

NUVAMA WEALTH AND INVESTMENT LIMITED  
(Formerly Known as Edelweiss Broking Limited)

FINANCIALS FOR THE YEAR ENDED

2023-24

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Nuvama Wealth and Investment Limited  
(Formerly known as Edelweiss Broking Limited)

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking 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 material 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 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 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

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

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



# S.R. BATLIBOI & CO. LLP

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Key audit matters	How our audit addressed the key audit matter
<p><b>IT Systems and Controls</b></p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company:</p> <ul style="list-style-type: none"><li>• Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</li><li>• Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized.</li><li>• Tested the Company's periodic review of access rights. Also tested requests of changes to systems for approval and authorization.</li><li>• In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls.</li><li>• Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li></ul>

## Other Information

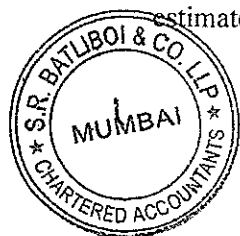
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

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

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

## Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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



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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;



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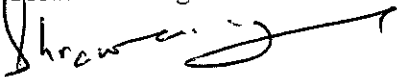
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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 61 (A) to the 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 61(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 64 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 24102102BKBZYR9713

Place of Signature: Mumbai

Date: May 08, 2024



**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

**Re: Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited) (“the Company”)**

**In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i)(b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.
- (i)(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) As disclosed in note 51 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company.



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- (iii)(a) During the year the Company has provided loans, guarantees, advances in the nature of loans to companies or other parties as follows:

(Rs. in millions)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year - Companies or Other parties	NA	NA	1,22,816.51	NA
Balance outstanding as at balance sheet date* - Companies or Other parties	NA	NA	18,101.23	NA

\*Balance outstanding is total outstanding (including unamortised processing fees) as at March 31, 2024

- (iii)(b) During the year the terms and conditions of the grant of all loans to companies or any other parties are not prejudicial to the Company's interest.

- (iii)(c) In respect of loans granted to companies, or other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

(Rs. in millions)

Name of the Entity	Amount	Due date	Extent of delay	Remarks, if any
Various Parties (ESOP Loans)	168.09	23-02-2024 to 29-03-2024	3 to 37 days	ESOP Loans has been renewed or repaid after March 31, 2024 as per original loan agreements entered into with the borrower.

- (iii)(d) There are no amounts of loans granted to companies or any other parties which are overdue for more than ninety days.

- (iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (iii)(f) During the year, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties as stated below and none of these are granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.





	(Rs. in millions)
	All Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	19,989.25
Percentage of loans/ advances in nature of loans to the total loans	16.28%

- (iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company.
- (v) In respect of deposits accepted or amounts which are deemed to be deposits, directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules made there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:
- There has been a delay in depositing provident fund dues under the Provident Fund and Miscellaneous Provisions Act, 1952 of an amount of Rs. 6.37 Lakhs pertaining to the period from April 2023 to September 2023. The due date for depositing this amount is 15th of the following month to which they pertain. As represented by the Company, the delay in the deposit of provident fund is within the stipulated time as the Aadhaar number of the new employees could not be linked to their UAN as per the government norms.
- As explained to us, the Company did not have any dues on account of sales-tax, service tax, duty of custom, duty of excise and value added tax.
- (vii)(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, service tax, cess and other statutory dues which have not been deposited on account of any dispute. The dues outstanding in respect of service tax & goods and service tax on account of dispute, are as follows:



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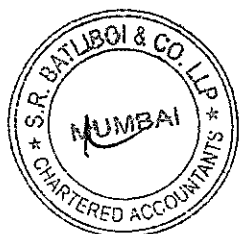
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(Rs. in millions)

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	13.98	FY 2012-13	CIT(A)
IGST Act, 2017	Goods and Service Tax	0.31	F.Y. 2019-20	State tax - Raipur
SGST Act, 2017	Goods and Service Tax	0.03	F.Y. 2019-20	State tax - Raipur
CGST Act, 2017	Goods and Service Tax	0.03	F.Y. 2019-20	State tax - Raipur

As explained to us, the Company did not have any dues on account of sales-tax, service tax, duty of custom, duty of excise and value added tax.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has utilized the monies raised during the year by way of public offer of debt instruments for the purposes for which they were raised.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



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- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii)(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii)(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There is no Core Investment Company as a part of the Group as at March 31, 2024, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other



# **S.R. BATLIBOI & Co. LLP**

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information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

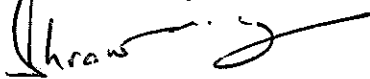
(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32 (b) to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32 (b) to the financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 24102102BKBZYR9713



Place of Signature: Mumbai

Date: May 08, 2024

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NUVAMA WEALTH AND INVESTMENT LIMITED (FORMERLY KNOWN AS EDELWEISS BROKING LIMITED)**

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

We have audited the internal financial controls with reference to financial statements of Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

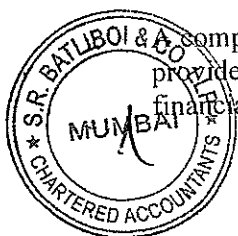
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note")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

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

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

**Meaning of Internal Financial Controls with Reference to these Financial Statements**

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



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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

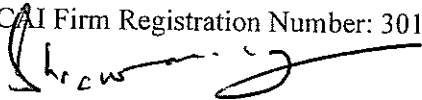
**Opinion**

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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

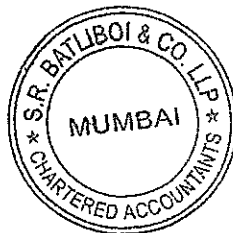


per **Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 24102102BKBZYR9713



Place of Signature: Mumbai

Date: May 08, 2024

**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

**Balance Sheet**

(Currency : Indian rupees in millions)

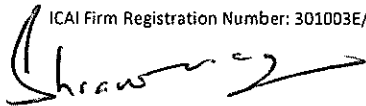
	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	907.34	1,215.48
(b) Bank balances other than cash and cash equivalents	3	7,699.79	3,524.67
(c) Derivative financial instruments	4	1,255.24	3,123.98
(d) Securities held for trading	5	1,363.82	3,030.00
(e) Trade receivables	6	4,455.57	5,458.20
(f) Loans	7	18,023.05	13,096.64
(g) Other financial assets	8	23,536.79	15,997.89
		<u>57,241.60</u>	<u>45,446.86</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	9	196.53	160.32
(b) Deferred tax assets (net)	10	100.18	47.69
(c) Property, Plant and Equipment	11	814.15	501.45
(d) Intangible assets	12	268.70	130.05
(e) Intangible assets under development	13	66.07	221.08
(f) Other non-financial assets	14	110.98	361.85
		<u>1,556.61</u>	<u>1,422.44</u>
<b>TOTAL ASSETS</b>		<u><b>58,798.21</b></u>	<u><b>46,869.30</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Derivative financial instruments	4	314.66	380.29
(b) Trade payables	15		
(i) Total outstanding dues of micro enterprises and small enterprises		67.85	37.07
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,849.77	13,101.12
(c) Debt securities	16	23,486.86	21,638.69
(d) Borrowings (other than debt securities)	17	6,130.63	3,222.21
(e) Other financial liabilities	18	1,533.59	1,075.09
		<u>49,383.36</u>	<u>39,454.47</u>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)	19	125.77	8.90
(b) Provisions	20	37.79	35.17
(c) Other non-financial liabilities	21	635.02	585.74
		<u>798.58</u>	<u>629.81</u>
<b>EQUITY</b>			
(a) Equity share capital	22	4,304.54	4,304.54
(b) Other equity	23	4,311.73	2,480.48
		<u>8,616.27</u>	<u>6,785.02</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>58,798.21</b></u>	<u><b>46,869.30</b></u>

The accompanying notes are an integral part of the financial statements

1 - 64

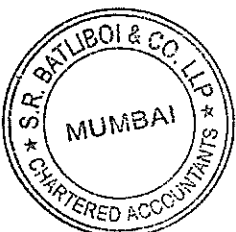
As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership No.: 102102

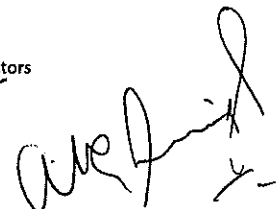


Mumbai  
May 08, 2024

For and on behalf of the Board of Directors



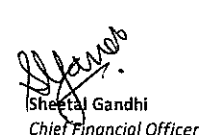
Rahul Jain  
Managing Director &  
Chief Executive Officer  
DIN: 00387505



Alok Saigal  
Executive Director  
DIN: 08543458



Ashish Khatir  
Non Executive Director  
DIN: 07789972

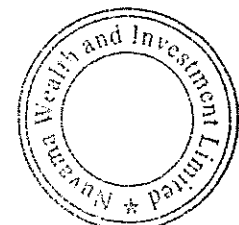


Sheetal Gandhi  
Chief Financial Officer



Rohan Jadhav  
Company Secretary

Mumbai  
May 08, 2024



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Interest income	24	3,525.10	2,306.92
Dividend income		0.31	-
Rental income	25	-	29.08
Fee and commission income	26	10,526.71	9,304.39
Net gain on fair value changes	27	758.00	484.61
<b>Total Revenue from operations</b>		<b>14,810.12</b>	<b>12,125.00</b>
<b>Other income</b>	28	<b>13.50</b>	<b>31.27</b>
<b>Total Income</b>		<b>14,823.62</b>	<b>12,156.27</b>
<b>Expenses</b>			
Finance costs	29	2,583.32	1,584.80
Impairment on financial instruments	30	243.06	0.14
Employee benefits expense	31	4,717.03	3,798.75
Depreciation, amortisation and impairment	11,12	311.87	263.26
Other expenses	32	4,584.00	4,652.48
<b>Total expenses</b>		<b>12,439.28</b>	<b>10,299.43</b>
<b>Profit before tax</b>		<b>2,384.34</b>	<b>1,856.84</b>
Tax expenses:			
Current tax		659.85	387.29
Deferred tax		(52.50)	47.18
<b>Profit for the year</b>		<b>1,776.99</b>	<b>1,422.37</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain/ (loss) on defined benefit plans		1.67	(7.43)
Less: Income tax relating to items that will not be reclassified to profit or loss			
Tax effect on Remeasurement gain / loss on defined benefit plans (OCI)		0.42	-
<b>Other Comprehensive Income</b>		<b>1.25</b>	<b>(7.43)</b>
<b>Total Comprehensive Income</b>		<b>1,778.24</b>	<b>1,414.94</b>
<b>Earnings per equity share (Face value of ₹ 10 each):</b>			
(1) Basic	34	4.13	3.30
(2) Diluted		4.13	3.30

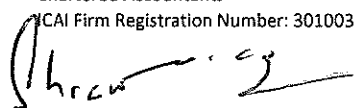
The accompanying notes are an integral part of the financial statements

1 - 64

As per our report of even date attached

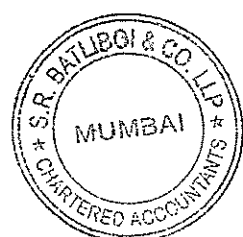
For S. R. Batliboi & Co. LLP  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership No.: 102102



Mumbai  
May 08, 2024

For and on behalf of the Board of Directors



Rahul Jain  
Managing Director &  
Chief Executive Officer  
DIN: 00387505

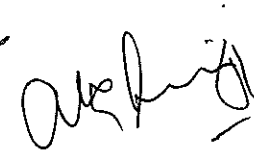


Ashish Kehair  
Non Executive Director  
DIN: 07789972

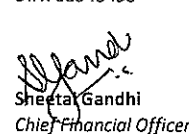


Rohan Jadhav  
Company Secretary

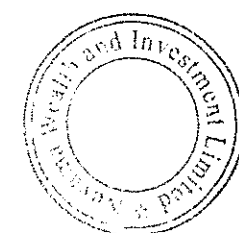
Mumbai  
May 08, 2024



Alok Saigal  
Executive Director  
DIN: 08543458



Sheetal Gandhi  
Chief Financial Officer





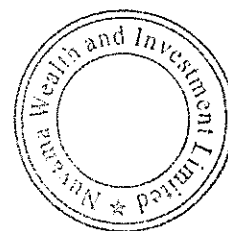
# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Statement of Cash Flows

