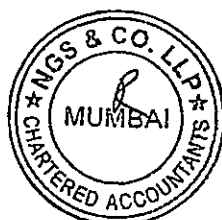
The components of income tax expense for the year ended:

Particulars	March 31, 2024	March 31, 2023
Current tax	1,90,714	5,64,993
Adjustment in respect of current income tax of prior years	(63,967)	42,990
Deferred tax relating to origination and reversal of temporary differences	40,843	-
<b>Total tax charge</b>	<b>1,67,590</b>	<b>6,07,983</b>
Current tax	1,26,747	6,07,983
Deferred tax	40,843	-

2.21b Reconciliation of total tax charge

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax as per financial statements	40,61,362	55,03,559
Tax rate (in percentage)	8.25%	8.25%
Income tax expense calculated based on this tax rate	3,35,062	4,54,044
Adjustment in respect of current income tax of prior years	(63,967)	42,990
Effect of income not subject to tax: Bank interest income	(89)	(85)
Effect of non creation of deferred tax in earlier year	(1,04,072)	-
Effect of non recognition of deferred tax asset on timing differences	-	1,09,204
Others (Adjustment of exchange rate differences)	656	1,830
<b>Tax charge for the year recorded in statement of profit and loss</b>	<b>1,67,590</b>	<b>6,07,983</b>

	Movement for the year (2023-24)				
	Opening deferred tax asset / (liability)	Recognised in statement of profit or loss	Others (Exchange rate differences)	Total movement	Closing deferred tax asset / (liability)
Deferred taxes in relation to:					
Property, plant and equipment	-	(4,898)	227	(4,671)	(4,671)
ESOP cost	-	(38,044)	1,763	(36,281)	(36,281)
ROU asset & lease liability	-	2,099	(97)	2,002	2,002
<b>Total</b>	-	<b>(40,843)</b>	<b>1,893</b>	<b>(38,950)</b>	<b>(38,950)</b>





Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

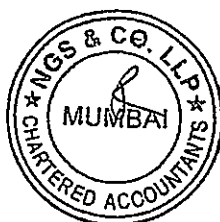
(Currency : Indian rupees)

2.22 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:

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	9,29,56,416	-	9,29,56,416	8,28,85,569	-	8,28,85,569
Trade receivables	-	-	-	1,66,83,671	-	1,66,83,671
Other financial assets	-	17,38,060	17,38,060	13,33,286	-	13,33,286
	9,29,56,416	17,38,060	9,46,94,476	10,09,02,526	-	10,09,02,526
<b>Non-financial assets</b>						
Current tax assets (net)	-	3,90,165	3,90,165	-	8,88,520	8,88,520
Property, plant and equipment	-	76,37,742	76,37,742	-	81,706	81,706
Other non-financial assets	6,41,872	-	6,41,872	9,54,718	-	9,54,718
	6,41,872	80,27,907	86,69,779	9,54,718	9,70,226	19,24,944
<b>Total assets (A)</b>	<b>9,35,98,288</b>	<b>97,65,967</b>	<b>10,33,64,255</b>	<b>10,18,57,244</b>	<b>9,70,226</b>	<b>10,28,27,470</b>

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	43,37,868	-	43,37,868	57,30,031	-	57,30,031
Other financial liabilities	85,49,996	31,93,089	1,17,43,085	1,69,68,878	-	1,69,68,878
	1,28,87,864	31,93,089	1,60,80,953	2,26,98,909	-	2,26,98,909
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	-	-	-	9,44,606	9,44,606
Provisions	94,000	2,96,819	3,90,819	1,22,045	4,00,781	5,22,826
Deferred tax liabilities (net)	-	38,950	38,950	-	-	-
Other non-financial liabilities	1,75,73,857	-	1,75,73,857	1,42,58,095	-	1,42,58,095
	1,76,67,857	3,35,769	1,80,03,626	1,43,80,140	13,45,387	1,57,25,527
<b>Total liabilities (B)</b>	<b>3,05,55,721</b>	<b>35,28,858</b>	<b>3,40,84,579</b>	<b>3,70,79,049</b>	<b>13,45,387</b>	<b>3,84,24,436</b>
<b>Net assets (A-B)</b>	<b>6,30,42,567</b>	<b>62,37,109</b>	<b>6,92,79,676</b>	<b>6,47,78,195</b>	<b>(3,75,161)</b>	<b>6,44,03,034</b>



**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements *(Continued)*

(Currency : Indian rupees)

**2.23 Segment reporting**

The Company has operated in only one business segment during the year. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Indian Accounting Standard (Ind AS) 108 on Segment Reporting.

**2.24 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :**

**(A) Names of related parties by whom control is exercised**

PAGAC Ecstasy Pte Limited

**(B) Holding company**

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

**(C) Names of related parties who exercise significant influence (upto 30th March 2023)**

Edelweiss Financial Services Limited

**(D) Fellow subsidiaries with whom the Company has transactions:**

Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)

**(E) Associate entity of the holding Company with whom transactions have taken place during the year**

Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services limited)

**(F) Names of key managerial personnel (KMP)**

Philip Yin Loong Cheung  
Shiv Sehgal



Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.24 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 : (Continued)

(G) Transactions and balances with related parties:

Sr No	Particulars	March 31, 2024					March 31, 2023				
		Ultimate holding company	Holding Company	Fellow Subsidiaries	Subsidiaries/ Associate/ JV of Entity exercising significant influence	KMP	Ultimate holding company	Holding Company	Fellow Subsidiaries	Subsidiaries/ Associate/ JV of Entity exercising significant influence	KMP
(I)	Current account transactions during the year										
	Fee income earned from										
	Nuvama Wealth Management Limited	-	2,18,94,261	-	-	-	-	2,97,99,926	-	-	-
	Nuvama Clearing Services Limited	-	-	-	-	-	-	-	1,93,38,950	-	-
	Nuvama Custodial Services Limited	-	-	-	3,28,41,396	-	-	-	-	2,53,60,939	-
	Cost reimbursements paid to										
	Nuvama Wealth Management Limited	-	15,20,807	-	-	-	-	28,25,763	-	-	-
	Cost reimbursements recovered from										
	Nuvama Wealth Management Limited	-	10,88,935	-	-	-	-	-	-	-	-
	Remuneration paid to KMP (refer note below)										
	Philip Yin Loong Cheung	-	-	-	-	1,92,98,937	-	-	-	-	1,78,54,852
	Sumit Syal	-	-	-	-	-	-	-	-	-	3,72,30,943
(II)	Balances with related parties										
	Trade receivable from										
	Nuvama Wealth Management Limited	-	-	-	-	-	-	66,73,469	-	-	-
	Nuvama Custodial Services Limited	-	-	-	-	-	-	-	1,00,10,202	-	-
	Trade payable to										
	Nuvama Wealth Management Limited	-	3,81,328	-	-	-	-	7,99,426	-	-	-
	Nuvama Custodial Services Limited	-	-	-	-	-	-	-	-	-	-
	Advance against fees income										
	Nuvama Wealth Management Limited	-	62,65,316	-	-	-	-	-	-	-	-
	Nuvama Custodial Services Limited	-	-	-	93,97,969	-	-	-	-	-	-

Note :-

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for leave encashment which are provided for group of employees on an overall basis. The variable compensation included herein is on cash basis.



**Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements (Continued)

(Currency : Indian rupees)

**2.25 Capital commitments and contingent liabilities**

The Company has Rs. Nil (previous year: Nil) capital commitments and contingent liabilities as at the balance sheet date.

**2.26 Risk management**

*Overview*

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Foreign currency risk
- Interest rate risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

*Risk management framework*

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

*Credit risk*

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables. Company has no significant concentration of credit risk with any counterparty.

*Market risk*

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios.

**Total market risk exposure**

Particulars	March 31, 2024			March 31, 2023		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	9,29,56,416	-	9,29,56,416	8,28,85,569	-	8,28,85,569
Trade receivables	-	-	-	1,66,83,671	-	1,66,83,671
Other financial assets	17,38,060	-	17,38,060	13,33,286	-	13,33,286
<b>Total</b>	<b>9,46,94,476</b>	<b>-</b>	<b>9,46,94,476</b>	<b>10,09,02,526</b>	<b>-</b>	<b>10,09,02,526</b>

Particulars	March 31, 2024			March 31, 2023		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Liability</b>						
Trade payables	43,37,868	-	43,37,868	57,30,031	-	57,30,031
Other financial liabilities	1,17,43,085	-	1,17,43,085	1,69,68,878	-	1,69,68,878
<b>Total</b>	<b>1,60,80,953</b>	<b>-</b>	<b>1,60,80,953</b>	<b>2,26,98,909</b>	<b>-</b>	<b>2,26,98,909</b>

*Foreign currency risk*

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

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.