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before taxation	2,384.34	1,856.84
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment (refer note iii below)	332.06	263.26
Provision for Expected Credit Loss (ECL) on Trade receivables, Impairment on financial and non financial assets	243.06	0.14
Fair Value Gain on securities held for trading	(46.60)	(21.91)
Loss/(Gain) on sale/ write-off of Property, Plant and Equipment and intangibles (net)	2.47	(0.47)
Lease waiver and profit on pretermination of leases	(1.19)	(8.45)
Compensated absences	6.15	(6.47)
Finance costs	2,586.30	1,580.69
<b>Operating cash flow before working capital changes</b>	<b>5,506.59</b>	<b>3,663.63</b>
<i>Add/ (less): Adjustments for working capital changes</i>		
Decrease/ (Increase) in trade receivables	974.42	(2,458.64)
Decrease/ (Increase) in Securities held for trading	1,712.78	(1,096.46)
Increase in fixed deposits, loans and other financial assets	(16,016.19)	(9,991.30)
Decrease/ (Increase) in other non financial assets	35.47	(273.30)
Increase/ (Decrease) Increase in Trade payables and other financial liabilities	4,852.80	(943.32)
Increase/ (Decrease) Increase in provisions and other non-financial liabilities	47.43	(17.49)
<b>Cash flow from operations</b>	<b>(2,886.70)</b>	<b>(11,116.88)</b>
Income tax paid	(579.61)	(292.54)
<b>Net cash used in operating activities - A</b>	<b>(3,466.31)</b>	<b>(11,409.42)</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment, and intangible assets	(137.27)	(117.93)
Sale of Property, Plant and Equipment, and intangible assets	0.40	1.56
<b>Net cash used in investing activities - B</b>	<b>(136.87)</b>	<b>(116.37)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from secured term loan (net) (refer note ii below)	1,630.51	969.49
Proceeds from/ (Repayment of) unsecured term loan and bank overdraft (net) (refer note ii below)*	1,274.36	(0.00)
Proceeds from issue of Debt securities	28,822.46	27,137.88
Repayment of Debt securities	(25,692.00)	(16,063.50)
Finance costs	(2,493.42)	(1,419.27)
Interest paid on lease liability (refer note iv below)	(56.53)	(46.46)
Principal repayment of lease liability	(190.34)	(171.76)
<b>Net cash generated from financing activities - C</b>	<b>3,295.04</b>	<b>10,406.38</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(308.14)</b>	<b>(1,119.41)</b>
Cash and cash equivalents as at the beginning of the year	1,215.48	2,334.89
Cash and cash equivalents as at the end of the year	907.34	1,215.48

\* 0.00 indicates amounts less than 0.01 million



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Statement of Cash Flows (Continued)

(Currency : Indian rupees in millions)

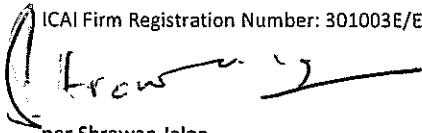
### Notes:

- Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 (as amended from time to time) under the Companies Act, 2013.
- Net figures have been reported on account of volume of transactions.
- Depreciation and amortisation is gross of reimbursement received of Rs.19.26 million for the year ended March 31, 2024 (P.Y. Nil).
- Interest expenses on lease liabilities is gross of reimbursement received of Rs. 4.97 million for the year ended March 31, 2024 (P.Y. Nil)
- Components of Cash & Cash Equivalents.

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	-	-
Balances with banks		
- in current accounts		
	<u>907.34</u>	<u>1,215.48</u>
	<u>907.34</u>	<u>1,215.48</u>

As per our report of even date attached

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership No.: 102102

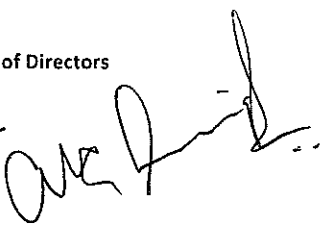


Place: Mumbai  
Date: May 08, 2024

For and on behalf of the Board of Directors




Rahul Jain  
Managing Director & Chief  
Executive Officer  
DIN: 00387505



Alok Saigal  
Executive Director  
DIN: 08543458



Ashish Kehair  
Non Executive Director  
DIN: 07789972

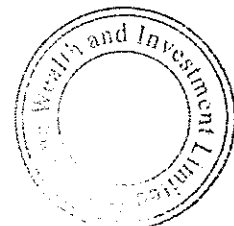


Sheetal Gandhi  
Chief Financial Officer



Rohan Jadhav  
Company Secretary

Place: Mumbai  
Date: May 08, 2024



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

**Statement of Changes in Equity**

(Currency : Indian rupees in millions)

	As at March 31, 2024	As at March 31, 2023
<b>a) Equity share capital</b>		
Balance as at the beginning of the year	4,304.54	4,304.54
Change in equity share capital during the year (refer note 22)	-	-
Balance as at the end of the year	4,304.54	4,304.54

**b) Other equity**

	Securities premium (refer note a below)	Deemed capital contribution - ESOP (refer note b below)	Debenture Redemption Reserve (refer note c below)	Retained earnings (refer note d below)	Total
<b>Balance at March 31, 2022</b>	599.70	39.42	207.83	187.30	1,034.25
Profit for the year	-	-	-	1,422.37	1,422.37
Other comprehensive income	-	-	-	(7.43)	(7.43)
Reversal of ESOP cost on cancellation	-	-	-	31.29	31.29
<b>Balance at March 31, 2023</b>	599.70	39.42	207.83	1,633.53	2,480.48
Profit for the year	-	-	-	1,776.99	1,776.99
Other comprehensive income	-	-	-	1.25	1.25
Reversal of ESOP cost on cancellation	-	-	-	53.01	53.01
Transfer from Deemed capital ESOP to Retained earnings	-	(39.42)	-	39.42	-
Transfer from Debenture Redemption Reserve to Retained earnings	-	-	(74.90)	74.90	-
<b>Balance at March 31, 2024</b>	599.70	-	132.93	3,579.10	4,311.73

**Notes:**

**a) Securities premium**

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

**b) Deemed capital contribution - ESOP**

Deemed capital contribution relates to share options granted to eligible employees of the Group by the Edelweiss Financial Services Limited, under its employee share option plan.

**c) Debenture Redemption Reserve**

Debenture redemption reserve represents reserves created as per the Companies Act, 2013 w.r.t. outstanding redeemable debentures out of free reserves. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

**d) Retained earnings**

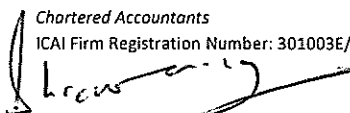
Retained earnings comprises of the Company's undistributed earnings after taxes.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership No.: 102102

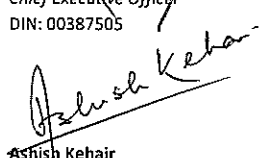
For and on behalf of the Board of Directors



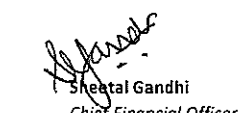
Rahul Jain  
Managing Director &  
Chief Executive Officer  
DIN: 00387505



Alok Saigal  
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DIN: 08543458



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Non Executive Director  
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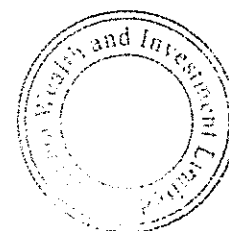
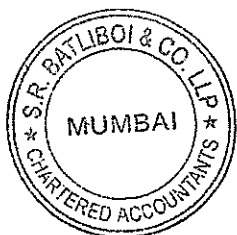


Sheetal Gandhi  
Chief Financial Officer



Rohan Jadhav  
Company Secretary

Mumbai  
May 08, 2024



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements

for the year ended March 31, 2024

### 1.1 Corporate Information:

Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited) ("the Company") was incorporated on February 7, 2008. The Company is a 100% subsidiary of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited). PAGAC Ecstasy Pte. Limited is the Ultimate Holding Company of the Company. The registered office is located at 2nd Floor, Office No. 201-203, Zodiac Plaza, Xavier College Road, Off C G Road, Ahmedabad 380009.

The Company is registered as a trading member with National Exchange of India Limited ('NSEIL'), BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited (MSEI), Multi-commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and provides broking services to the clients. The Company is also registered as Depository Participant with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and also registered as Repository Participant with National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL). The Company is registered as Research Analyst with Securities and Exchange Board of India (SEBI) and corporate agent (Composite) with Insurance Regulatory and Development Authority of India (IRDAI). The Company is registered as Point of Presence (PoP) under the National Pension System (NPS) with Pension Fund Regulatory and Development Authority. The Company is also a distributor for various financial products such as Mutual Funds, Bonds, Debentures, Portfolio Management Services (PMS), Structured Products & Alternative Investment fund etc.

### 1.2 Basis of preparation of financial statements

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements have been approved by the Board of Directors of the Company on May 08, 2024.

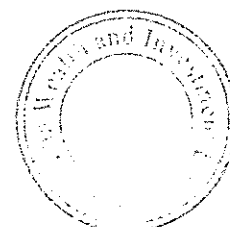
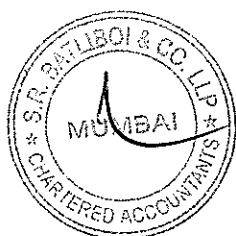
These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value through profit or loss (FVTPL). The financial statements are presented in Indian Rupees (INR) in millions, except when otherwise indicated.

### 1.3 Presentation of financial statements

The Company presents its Balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 37.

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

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



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.3 Presentation of financial statements (*Continued*)

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

#### Material accounting policies

#### 1.4 Financial Instruments

##### a) Date of recognition

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

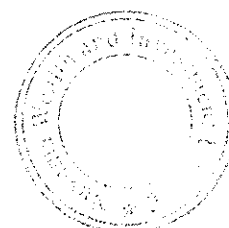
##### b) Initial measurement of financial instruments

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 1.13 Revenue from contracts with customers.

##### c) 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 profit or loss when the inputs become observable, or when the instrument is derecognised.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.5 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]**

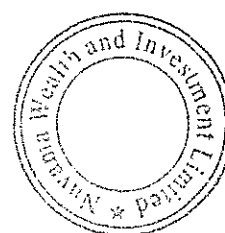
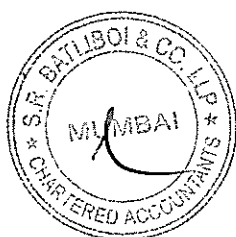
A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

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.



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements

for the year ended March 31, 2024

### 1.6 Financial assets and financial liabilities

#### a) Amortized cost and Effective interest method (EIR)

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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-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.

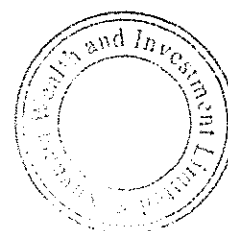
#### b) Financial assets held for trading

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.

#### c) 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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.6 Financial assets and financial liabilities (Continued)

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

##### d) Financial liabilities

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

##### e) Derivative financial instruments

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

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

##### Embedded derivatives

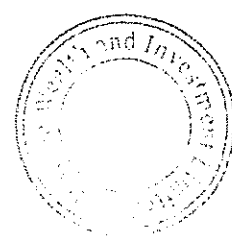
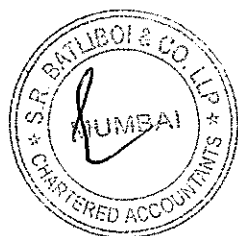
An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise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

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

##### f) 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.

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





## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.6 Financial assets and financial liabilities (Continued)

##### g) 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 a Company entity are recognized at the proceeds received.

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

#### 1.7 Reclassification of financial assets and financial liabilities

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

#### 1.8 Derecognition of financial instruments

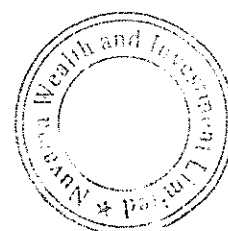
##### a) Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and 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.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss (except for equity instruments measured at FVOCI).