Navama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.27 A) - Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities

As at March 31, 2024	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	2,04,969	6,93,424	12,98,783	21,40,692	-	-	-	-	43,37,868
Other financial liabilities	-	-	3,29,208	48,29,728	3,32,310	10,04,532	20,54,218	31,93,089	-	-	1,17,43,085
<b>Total undiscounted non-derivative financial liabilities</b>	-	-	<b>5,34,177</b>	<b>55,23,152</b>	<b>16,31,093</b>	<b>31,45,224</b>	<b>20,54,218</b>	<b>31,93,089</b>	-	-	<b>1,60,80,953</b>

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	1,40,828	1,32,643	-	35,87,420	18,69,140	-	-	-	-	57,30,031
Other financial liabilities	-	-	-	-	1,69,68,878	-	-	-	-	-	1,69,68,878
<b>Total undiscounted non-derivative financial liabilities</b>	-	<b>1,40,828</b>	<b>1,32,643</b>	-	<b>2,05,56,298</b>	<b>18,69,140</b>	-	-	-	-	<b>2,26,98,909</b>

2.27 B) - Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets.

As at March 31, 2024	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	-	9,29,56,416	-	-	-	-	-	-	-	-	9,29,56,416
Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	17,38,060	-	-	17,38,060
<b>Total</b>	-	<b>9,29,56,416</b>	-	-	-	-	-	<b>17,38,060</b>	-	-	<b>9,46,94,476</b>

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	-	8,28,85,569	-	-	-	-	-	-	-	-	8,28,85,569
Trade receivables	-	-	-	-	1,66,83,671	-	-	-	-	-	1,66,83,671
Other financial assets	-	-	-	-	-	-	13,33,286	-	-	-	13,33,286
<b>Total</b>	-	<b>8,28,85,569</b>	-	-	<b>1,66,83,671</b>	-	<b>13,33,286</b>	-	-	-	<b>10,09,02,526</b>



Nuvama Investment Advisors (Hongkong) Private Limited  
(formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

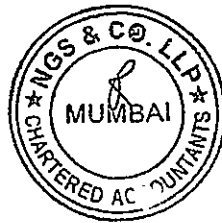
2.28 Analysis of financial assets and liabilities by industry risk concentration

Industry analysis - Risk concentration for March 31, 2024

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	9,29,56,416	-	9,29,56,416
Other financial assets	-	17,38,060	17,38,060
	9,29,56,416	17,38,060	9,46,94,476
Other Commitments	-	-	-
Total	9,29,56,416	17,38,060	9,46,94,476

Industry analysis - Risk concentration for March 31, 2023

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	8,28,85,569	-	8,28,85,569
Trade receivables	1,66,83,671	-	1,66,83,671
Other financial assets	-	13,33,286	13,33,286
	9,95,69,240	13,33,286	10,09,02,526
Other Commitments	-	-	-
Total	9,95,69,240	13,33,286	10,09,02,526



Nuvama Investment Advisors (Hongkong) Private Limited  
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Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.29 Financial assets available for collateral:

March 31, 2024	Pledge as collateral	Contractually/legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	9,29,56,416	9,29,56,416
Other financial assets	-	17,38,060	-	-	17,38,060
<b>Total assets</b>	-	<b>17,38,060</b>	-	<b>9,29,56,416</b>	<b>9,46,94,476</b>
March 31, 2023	Pledge as collateral	Contractually/legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	8,28,85,569	8,28,85,569
Trade receivables	-	-	1,66,83,671	-	1,66,83,671
Other financial assets	-	13,33,286	-	-	13,33,286
<b>Total assets</b>	-	<b>13,33,286</b>	<b>1,66,83,671</b>	<b>8,28,85,569</b>	<b>10,09,02,526</b>

1 Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or contractual or other reason

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business



**Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements (Continued)

(Currency : Indian rupees)

**2.30 Capital management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs.

There were no changes in the Company's approach to capital management during the year.

The Company got in principle approval from Securities and Futures Commission, Hong Kong in October 2019 & has got broking and advisory license in April 2020. As per Securities and Futures Commission rules, the company is required to maintain liquid capital of HKD 3Mn. The same is observed & maintained at all times.