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements

for the year ended March 31, 2024

### 1.8 Derecognition of financial instruments (Continued)

#### b) 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. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

### 1.9 Impairment of financial assets

The Company records allowance for expected credit loss (ECL) for all financial assets, other than financial assets held at FVTPL together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment.

#### 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 (Expected Credit Loss (ECL) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

For ESOP funding and Receivables towards Margin Trading Funding, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month

Expected credit losses (12 month ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

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



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.9 Impairment of financial assets (Continued)

based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its ESOP funding and Receivables towards Margin Trading Funding as follows:

##### Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

##### Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL are recognised.

##### Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For all other financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

##### Significant increase in credit risk

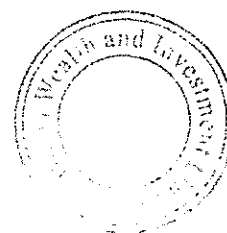
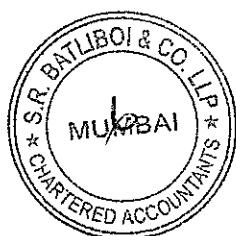
ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the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

##### Impairment of Financial assets

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

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

- PD calculation includes historical data, assumptions and expectations of future conditions.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.9 Impairment of financial assets (Continued)

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

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

#### 1.10 Collateral valuation

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

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

#### 1.11 Write off

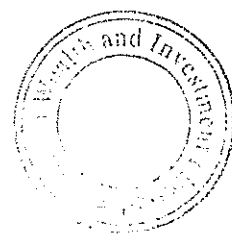
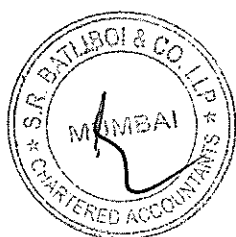
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

#### 1.12 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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.12 Determination of fair value (Continued)

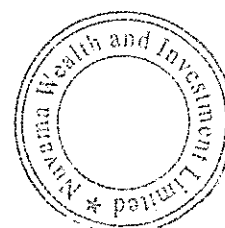
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's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

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments – 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 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.

#### 1.13 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



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.13 Revenue from contract with customer (Continued)

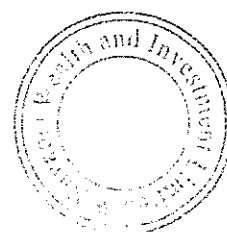
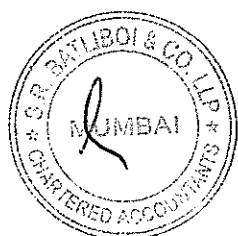
Company excludes the estimates of variable consideration that are constrained. The Company applies the five-step approach for recognition of revenue:

- i) Identification of contract(s) with customers;
- ii) Identification of the separate performance obligations in the contract;
- iii) Determination of transaction price;
- iv) Allocation of transaction price to the separate performance obligations; and
- v) Recognition of revenue when (or as) each performance obligation is satisfied

The Company recognises revenue from the following sources:

- a. Brokerage income is recognised as per contracted rates at the point in time when transaction's performance obligation is satisfied on behalf of the customers on the trade date. Subscription based income is recognised when the performance obligation has been satisfied. Lifetime subscriptions based revenue are recognised at a point in time and other subscriptions are recognised over a period of time based on subscription period.
- b. Depository services income are accounted as follows:
  - Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation.
  - Revenue from depository services on account of transaction charges is recognised point in time when the performance obligation is satisfied.
- c. Fee income including advisory fees, referral fees, commission income, and transaction fees is accounted on an accrual basis as per Ind AS 115 in accordance with the terms and contracts entered into between the Company and the counterparty and presented service transferred at point in time and over time.
- d. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant and upon successful log in of application alongwith payment of initial contribution.
- e. Delayed payment charges (Interest on late payments) are accounted at a point in time of default and on certainty of realisation.
- f. Research services fee income is accounted when there is reasonable certainty as to its receipts.
- g. Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR"). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fee received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.13 Revenue from contract with customer (Continued)

expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

- h. Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.
- i. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

#### 1.14 Leases

##### Company as a lessee:

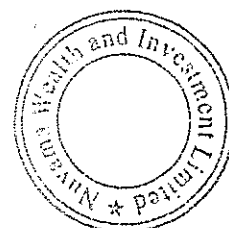
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, 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 of use the underlying assets.

##### Right of Use Asset

The Company recognizes 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 recognized, 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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.14 Leases (Continued)

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.

##### 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.

##### 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.

##### Company as a lessor

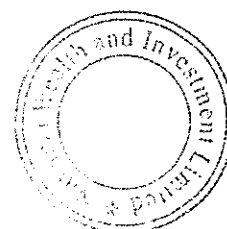
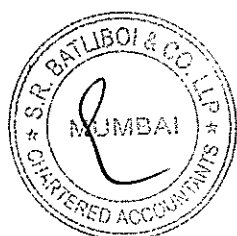
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging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

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

#### 1.15 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 shareholders for the year by the weighted average number of equity shares outstanding for 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.





## **Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

### **Notes to the financial statements**

*for the year ended March 31, 2024*

#### **1.15 Earnings per share (Continued)**

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

#### **1.16 Foreign currency transactions**

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

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

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **1.17 Retirement and other employee benefit**

##### **Provident fund and national pension scheme**

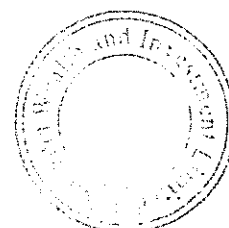
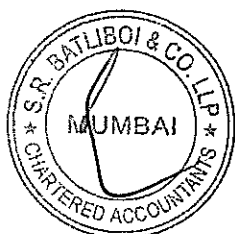
The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

##### **Gratuity**

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.17 Retirement and other employee benefit (Continued)

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

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

#### Compensated Absences

The eligible employees of the 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 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.

#### 1.18 Share-based payment arrangements

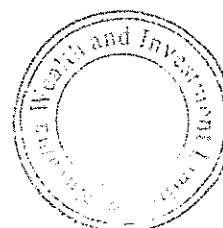
Equity-settled share-based payments to employees by current Holding Company Nuvama Wealth Management Limited (NWML) (formerly known as Edelweiss Securities Limited (ESL)) and by the erstwhile Ultimate Parent Company Edelweiss Financial Service Limited (EFSL) are measured by reference to the fair value of the equity instruments at the grant date.

#### 1.19 Property, plant and equipment and Right of Use Asset

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.

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. In respect of assets sold, depreciation is provided upto 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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.19 Property, plant and equipment and Right of Use Asset (Continued)

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

Nature of assets	Estimated useful life
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers and data processing units – Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible asset recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Right of use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.14. Right of use assets are depreciated on a straight-line basis at the lower of lease term or useful life.

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.

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

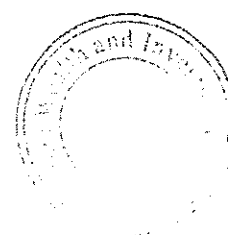
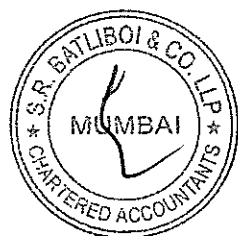
#### 1.20 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangibles such as software is amortized over a period of upto 5 years based on its estimated useful life.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.20 Intangible assets (Continued)

derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

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

Nature of assets	Estimated useful life
Computer software	3 - 5 years

#### Intangible assets under development

Intangible assets under Development includes Software under development.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

#### 1.21 Impairment of non-financial assets

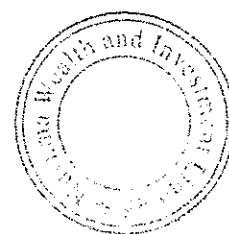
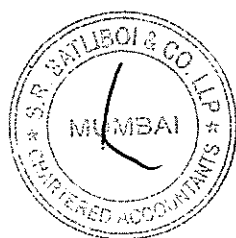
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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.

#### 1.22 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.

#### 1.23 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



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.23 Provisions and other contingent liabilities (Continued)

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 Company 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 statement. 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.

#### 1.24 Income tax expenses

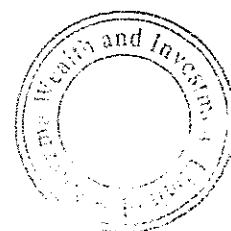
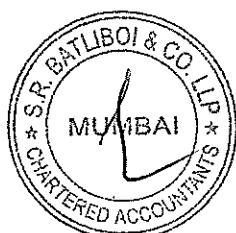
Income tax expense represents the sum of the tax currently payable and deferred tax.

##### a) 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.

##### b) 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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.24 Income tax expenses (Continued)

##### b) Deferred tax (Continued)

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 utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

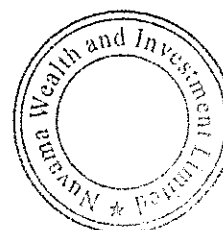
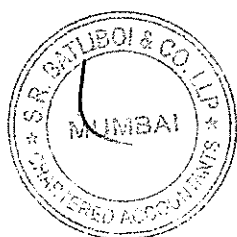
In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.24 Income tax expenses (Continued)

##### c) Policy on Minimum alternate tax ('MAT')

MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the Statement of Profit and Loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

#### 1.25 Critical accounting judgements and key sources of estimation uncertainty

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

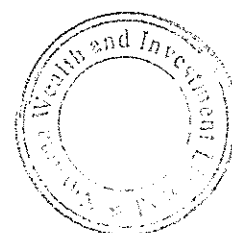
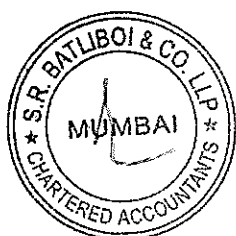
In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

##### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of these assets are compensated.

The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements

for the year ended March 31, 2024

#### 1.25 Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

##### Key sources of estimation uncertainty

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

##### Effective interest rate method

The Company's EIR methodology, as explained in accounting policy 1.13 g, recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of financial instruments and recognizes the effect of characteristics of the product life cycle

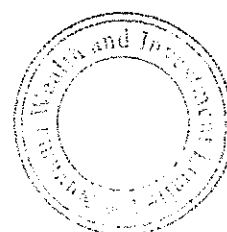
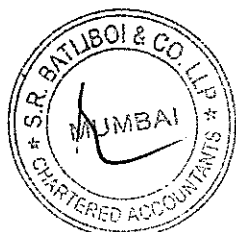
This estimation, by nature, requires an element of judgement regarding the expected behavioral and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

##### 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.





# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements

for the year ended March 31, 2024

### 1.25 Critical accounting judgements and key sources of estimation uncertainty (Continued)

#### Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For detailed note please refer to the accounting policies in section 1.23 "Provisions and other contingent liabilities".

#### Share based payments

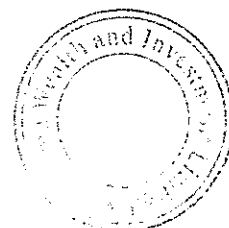
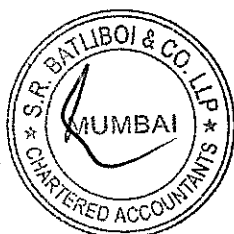
Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share based payments transactions are discussed in the accounting policies in section 1.18 "Share-based payment arrangements".

#### Expected Credit loss ('ECL')

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward looking information. The inputs used and process followed by the Company in determining the ECL have been detailed in the accounting policies in section 1.9 "Impairment of financial assets".

#### Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. For detailed note please refer to the accounting policies in section 1.24b "Deferred tax".



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements

for the year ended March 31, 2024

### 1.25 Critical accounting judgements and key sources of estimation uncertainty (Continued)

#### Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is high sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For detailed note please refer to the accounting policies in section 1.17 "Retirement and other employee benefit".

#### Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee. For detailed note please refer to the accounting policies in section 1.14 "Leases".

### 1.26 Standards issued and effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company applied for the first-time these amendments.

#### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

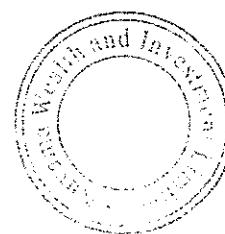
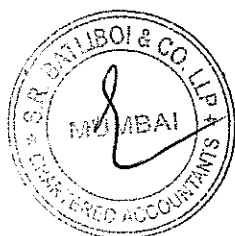
The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

#### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

**Notes to the financial statements**

*for the year ended March 31, 2024*

**1.26 Standards issued and effective (Continued)**

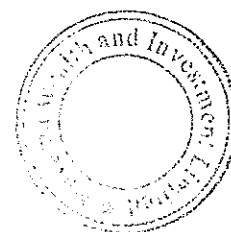
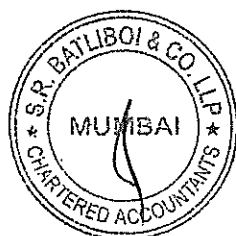
**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

**1.27 Standards notified but not yet effective**

There are no standards that are notified and not yet effective as on the date.

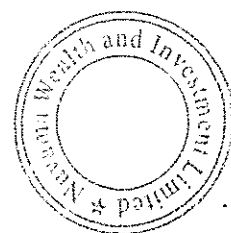
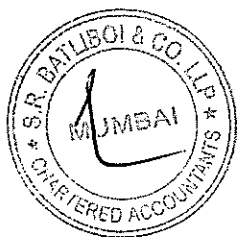


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>2 Cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks - in current accounts	907.34	1,215.48
	<u>907.34</u>	<u>1,215.48</u>
<b>3 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks (refer note 46)	7,555.77	3,463.65
Accrued interest on fixed deposits	144.02	61.02
	<u>7,699.79</u>	<u>3,524.67</u>
<b>4 Derivative financial instruments</b>		
<b>Breakup of Derivative financial instruments</b>		
<b>Fair Value Assets</b>		
Premium paid on outstanding exchange traded options	792.22	1,415.90
Embedded derivatives in market linked debentures (Assets)	463.02	1,708.08
	<u>1,255.24</u>	<u>3,123.98</u>
<b>Fair Value Liabilities</b>		
Premium received on outstanding exchange traded options	244.64	380.29
Embedded derivatives in market-linked debentures (Liabilities)	70.02	-
	<u>314.66</u>	<u>380.29</u>



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

Notes to the financial statements (Continued)

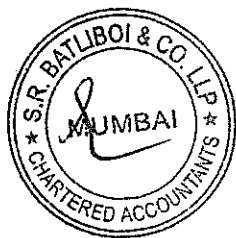
(Currency : Indian rupees in million)

**4a Derivative financial instruments**

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	As at March 31, 2024					
	Unit	Notional *	Fair value Asset	Unit	Notional *	Fair value liability
<b>(i) Embedded derivatives**</b>						
In market linked debentures			463.02			70.02
<b>Subtotal (i)</b>			<b>463.02</b>			<b>70.02</b>
<b>(ii) Equity linked derivatives</b>						
Stock Futures	Numbers	21,03,731	28.20	Numbers	13,07,049	7.78
Options purchased	Numbers	33,79,938	112.78			-
Options sold (written)			-	Numbers	33,06,038	89.13
Less: Offset with Margin			(28.20)			(7.78)
<b>Subtotal (ii)</b>			<b>112.78</b>			<b>89.13</b>
<b>(iii) Index linked derivatives</b>						
Index Futures	Index Units	1,84,745	34.79	Index Units	1,161	0.04
Options purchased	Index Units	2,40,365	679.44			-
Options sold (written)			-	Index Units	3,15,797	153.26
Less: Offset with Margin			(34.79)			(0.04)
<b>Subtotal (iii)</b>			<b>679.44</b>			<b>153.26</b>
<b>(iv) Commodity linked derivatives</b>						
Commodity Futures		-	-	Commodity Units	1,911	0.47
Options purchased		-	-			-
Options sold (written)	Commodity Units		-	Commodity Units	12,948	2.25
Less: Offset with Margin			-			(0.47)
<b>Subtotal (iv)</b>			<b>-</b>			<b>2.25</b>
<b>Total Derivative Financial Instruments</b>		<b>Total</b>	<b>1,255.24</b>		<b>Total</b>	<b>314.66</b>

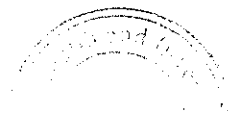
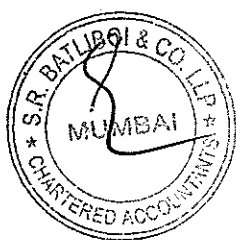


4a Derivative financial instruments (Continued)

Particulars	As at March 31, 2023					
	Unit	Notional *	Fair value Asset	Unit	Notional *	Fair value liability
(i) Embedded derivatives**						
In market linked debentures			1,708.08			-
Subtotal (i)			1,708.08			-
(ii) Equity linked derivatives						
Stock Futures	Numbers	1,03,582	4.11	Numbers	32,925	0.74
Options purchased	Numbers	1,49,107.00	17.18			-
Options sold (written)			-	Numbers	1,49,107	4.28
Less: Offset with Margin			(4.11)			(0.74)
Subtotal (ii)			17.18			4.28
(iii) Index linked derivatives						
Index Futures	Index Units	3,72,200	123.94	Index Units	56,175	11.40
Options purchased	Index Units	9,58,900	1,398.72			-
Options sold (written)			-	Index Units	9,59,650	376.01
Less: Offset with Margin			(123.94)			(11.40)
Subtotal (iii)			1,398.72			376.01
(iv) Commodity linked derivatives						
Commodity Futures			-			-
Options purchased			-			-
Options sold (written)			-			-
Less: Offset with Margin			-			-
Subtotal (iv)			-			-
<b>Total Derivative Financial Instruments</b>		<b>Total</b>	<b>3,123.98</b>		<b>Total</b>	<b>380.29</b>

\* The notional column represents quantity in case of Equity and Index linked derivatives. The notional/ units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

\*\*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

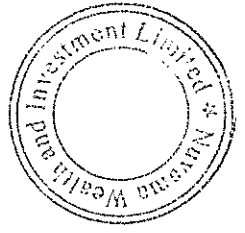
**4b Offsetting**

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

**Financial Assets and Liabilities subject to offsetting, netting arrangements**

As at March 31, 2024	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Assets after consideration of netting potential			
Derivative Assets	62.99	(62.99)	-	-	1,255.24	1,255.24	1,255.24
As at March 31, 2024	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	8.28	(8.28)	-	-	314.66	314.66	314.66
As at March 31, 2023	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	128.04	(128.04)	-	-	3,123.98	3,123.98	3,123.98
As at March 31, 2023	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	12.14	(12.14)	-	-	380.29	380.29	380.29

\*Note: As at the reporting date, mark to market gain on Derivative asset and mark to market loss on derivative liability has been offset with margin placed with Professional clearing member (PCM) and margin placed with Portfolio Management services. Accordingly the same has been presented in the financial statements.



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

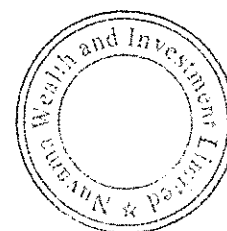
(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>5 Securities held for trading</b>		
<i>(at Fair value through Profit and Loss account, within India)</i>		
Equity shares	351.44	45.86
Mutual fund	664.86	1,228.98
Debt securities	347.52	1,755.16
	<u>1,363.82</u>	<u>3,030.00</u>

Please refer note 44 - Fair value measurement for valuation methodology for securities held for trading.

## 6 Trade receivables

Receivables considered good - Secured	1,253.63	2,590.04
Receivables considered good - Unsecured	3,210.53	2,882.00
Receivables - Credit impaired	155.08	127.72
	<u>4,619.24</u>	<u>5,599.76</u>
<b>Less : Impairment allowance</b>		
Receivables - Considered good - Unsecured	8.59	13.84
Receivables - Credit impaired	155.08	127.72
	<u>4,455.57</u>	<u>5,458.20</u>





**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

**6 Trade receivables (Continued)**

**Reconciliation of impairment allowance on trade receivables:**

Particulars	Amount
Impairment allowance as on April 31, 2022	144.48
Add/ (less): asset originated/ recovered (net)	(2.92)
Impairment allowance as on March 31, 2023	141.56
Add/ (less): asset originated/ recovered (net)	22.11
Impairment allowance as on March 31, 2024	<u>163.67</u>

**Note:**

1) Please refer note 40 - Related Party Disclosure for trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or Private Companies in which directors are partner/ director or a member.

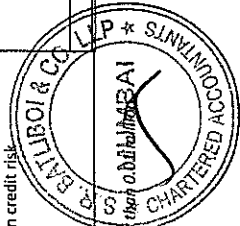
**Trade receivable ageing information**

As at	Unbilled	Not due	Outstanding for following periods from due date of transaction				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
March 31, 2024							
Undisputed Trade receivables	732.75	1,923.44	1,806.65	0.10	1.22	-	4,464.16
- considered good	-	-	-	-	-	-	-
- have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	6.49	25.75	38.90	10.48	135.31
Disputed Trade receivables	-	-	-	-	-	-	-
- considered good	-	-	-	-	-	-	-
- have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	0.01	0.81	19.77
FCL - Simplified approach	-	-	(13.76)	(25.85)	(40.13)	(11.29)	(163.67)
Gross amount	732.75	1,923.44	1,799.38	-	-	-	4,455.57

**Trade receivable ageing information**

As at	Unbilled	Not due	Outstanding for following periods from due date of transaction				Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
March 31, 2023							
Undisputed Trade receivables	496.64	1,698.54	3,276.22	0.05	0.12	0.17	5,472.02
- considered good	-	-	-	-	-	-	-
- have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	5.33	18.63	14.41	12.40	70.57
Disputed Trade receivables	-	-	-	-	-	-	-
- considered good	-	-	0.02	-	-	-	-
- have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired*	-	-	0.00	0.00	0.00	-	6.38
FCL - Simplified approach	-	-	(18.55)	(18.68)	(14.53)	(12.57)	(141.56)
Gross amount	496.64	1,698.54	3,263.02	-	-	-	5,458.20

\*0.00 indicates amounts less than 0.001 million



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>7 Loans</b>		
<i>(At amortised cost, within India)</i>		
ESOP funding	9,269.04	7,983.20
Margin trading facility (MTF)	8,757.77	5,117.74
Total Gross	18,026.81	13,100.94
Less : Impairment allowance	(3.76)	(4.30)
Total Net	18,023.05	13,096.64
<b>i) Secured by tangible assets (Securities)</b>		
ESOP Funding	8,918.32	7,510.49
Margin trading facility	8,757.73	5,115.91
Total (i)	17,676.05	12,626.40
<b>ii) Unsecured</b>		
ESOP Funding	350.72	472.71
Margin trading facility	0.03	1.83
Total (ii)	350.75	474.54
Total Gross (i)+(ii)	18,026.81	13,100.94
Less : Impairment allowance	(3.76)	(4.30)
Total Net	18,023.05	13,096.64
<b><u>Loans in India</u></b>		
Public sector	-	-
Others	18,026.81	13,100.94
Total Gross	18,026.81	13,100.94
Less : Impairment allowance	(3.76)	(4.30)
Total Net	18,023.05	13,096.64

### Notes:

1) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

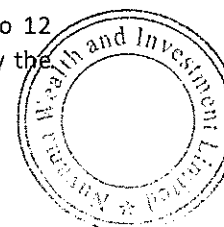
2) There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

3) There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

4) The Company provides ESOP loans to its customers secured by the shares issued under ESOP plan. These loans have a tenure of 12 months from the date of disbursement further extendable for a period upto 12 months as agreed between both the parties and provided the interest dues have been fully serviced by the customer.