**2.31 Lease commitments**

The Company has entered into commercial lease for premises.

**i) Movement of Right to use assets**

Particulars	March 31, 2024	March 31, 2023
Opening Balance	-	-
Transition impact of Ind AS 116	-	-
Addition / (disposal) during the year	82,56,745	-
Less: Amortisation on Right of Use - leasehold premises	(6,77,708)	-
Exchange rate difference	2,500	-
Closing Balance	75,81,537	-

**ii) Movement of Lease liability**

Particulars	March 31, 2024	March 31, 2023
Opening Balance	-	-
Transition impact of Ind AS 116	-	-
Addition / (disposal) during the year	78,94,410	-
Add: Accretion of interest	71,026	-
Less: Payment during the year	(7,22,603)	-
Exchange rate difference	252	-
Closing Balance	72,43,085	-

**iii) Other disclosures**

Particulars	March 31, 2024	March 31, 2023
Incremental borrowing rate of company (in %)	5.88	-
The leases have an life of between (in years )	2.00	-
The total lease payment for the year (in amount)	7,22,603	-

**iv) minimum lease payments under non-cancellable operating leases as at March 31 are, as follows:**

Particulars	March 31, 2024	March 31, 2023
Within one year	43,48,062	-
After one year but not more than five years	32,61,047	-
Total	76,09,109	-

**2.32 Financial instruments not measured at fair value**

Fair value information of financial assets and financial liabilities not measured at fair value has not been presented as the carrying amount is a reasonable approximation of the fair value due to their short term nature.

**2.33 Retirement benefit plan**

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

Amount of INR 397,015 (Previous year: INR 370,407) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss.





Nuvama Investment Advisors (Hongkong) Private Limited (formerly Edelweiss Securities (Hong Kong) Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.34 Others disclosures

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have 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:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as. search or survey or any other relevant provisions of the Income Tax Act, 1961



**Nuvama Investment Advisors (Hongkong) Private Limited**  
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Notes to the financial statements *(Continued)*

(Currency : Indian rupees)

**2.35 Details of Ratio**

Particular	March 31, 2024	March 31, 2023
Current ratio (refer note 1)	3.06	2.75
Debt-equity Ratio (Refer note 4)	-	-
Debt Service Coverage Ratio (Refer note 4)	-	-
Return on Equity ratio (refer note 2)	0.06	0.08
Inventory turnover ratio (refer note 5)	-	-
Trade receivable turnover ratio (refer note 5)	-	-
Trade payable turnover ratio (refer note 5)	-	-
Net Capital turnover ratio (refer note 5)	-	-
Net profit ratio (refer note 5)	-	-
Return on Capital Employed (refer note 3)	0.06	0.09
Return on Investment (refer note 4)	-	-

**Note**

1. Current ratio = Current assets / Current liabilities
2. Return on Equity ratio = Net profit after tax - preference dividend / Average shareholder's equity
3. Return on Capital Employed = Earnings before interest and taxes / Capital Employed = Tangible networth (Net-worth - intangible assets) + Total Debt + Deferred Tax Liability
4. Debt equity ratio, Debt Service Coverage ratio, Interest Service Coverage ratios and Total Debts/ Total Assets and Return on Investment are nil since there is no debt and investment during the current year and
5. Inventory turnover ratio, Trade receivable ratio, Trade payable turnover, Net capital turnover and Net profit ratio are not applicable owing to the business model of the company.



**Nuvama Investment Advisors (Hongkong) Private Limited**  
**(formerly Edelweiss Securities (Hong Kong) Private Limited)**

Notes to the financial statements *(Continued)*

(Currency : Indian rupees)

**2.36 Rounded off**

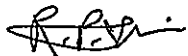
All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirements of Schedule III, unless otherwise stated.

**2.37 Previous year comparatives**

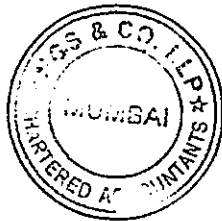
Previous year figures have been regrouped and rearranged whenever necessary to confirm to current year's presentation / classification.

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W / W100013

  
R. P. Soni  
Partner  
Membership No.: 104796

Mumbai  
May 03, 2024



For and on behalf of the Board of Directors

  
Philip Yin Loong Cheung  
Director

May 03, 2024

  
Shiv Sehgal  
Director