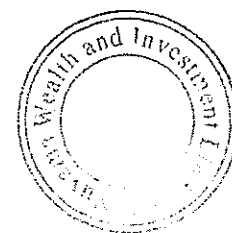
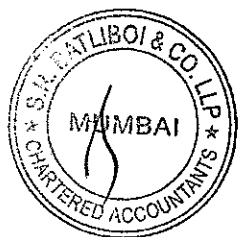


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>8 Other financial assets</b>		
Security deposits - Rent	134.00	113.94
Less: Impairment of rent deposits	(0.14)	(0.14)
Other deposits	6.89	6.79
Less: Impairment on other deposits	(2.06)	(2.06)
Deposits placed with exchange/ depositories	33.58	32.98
Less: Impairment on exchange deposits	(2.08)	(2.08)
Receivable from exchange/ clearing house (net)	954.39	881.55
Margin with exchange/ clearing house	21,978.56	14,809.84
Accrued Interest on Margin placed with clearing house	263.36	126.21
Advances recoverable in cash for value to be received	170.29	30.86
	<b>23,536.79</b>	<b>15,997.89</b>

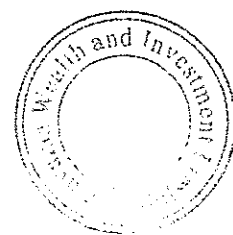
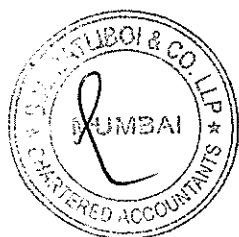


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>9 Current tax assets (net)</b>		
Advance income taxes (net of provision for tax ₹ 463.74 million (P.Y. ₹ 74.12 million))	196.53	160.32
	<u>196.53</u>	<u>160.32</u>
<b>10 Deferred tax assets (net) (refer note 33 c)</b>		
<b>Deferred tax assets</b>		
<u>Trade receivables, Loans, other financial assets and other non financial assets</u>		
Provision for expected credit losses and impairment	97.42	37.79
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	10.20	22.56
<u>Employee benefit obligations</u>		
Provision for compensated absences	6.61	5.07
Lease Liabilities	195.75	117.12
Others	3.58	7.06
	<u>313.56</u>	<u>189.60</u>
<b>Deferred tax liabilities</b>		
<u>Financial instruments</u>		
Fair valuation of securities held for trading/ derivative instruments	14.14	14.52
<u>Borrowings</u>		
Unamortised loan origination costs - EIR on borrowings	22.67	28.77
Right of Use assets	176.57	98.62
	<u>213.38</u>	<u>141.91</u>
<b>Deferred tax assets (net)</b>	<u>100.18</u>	<u>47.69</u>



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

**11. Property, Plant and Equipment**

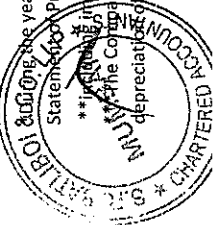
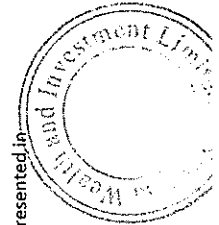
Description of Assets	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at April 1, 2023	Charge for the year*	Disposals during the year	As at March 31, 2024	As at March 31, 2024
Leasehold improvements	77.09	29.45	4.62	44.98	13.29	4.60	53.67	48.25
Furniture and Fixtures	24.71	6.55	1.22	14.70	3.57	1.47	16.80	13.24
Vehicles***	0.26	-	0.01	0.19	0.01	-	0.20	0.05
Office equipment	49.50	8.45	15.63	38.65	6.39	15.25	29.79	12.53
Computers	223.64	9.62	86.78	167.05	24.97	84.06	107.96	38.52
Right of Use assets - leasehold premises (refer note 39 c)	920.65	517.36	31.70	528.83	194.23	18.31	704.75	701.56
<b>Total</b>	<b>1,295.85</b>	<b>571.43</b>	<b>139.96</b>	<b>794.40</b>	<b>242.46</b>	<b>123.68</b>	<b>913.17</b>	<b>814.15</b>

Description of Assets	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at April 1, 2022	Charge for the year**	Disposals during the year	As at March 31, 2023	As at March 31, 2023
Leasehold improvements	60.71	19.21	2.83	31.10	16.65	2.77	44.98	32.11
Furniture and Fixtures	22.87	2.78	0.94	11.59	3.80	0.69	14.70	10.01
Vehicles	2.83	-	2.57	2.43	0.06	2.30	0.19	0.07
Office equipment	44.23	6.36	1.09	32.86	6.81	1.02	38.65	10.85
Computers	206.14	29.09	11.59	151.16	27.06	11.17	167.05	56.59
Right of Use assets - leasehold premises (refer note 39 c)	705.16	276.34	60.85	392.36	161.35	24.88	528.83	391.82
<b>Total</b>	<b>1,041.94</b>	<b>333.78</b>	<b>79.87</b>	<b>621.50</b>	<b>215.73</b>	<b>42.83</b>	<b>794.40</b>	<b>501.45</b>

During the year the Company has recovered depreciation and amortisation amounting to ₹ 19.26 million for usage of Property, plant and equipment from its group companies. Net depreciation cost ₹ 223.20 million is represented in Statement of Profit & Loss. (refer note 40)

\*\*\* Impairment provision : Nil (P.Y. provision for Furniture and Fixtures ₹ 0.53 million, Office equipment ₹ 0.87 million and computers ₹ 1.70 million)

\*\* The Company uses its property, plant and equipment carrying value as its deemed cost as of the transition date i.e. April 01, 2017. Gross Block amount of vehicles sold during the year was ₹ 0.28 million and accumulated depreciation of ₹ 0.29 million, accordingly shown in the financial statement.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

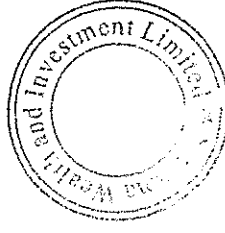
(Currency : Indian rupees in million)

**12. Intangible Assets**

Description of Assets	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at April 1, 2023	Charge for the year	Disposals during the year	As at March 31, 2024	As at March 31, 2024
Software	251.12	228.25	-	121.07	89.60	-	210.67	268.70
<b>Total</b>	<b>251.12</b>	<b>228.25</b>	<b>-</b>	<b>121.07</b>	<b>89.60</b>	<b>-</b>	<b>210.67</b>	<b>268.70</b>

Description of Assets	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at April 1, 2022	Charge for the year	Disposals during the year	As at March 31, 2023	As at March 31, 2023
Software	234.11	17.01	-	73.55	47.52	-	121.07	130.05
<b>Total</b>	<b>234.11</b>	<b>17.01</b>	<b>-</b>	<b>73.55</b>	<b>47.52</b>	<b>-</b>	<b>121.07</b>	<b>130.05</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 13 Intangible assets under development

As at March 31, 2024

A)	Particulars	Amount in Intangible assets under development for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
	Projects in progress	40.96	23.31	1.80	-	66.07

B) For intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule :

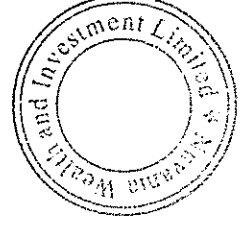
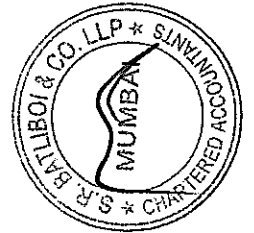
Software development projects in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	45.78	-	-	-
Total	45.78	-	-	-

As at March 31, 2023

A)	Particulars	Amount in Intangible assets under development for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
	Projects in progress	129.79	91.29	-	-	221.08

B) For intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule :

Software development projects in progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	221.08	-	-	-
Total	221.08	-	-	-



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

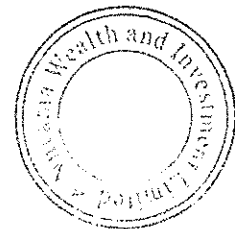
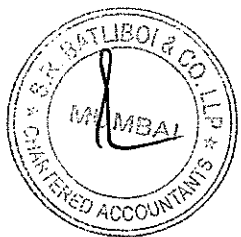
## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>14 Other non-financial assets</b>		
<i>(Unsecured Considered good, unless stated otherwise)</i>		
Deposits	10.79	9.46
Prepaid expenses	57.91	78.00
Vendor Advances	33.93	51.63
Advances recoverable in kind for value to be received	6.00	5.58
Advances to employees	2.35	1.80
Client receivables	215.38	215.38
Less: Impairment provision on client receivables (refer Note below)	(215.38)	-
	-	215.38
	<b>110.98</b>	<b>361.85</b>

**Note :**

Impairment on financial instruments includes provision amounting to ₹ 215.38 million for the year ended March 31, 2024 towards an ongoing dispute.





**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

As at  
March 31, 2024

As at  
March 31, 2023

**15 Trade Payables**

Total outstanding dues of micro enterprises and small enterprises (MSME)

67.85 37.07

Total outstanding dues to creditors other than micro enterprises and small enterprises

17,849.77 13,101.12

**17,917.62 13,138.19**

As at March 31, 2024 Particulars	Outstanding for following periods from due date of transactions				Total
	Unbilled	Less than 1 year	1-2 years	2-3 years more than 3 years	
MSME	59.10	8.75	-	-	67.85
Others	1,105.84	16,681.69	44.98	6.91	17,849.50
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others*	-	0.00	0.01	0.26	0.27
<b>Total</b>	<b>1,164.94</b>	<b>16,690.44</b>	<b>44.99</b>	<b>7.17</b>	<b>17,917.62</b>

As at March 31, 2023 Particulars	Outstanding for following periods from due date of transactions				Total
	Unbilled	Less than 1 year	1-2 years	2-3 years more than 3 years	
MSME	35.59	1.48	-	-	37.07
Others	1,179.62	11,881.79	20.83	4.33	13,099.93
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	1.02	0.17	-	1.19
<b>Total</b>	<b>1,215.21</b>	<b>11,884.29</b>	<b>21.00</b>	<b>4.33</b>	<b>13,138.19</b>

Trade Payables includes ₹ 67.85 million for year ended March 31, 2024 (P.Y. ₹ 37.07 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/ is payable by the Company during the year to "Suppliers" registered under this Act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

\* 0.00 indicates amounts less than 0.01 million



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>16 Debt securities</b>		
<i>(At amortised cost, within India)</i>		
<b><u>Secured</u></b>		
<b>Non-convertible redeemable debentures</b>		
Privately Placed Non-convertible debentures (Pari-Passu charge by way of hypothecation on all Current Assets (excluding receivables and securities held on account and behalf of the clients and the Company has pledged Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited) equity shares held by Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited ) i.e. Holding Company. The Company is maintaining asset cover of 1x or such higher asset covered required as per terms of offer document/ Information Memorandum.)	13,637.56	11,582.84
Public issue Non-convertible redeemable debentures [variable rate of interest] <i>(refer note below)</i> (The Company has pledged Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) equity shares held by Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) i.e. Holding Company. The Company is maintaining asset cover of 1x or such higher asset covered required as per terms of offer document/ Information Memorandum.)	3,043.40	2,977.42
<b><u>Unsecured</u></b>		
Commercial paper	7,010.00	7,210.00
Less : Unamortised discount	(204.10)	(131.57)
	6,805.90	7,078.43
	23,486.86	21,638.69



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

16a Maturity profile and rate of interest of debt securities are set out below:

### Privately Placed Non-convertible debentures (refer note below) :

Month	As at Mach 31, 2024	As at March 31, 2023
Jan-24	-	870.83
Mar-24	-	589.13
Jan-25	94.71	35.03
Mar-25	169.36	155.20
Apr-25	20.45	18.68
May-25	68.44	62.43
Jun-25	185.87	170.03
Jul-25	1,105.58	1,012.47
Aug-25	1,236.74	1,132.01
Sep-25	1,793.93	1,645.57
Oct-25	2,022.74	1,857.54
Nov-25	1,885.63	1,536.08
Dec-25	1,433.62	1,318.54
Apr-26	419.01	387.26
May-26	436.53	403.65
Jun-26	419.83	388.38
Jan-27	890.61	-
Apr-27	285.82	-
May-27	298.29	-
Jun-27	121.14	-
Aug-27	749.26	-
	<b>13,637.56</b>	<b>11,582.84</b>

### Public issue Non-convertible redeemable debentures

Month	Rate of interest	As at March 31, 2024	As at March 31, 2023
Jul-24	8.75%	419.88	419.88
Jul-25	from 8.80% to 9.15%	1,236.46	1,236.46
Jul-27	from 9.16% to 9.55%	846.08	846.08
Jul-32	from 9.53% to 9.95%	478.02	478.02
Add : Interest accrued**		144.09	111.29
Less : Unamortised Effective Interest Rate (EIR)		(81.13)	(114.31)
		<b>3,043.40</b>	<b>2,977.42</b>

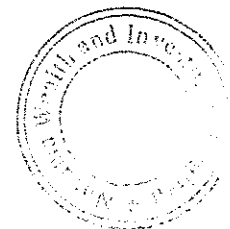
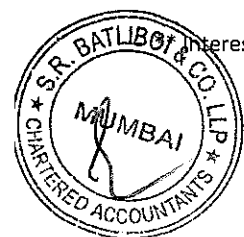
#### Note:

#### Details of Market linked debentures:

Market linked debentures are secured by pari passu charge, as the case may be, on all Current Assets (excluding Receivables and securities held on account and behalf of the clients and Secured by charge over the shares of Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited) held by Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)).

In case of market linked debentures, the interest rate is linked to the performance of the underlying benchmark and is fluctuating in nature.

Interest accrued but not due is payable on next interest payment date for respective ISINs.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

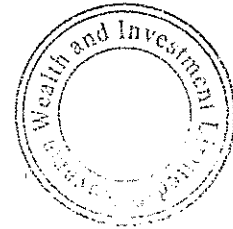
**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

16a Maturity profile and rate of interest of debt securities are set out below (Continued):

Commercial paper

Month	Rate of Interest	As at March 31, 2024	As at March 31, 2023
Apr-23	8.50%		400.00
May-23	from 8.25% to 9.25%		3,000.00
Jun-23	from 7.80% to 9.00%		2,160.00
Jul-23	from 7.80% to 9.00%		1,100.00
Feb-24	8.65%		500.00
Mar-24	8.30%		50.00
Apr-24	9.45%	1,000.00	-
May-24	from 9.45% to 9.60%	1,620.00	-
Jun-24	9.63%	590.00	-
Aug-24	8.40%	50.00	-
Sep-24	from 9.58% to 9.75%	2,500.00	-
Oct-24	9.75%	1,250.00	-
Less: Unamortised Discount		(204.10)	(131.57)
		<b>6,805.90</b>	<b>7,078.43</b>

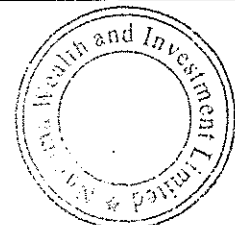
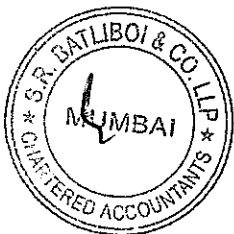


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>17 Borrowings (other than debt securities)</b> (At amortised cost, within India)		
<b>Short-term borrowings</b>		
<b><u>Secured</u></b>		
Term loans from Financial Institutions other than bank (Secured by charge on MTF loans and corporate guarantee from Holding Company) (Interest rate ranging from 9.25% to 9.50% p.a. (P.Y. : Nil))	1,102.65	-
Term loans from Banks (Secured by charge on trade receivables and MTF loans, fixed deposits and corporate guarantee from Holding Company) (Interest rate ranging from 8.30% to 9.52% p.a. (P.Y. : 7.50% to 10.25% p.a.))	2,757.44	2,226.01
<b><u>Unsecured</u></b>		
Bank overdraft (Interest rate ranging from 8.95% to 10.30% p.a. (P.Y. : 8.60% p.a.))	1,765.45	792.44
Term loan from Banks (Interest rate ranging from 8.30% to 9.52% p.a. (P.Y. : 8.20% p.a.))	501.49	200.72
Related party borrowings	3.60	3.04
(The above facilities are to be repayable or renewable within a year i.e. 12 months)		
	<b>6,130.63</b>	<b>3,222.21</b>
<b>18 Other financial liabilities</b>		
Book overdraft	18.05	0.00
Accrued salaries and benefits	591.34	360.53
Deposits from sub-brokers	121.54	130.67
Retention money payable	1.42	0.58
Advances from customers	-	91.55
Lease Liabilities (refer note 39 c)	777.79	465.34
Other payables	23.45	26.42
	<b>1,533.59</b>	<b>1,075.09</b>



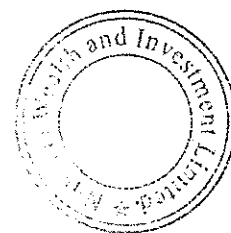
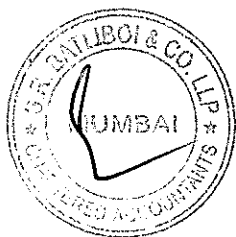
# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>19 Current tax liabilities (net)</b>		
Provision for taxation (Net of Tax Deducted as Source and advance tax ₹ 532.17 million (P.Y.: ₹ 378.39 million))	125.77	8.90
	<u>125.77</u>	<u>8.90</u>
<b>20 Provisions</b>		
Provision for employee benefits		
Gratuity (refer note 36)	11.51	15.04
Compensated leave absences	26.28	20.13
	<u>37.79</u>	<u>35.17</u>
<b>21 Other non-financial liabilities</b>		
Amount received in advance	427.24	401.22
Statutory dues*	207.25	183.88
Others	0.53	0.64
	<u>635.02</u>	<u>585.74</u>

\* includes withholding taxes, provident fund, profession tax and other statutory dues payables.

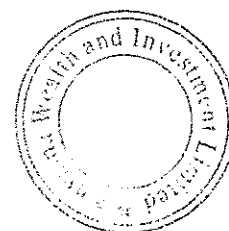
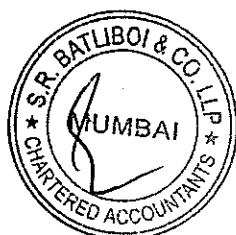


**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>22 Equity share capital</b>		
<b>Authorised:</b>		
463,300,000 (P.Y. 463,300,000) Equity Shares of ₹ 10 each	4,633.00	4,633.00
10,000,000 (P.Y. 10,000,000) Preference Shares of ₹ 10 each	100.00	100.00
	<u>4,733.00</u>	<u>4,733.00</u>
<b>Issued, subscribed and paid up:</b>		
430,454,000 (P.Y. 430,454,000) Equity shares of ₹ 10 each, fully paid-up	4,304.54	4,304.54
	<u>4,304.54</u>	<u>4,304.54</u>
<b>a. Movement in share capital :</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>Amount</b>	<b>Amount</b>
Outstanding at the beginning of the year	4,304.54	4,304.54
Shares issued during the year	-	-
Outstanding at the end of the year	<u>4,304.54</u>	<u>4,304.54</u>
<b>b. Terms/ rights attached to equity shares :</b>		
The Company has only one class of equity shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>c. Shares held by the Holding Company :</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>%</b>	<b>%</b>
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited), and its nominees	100%	100%
	<u>100%</u>	<u>100%</u>
<b>d. Details of shares held by Promoters :</b>		
	<b>As at March 31, 2024</b>	
	<b>No of shares (including shares held by nominees)</b>	<b>% holding</b>
		<b>% change during the year</b>
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)	43,04,54,000	100%
PAGAC Ecstasy Pte. Limited (Ultimate Holding Company)	-	-
		0%
		-
	<b>As at March 31, 2023</b>	
	<b>No of shares (including shares held by nominees)</b>	<b>% holding</b>
		<b>% change during the year</b>
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)	43,04,54,000	100%
PAGAC Ecstasy Pte. Limited (Ultimate Holding Company)	-	-
		100%
		-

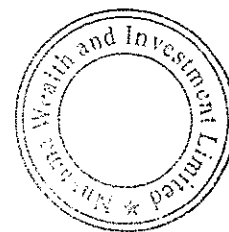


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>23 Other Equity</b>		
a) Securities premium account - Opening balance	599.70	599.70
Add : Additions during the year	-	-
	<u>599.70</u>	<u>599.70</u>
b) Debenture Redemption Reserve - Opening balance	207.83	207.83
Less : Reduction on account of redemption of Privately Placed Non-convertible debentures during the year	(74.90)	-
	<u>132.93</u>	<u>207.83</u>
c) Deemed capital contribution - ESOP	39.42	39.42
Less : Transfer to Retained Earnings	(39.42)	-
	<u>-</u>	<u>39.42</u>
d) Retained earnings - Opening Balance	1,633.53	187.30
Add: Reversal of ESOP cost on cancellation / lapsed	53.01	31.29
Add: Deemed capital contribution - ESOP	39.42	-
Add: Transfer from Debenture Redemption Reserve	74.90	-
Add: Profit for the year	1,776.99	1,422.37
Add: Other comprehensive income for the year	1.25	(7.43)
Amount available for appropriation	<u>3,579.10</u>	<u>1,633.53</u>
<b>Total (a + b + c + d)</b>	<u><u>4,311.73</u></u>	<u><u>2,480.48</u></u>



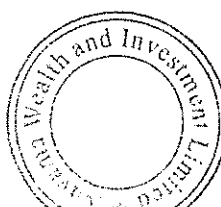
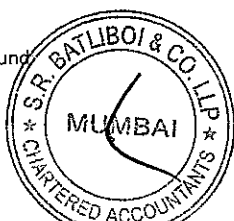


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended March 31, 2024	for the year ended March 31, 2023
<b>24 Interest Income</b> (On Financial assets measured at amortised cost)		
On ESOP funding	1,093.31	560.49
On Margin Trading Facility	897.12	781.95
On fixed deposits with banks	368.93	203.73
On margin with brokers	1,051.58	669.54
On delayed payment	109.89	88.59
Others	4.27	2.62
	<u>3,525.10</u>	<u>2,306.92</u>
<b>24 a Dividend Income</b>		
Dividend on Securities held for trading	0.31	-
	<u>0.31</u>	<u>-</u>
<b>25 Rental Income</b>		
Rental Income	-	29.08
	<u>-</u>	<u>29.08</u>
<b>26 Fee and commission income</b>		
Income from Broking	3,878.10	2,975.52
Advisory and other fees	6,648.61	6,328.87
	<u>10,526.71</u>	<u>9,304.39</u>
Below is the disaggregation of the revenue from contracts with customers:		
<b>Geographical markets</b>		
Within India	10,526.71	9,304.39
Outside India	-	-
<b>Total revenue from contract with customers</b>	<u>10,526.71</u>	<u>9,304.39</u>
<b>Timing of revenue recognition</b>		
Service transferred at a point in time	10,445.24	9,170.49
Service transferred over time	81.47	133.90
<b>Total revenue from contract with customers</b>	<u>10,526.71</u>	<u>9,304.39</u>
<b>27 Net gain on fair value changes at FVTPL</b>		
<b>Securities held for trading</b>		
Profit on trading of securities held for trade (net)	710.64	326.01
Profit on equity derivative instruments (net)	47.36	158.60
<b>Total Net gain on fair value changes</b>	<u>758.00</u>	<u>484.61</u>
<b>Fair value changes:</b>		
Realised	759.53	426.91
Unrealised	(1.53)	57.70
<b>Total Net gain on fair value changes</b>	<u>758.00</u>	<u>484.61</u>
<b>28 Other income</b>		
Interest on Income tax refund	-	3.49
Miscellaneous income	13.50	27.78
	<u>13.50</u>	<u>31.27</u>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

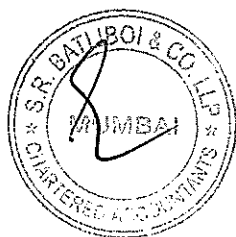
## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended March 31, 2024	for the year ended March 31, 2023
<b>29 Finance costs</b>		
<i>(On Financial liabilities measured at amortised cost)</i>		
Interest on term loan	59.14	-
Interest on bank overdraft	43.26	34.50
Interest on loan from group companies	49.76	124.72
Interest on term loan from banks	299.90	153.48
Cost of Market linked debentures	968.63	569.28
Discount on commercial paper	714.61	388.14
Interest on Public issue Non-convertible debentures	312.66	217.54
Financial and bank charges	81.80	46.58
Interest on Margin	-	3.00
Interest Expenses on lease liabilities	51.56	46.46
Interest - others	2.00	1.10
	<b>2,583.32</b>	<b>1,584.80</b>
<b>30 Impairment on financial instruments</b>		
<i>(On Financial instruments measured at amortised cost)</i>		
Bad-debts written off/ (written back) (net)	6.10	(1.18)
Provision for expected credit losses - Trade receivables, Loans	21.58	(0.28)
Impairment on other financial assets	-	1.60
Impairment on client receivables	215.38	-
	<b>243.06</b>	<b>0.14</b>
<b>31 Employee benefit expenses</b>		
Salaries and wages	4,234.80	3,425.69
Contribution to provident and other funds (refer note 36)	172.96	156.04
Expense on Employee Stock Option Scheme (ESOP)*	110.66	87.71
Staff welfare expenses (refer note 47)	188.50	121.34
Expense on Employee Stock Appreciation Rights (SAR)*	10.11	7.97
	<b>4,717.03</b>	<b>3,798.75</b>

\*Edelweiss Financial Services Limited ('EFSL') being erstwhile Ultimate Parent Company, has granted an ESOP/Stock appreciation rights (SAR) option to acquire equity shares of EFSL that would vest in a graded manner to the Company's employees. Based on policy/ arrangement, EFSL has charged the fair value of such stock options, and the Company has accepted such cross charge and recognised the same under the employee cost.

\*Nuvama Wealth Management Limited ('NWML') (Formerly known as Edelweiss Securities Limited ('ESL')), the Holding Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, NWML has granted an ESOP option to acquire equity shares of NWML that would vest in a graded manner to company's employees. NWML has charged to the Company and the Company has recognised such cost amounting to ₹ 102.04 million in the Statement of Profit and Loss.

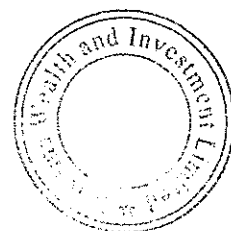


# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended March 31, 2024	for the year ended March 31, 2023
<b>32 Other expenses</b>		
Advertisement and business promotion (refer note 47)	192.31	255.51
Auditors' remuneration (refer note 32 a )	7.98	6.14
Clearing & custodian charges	140.72	93.07
Communication (refer note 47)	66.03	64.56
Computer expenses (refer note 47)	384.27	504.22
Computer software (refer note 47)	258.72	353.67
Corporate social responsibility (refer note 32 b )	21.72	6.91
Dematerialisation charges	54.10	42.56
Directors' sitting fees	2.96	0.70
Donation	1.25	0.02
Electricity charges (refer note 47)	24.37	25.19
Foreign exchange loss (net)	0.26	0.07
Goods & Service tax expenses	19.44	47.44
Insurance	5.05	4.82
Legal and professional fees	161.60	181.57
Loss/ (Profit) Loss on sale of property, plant and equipment and intangible assets (net)	2.47	(0.47)
Membership and subscription	28.80	16.27
Miscellaneous expenses	0.97	2.84
Office expenses (refer note 47)	87.32	255.22
Outside Services Cost (refer note 47)	148.26	150.98
Postage and courier	13.64	16.89
Printing and stationery (refer note 47)	12.22	11.87
Rates and taxes	1.08	1.07
Rating support fees	4.23	3.74
Referrals and commissions	2,427.18	2,207.59
Rent (refer note 47)	213.77	164.29
Repairs and maintenance (refer note 47)	13.24	11.21
ROC Expenses	0.05	0.07
Securities transaction tax	41.90	15.68
Seminar and Conference	6.08	5.73
Stamp duty	16.17	22.64
Stock exchange expenses	44.02	44.80
Travelling and conveyance	181.82	135.61
	<b>4,584.00</b>	<b>4,652.48</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

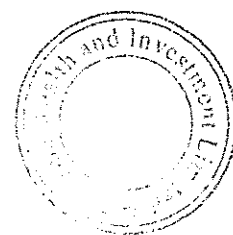
(Currency : Indian rupees in million)

	for the year ended March 31, 2024	for the year ended March 31, 2023
<b>32 a Auditors' remuneration</b>		
<b>As a Auditor</b>		
Statutory audit	6.05	4.60
Other services	-	0.60
Certification work	1.57	0.76
Towards reimbursement of expenses	0.36	0.18
	<u>7.98</u>	<u>6.14</u>

Note : In addition to above, during the previous year ended March 31, 2023, the Company has paid an amount of ₹ 5.56 million to statutory auditors towards certification fees for Public issue of Non Convertible Debentures. The fees paid to the statutory auditors has been amortised as over the Non Convertible redeemable debentures period and the same has been considered in calculation of Effective Interest Rate ('EIR').

### 32 b Details of Corporate Social responsibility ('CSR') activities

a. Gross amount required to be spent by the Company during the year	<u>21.72</u>	<u>6.91</u>
	<u>21.72</u>	<u>6.91</u>
b. Amount spent during the year		
i) Construction / acquisition of any asset	-	-
ii) On purpose other than above	<u>21.72</u>	<u>6.91</u>
	<u>21.72</u>	<u>6.91</u>



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

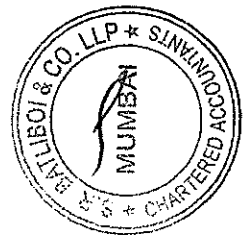
**33 Income Tax**

**a Components of income tax expense**

Particulars	March 31, 2024	March 31, 2023
Current tax	659.85	387.29
Deferred tax relating to origination and reversal of temporary differences	(52.50)	379.90
Deferred tax asset recognised on unused tax credit/ unused tax losses/ utilisation of the same	-	(332.72)
<b>Total tax charge</b>	<b>607.35</b>	<b>434.47</b>
Current tax	659.85	387.29
Deferred tax	(52.50)	47.18

**b Reconciliation of total tax charge**

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax as per Financial statements	2,384.34	1,856.84
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	600.09	467.33
Adjustment in respect of current income tax of prior years	2.33	-
<b>Effect of non-deductible expenses:</b>		
Penalties	0.00	0.02
Effect of non-deductible expenses	5.78	1.74
Adjustment in respect of current income tax pertains to previous years	(0.85)	(34.62)
<b>Tax charge for the year recorded in the Statement of Profit and Loss</b>	<b>607.35</b>	<b>434.47</b>



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

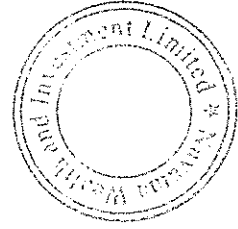
**33 Income Tax (Continued)**

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

	Movement for the year ended March 31, 2024		
	Opening deferred tax asset / (liability)	Recognised in statement of profit and loss	Closing deferred tax asset / (liability)
<i>Deferred taxes in relation to:</i>			
Property, Plant and Equipment and Intangibles	22.56	(12.36)	10.20
Securities held for trading/ derivative instruments	(14.52)	0.38	(14.14)
ECL provision on Trade receivables, Loans and impairment provision on other financial assets, other non financial assets	37.79	59.63	97.42
Employee benefits obligations	5.07	1.54	6.61
Borrowings - Unamortised loan origination costs - EIR on borrowings	(28.77)	6.10	(22.67)
Lease Liabilities	117.12	78.64	195.76
Right of Use assets	(98.62)	(77.96)	(176.58)
Others	7.06	(3.48)	3.58
<b>Total</b>	<b>47.68</b>	<b>52.50</b>	<b>100.18</b>

	Movement for the year ended March 31, 2023		
	Opening deferred tax asset / (liability)	Recognised in statement of profit and loss	Closing deferred tax asset / (liability)
<i>Deferred taxes in relation to:</i>			
Property, Plant and Equipment and Intangibles	27.53	(4.96)	22.56
Securities held for trading/ derivative instruments	(22.88)	8.35	(14.52)
ECL provision on Trade receivables, Loans and impairment provision on other financial assets, other non financial assets	37.45	0.34	37.79
Employee benefits obligations	6.69	(1.62)	5.07
Borrowings - Unamortised loan origination costs - EIR on borrowings	-	(28.77)	(28.77)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	19.86	(19.86)	-
Lease Liabilities	101.98	15.14	117.12
Right of Use assets	(78.73)	(19.89)	(98.62)
Others	2.97	4.09	7.06
<b>Total</b>	<b>94.87</b>	<b>(47.18)</b>	<b>47.68</b>

	March 31, 2024	March 31, 2023
<b>Break-up of recognition of current tax</b>	<b>659.85</b>	<b>387.29</b>
In statement of Statement of Profit and Loss		



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

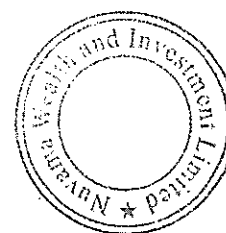
(Currency : Indian rupees in million)

#### 34 Earnings per share

The computation of earnings per share is set out below:

Particulars	March 31, 2024	March 31, 2023
Profit for the year (as per statement of profit and loss)	1,776.99	1,422.37
Calculation of weighted average number of equity shares of ₹ 10		
– Number of shares at the beginning of the year	43,04,54,000	43,04,54,000
– Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	43,04,54,000	43,04,54,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	43,04,54,000	43,04,54,000
Basic and Diluted earnings per share (Amount in Indian rupees)	4.13	3.30

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



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 35 Segment reporting (Continued)

#### Reportable segments

During the previous year ended March 31, 2023, the underlying businesses of the reportable segments, namely 'Agency business' and 'Financing business' were reclassified into two new reportable segments, namely 'Wealth Management' & 'Capital Based Business'. The said reclassification of business segments was based on internal review of businesses carried out by the Chief Operating Decision Maker (CODM) post the internal restructuring exercise carried out by the Company. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the CODM.

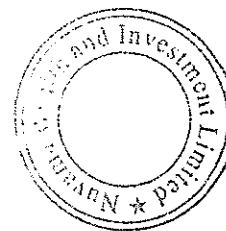
An operating segment is classified as reportable segment if reported revenue or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

Accordingly the Company is considered to operate only in Wealth Management Business. Capital Markets does not exceed revenue or assets exceeding 10% or more of the combined total of all the operating segments.

Revenue contributed by any single customer in any of the operating segments whether reportable or otherwise does not exceed 10% of the Company's total revenue.

The following table gives information as required under the Indian Accounting Standard -108 on Segment Reporting:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I</b>	<b>Segment Revenue</b>		
	Wealth management	14,419.28	11,929.78
	Unallocated	404.34	226.49
	<b>Total Income</b>	<b>14,823.62</b>	<b>12,156.27</b>
<b>II</b>	<b>Segment Result</b>		
	Wealth management	2,851.60	2,237.86
	Unallocated	(467.26)	(381.00)
	<b>Total</b>	<b>2,384.34</b>	<b>1,856.84</b>
Particulars		As at March 31, 2024	As at March 31, 2023
<b>III</b>	<b>Segment assets</b>		
	Wealth management	58,499.15	46,469.20
	Unallocated	299.06	450.59
	<b>Total</b>	<b>58,798.21</b>	<b>46,919.80</b>
<b>IV</b>	<b>Segment liabilities</b>		
	Wealth management	49,847.60	39,713.73
	Unallocated	333.24	370.55
	<b>Total</b>	<b>50,180.84</b>	<b>40,084.28</b>





## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 36 Disclosure pursuant to Ind AS 19 - Employee benefits

##### A) Defined contribution plan (Provident fund):

Amount of ₹ 133.84 million (P.Y.: ₹ 117.26 million) is recognized as expense and included in "Employee benefit expenses" – refer note 31 to the statement of Profit and Loss.

##### B) Defined benefit plan (Gratuity):

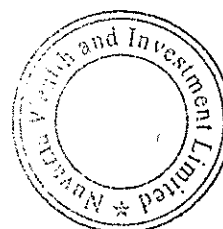
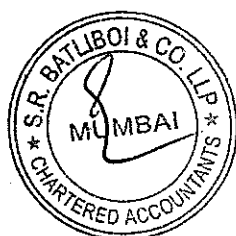
The following tables summarize the components of the net benefit expenses recognized in the statement profit and loss, the funded status and amounts recognized in the statement of assets and liabilities for the gratuity benefit plan.

##### Expenses recognised in the statement of profit and loss

	March 31, 2024	March 31, 2023
<i>Service cost</i>		
a. Current service cost	29.71	32.17
b. Past service cost	-	-
c. Net interest on net defined benefit liability	1.08	1.50
<b>Employer expenses</b>	<b>30.79</b>	<b>33.67</b>

##### Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2024	March 31, 2023
<b>Present value of DBO at start of the year</b>	<b>231.39</b>	<b>207.60</b>
<i>Service cost</i>		
a. Current service cost	29.71	32.17
b. Past service cost	-	-
Interest cost	16.99	11.54
Benefits paid	(25.43)	(31.15)
<i>Re-measurements</i>		
a. Actuarial loss from changed in demographic assumptions	-	(6.95)
b. Actuarial (gain)/ loss from changed in financials assumptions	1.48	(11.07)
c. Actuarial loss/ (gain) from experience over last past year	13.26	23.10
Transfer in	7.82	6.15
<b>Present value of DBO at end of the year</b>	<b>275.22</b>	<b>231.39</b>



Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

36 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Reconciliation of fair value of plan assets

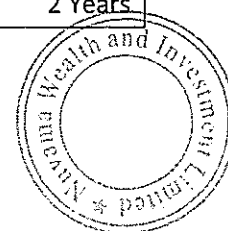
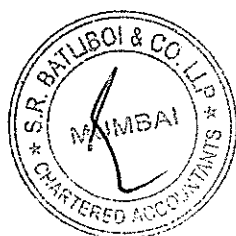
	March 31, 2024	March 31, 2023
<b>Fair value of plan assets at start of the year</b>	<b>216.35</b>	163.66
<i>Contributions by employer</i>	<b>40.47</b>	76.15
Benefits paid	<b>(25.43)</b>	(31.15)
Interest income plan assets	<b>15.91</b>	10.03
<i>Re-measurements</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability/ (asset)	<b>16.41</b>	(2.34)
<b>Fair value of plan assets at end of the year</b>	<b>263.71</b>	216.35
<i>Actual return on plan assets</i>	<b>32.32</b>	7.70
<i>Expected employer contributions for the coming year</i>	<b>11.50</b>	15.00

Net (asset)/ liability recognised in the Balance Sheet:s

	March 31, 2024	March 31, 2023
Present value of DOB	<b>275.22</b>	231.39
Fair value of plan assets	<b>263.71</b>	216.35
Net Liability/ (Asset)	<b>11.51</b>	15.04
Funded Status [Surplus/ (Deficit)]	<b>(11.51)</b>	(15.04)

Actuarial assumptions:

	March 31, 2024	March 31, 2023
Salary growth rate (% p.a.)	<b>7% p.a.</b>	7% p.a.
Discount rate (% p.a.)	<b>6.9% p.a.</b>	7.10% p.a.
Withdrawal rate (% p.a.)		
<i>Senior</i>	<b>35% p.a.</b>	35% p.a.
<i>Middle</i>	<b>35% p.a.</b>	35% p.a.
<i>Junior</i>	<b>35% p.a.</b>	35% p.a.
Mortality	<b>IALM 2012-14 (Ultimate)</b>	IALM 2012-14 (Ultimate)
Interest rate on net DBO/ (asset) (% p.a.)	<b>7.1% p.a.</b>	5.40 % p.a.
Weighted average duration of the obligation	<b>2 Years</b>	2 Years



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency: Indian rupees in million)

**36 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)**

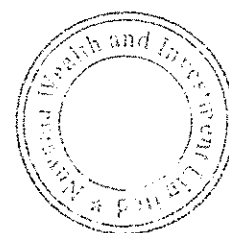
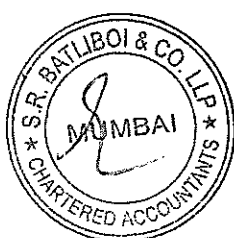
**Movement in Other Comprehensive Income**

	March 31, 2024	March 31, 2023
<b>Balance at start of year loss</b>	<b>(29.14)</b>	<b>(21.72)</b>
<i>Re-measurements on DBO</i>		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	6.95
b. Actuarial (Loss)/ Gain from changes in financial assumptions	<b>(1.48)</b>	11.07
c. Actuarial (loss)/gain from experience over last past year	<b>(13.26)</b>	(23.10)
<i>Re-measurements on plan assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	<b>16.41</b>	(2.34)
<i>Re-measurements on Asset Ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
<b>Balance at end of year loss</b>	<b>(27.47)</b>	<b>(29.14)</b>

**Sensitivity Analysis**

<b>DOB increases / (decreases ) by</b>	March 31, 2024	March 31, 2023
1 % Increase in salary growth rate	<b>6.54</b>	5.84
1 % Decrease in salary growth rate	<b>(6.43)</b>	(5.64)
1 % Increase in discount rate	<b>(6.38)</b>	(5.58)
1 % Decrease in discount rate	<b>6.61</b>	5.89
1 % Increase in withdrawal rate	<b>(0.55)</b>	(0.36)
1 % Decrease in withdrawal rate	<b>0.57</b>	0.37
Mortality (Increase in expected lifetime by 1 year)*	<b>0.00</b>	-
Mortality (Increase in expected lifetime by 3 year)*	<b>0.00</b>	0.00

\*0.00 indicates amount less than 0.01 million



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

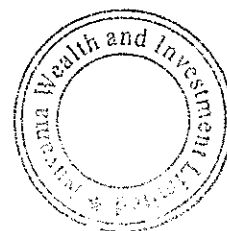
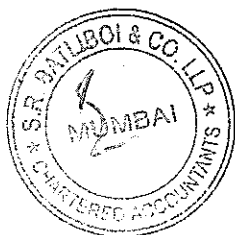
**Notes to the financial statements (Continued)**

*(Currency: Indian rupees in million)*

**36 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)**

**Movement in Net (Liability)/ Asset**

	March 31, 2024	March 31, 2023
<b>Net (Liability)/ Asset at the start of the year</b>	<b>(15.04)</b>	<b>(43.93)</b>
Net transfer in	<b>(7.82)</b>	<b>(6.15)</b>
<i>Movement during the year</i>		
Current service cost	<b>(29.71)</b>	<b>(32.17)</b>
Past service cost	-	-
Net interest on net DBO	<b>(1.08)</b>	<b>(1.50)</b>
Re-measurements	<b>1.67</b>	<b>(7.44)</b>
Contributions/ benefits	<b>40.47</b>	<b>76.15</b>
<b>Net deficit at the end of the year</b>	<b>(11.51)</b>	<b>(15.04)</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

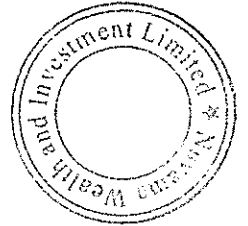
## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 37 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	907.34	-	907.34	1,215.48	-	1,215.48
Other bank balances	7,699.37	0.42	7,699.79	3,523.63	1.04	3,524.67
Derivative financial instruments	793.03	462.21	1,255.24	1,415.90	1,708.08	3,123.98
Securities held for trading	1,363.82	-	1,363.82	3,030.00	-	3,030.00
Trade receivables	4,034.94	420.63	4,455.57	5,313.86	144.34	5,458.20
Loans	18,023.05	-	18,023.05	13,096.64	-	13,096.64
Other financial assets	23,366.61	170.18	23,536.79	15,848.47	149.42	15,997.89
	<b>56,188.16</b>	<b>1,053.44</b>	<b>57,241.60</b>	<b>43,443.98</b>	<b>2,002.88</b>	<b>45,446.86</b>
<b>Non-financial assets</b>						
Current tax assets (net)	-	196.53	196.53	-	160.32	160.32
Deferred tax assets (net)	-	100.18	100.18	-	47.69	47.69
Property, plant and equipment	-	814.15	814.15	-	501.45	501.45
Intangible assets	-	268.70	268.70	-	130.05	130.05
Intangible assets under development	-	66.07	66.07	-	221.08	221.08
Other non-financial assets	8.34	102.64	110.98	7.39	354.46	361.85
	<b>8.34</b>	<b>1,548.27</b>	<b>1,556.61</b>	<b>7.39</b>	<b>1,415.05</b>	<b>1,422.44</b>
<b>Total assets</b>	<b>56,196.50</b>	<b>2,601.71</b>	<b>58,798.21</b>	<b>43,451.37</b>	<b>3,417.93</b>	<b>46,869.30</b>
<b>Particulars</b>						
<b>Financial liabilities</b>						
Derivative financial instruments			314.66	380.29		380.29
Trade payables	245.65	69.01	314.66	13,138.19	-	13,138.19
Debt securities	17,917.62	-	17,917.62	8,627.22	13,011.47	21,638.69
Borrowing (other than debt securities)	7,596.44	15,890.42	23,486.86	3,222.21	-	3,222.21
Other financial liabilities	6,130.63	-	6,130.63	781.31	293.78	1,075.09
	<b>947.32</b>	<b>586.27</b>	<b>1,533.59</b>	<b>26,149.22</b>	<b>13,305.25</b>	<b>39,454.47</b>
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	32,837.66	16,545.70	49,383.36	8.90	-	8.90
Provisions	125.77	-	125.77	22.19	12.98	35.17
Other non-financial liabilities	20.82	16.97	37.79	184.52	401.22	585.74
	<b>207.78</b>	<b>427.24</b>	<b>635.02</b>	<b>215.61</b>	<b>414.20</b>	<b>629.81</b>
<b>Total liabilities</b>	<b>33,192.03</b>	<b>16,989.91</b>	<b>50,181.94</b>	<b>26,364.83</b>	<b>13,719.45</b>	<b>40,084.28</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

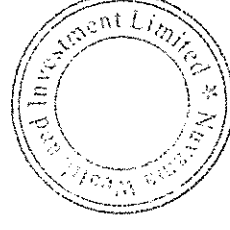
### 38 Change in liabilities arising from financing activities

Particulars	April 1, 2023	Cash flows during the year	Others during the year*	March 31, 2024
Debt securities**	19,930.61	3,130.46	32.80	23,093.87
Borrowings other than debt securities	3,222.21	2,904.87	3.55	6,130.63
<b>Total liabilities from financing activities</b>	<b>23,152.82</b>	<b>6,035.33</b>	<b>36.35</b>	<b>29,224.50</b>

Particulars	April 1, 2022	Cash flows during the year	Others during the year*	March 31, 2023
Debt securities**	8,744.94	11,074.38	111.29	19,930.61
Borrowings other than debt securities	2,249.06	969.48	3.67	3,222.21
<b>Total liabilities from financing activities</b>	<b>10,994.00</b>	<b>12,043.86</b>	<b>114.96</b>	<b>23,152.82</b>

\* includes the effect of interest accrued but not paid on borrowings.

\*\* includes impact of embedded derivatives assets ₹ 463.02 million (P.Y. ₹ 1,708.08 million) and embedded derivatives liabilities ₹ 70.02 million (P.Y. ₹ Nil) (refer note 4)



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 39 Contingent liabilities, commitments and lease arrangements

#### a. Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is ₹ 29.88 million (P.Y. ₹ 227.98 million).

#### b. Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
(a) Claims against the Company not acknowledged as debt	29.88	227.98

#### c. Leases

The Company has entered into commercial leases for premises and equipment.

#### i) Movement of Right of Use assets - leasehold premises

Particulars	March 31, 2024	March 31, 2023
Opening Balance	391.82	312.80
Addition/ (disposal) during the year	503.97	240.37
Less: Amortisation on Right of Use - leasehold premises	(194.23)	(161.35)
Closing Balance	701.56	391.82

#### ii) Movement of Lease liabilities

Particulars	March 31, 2024	March 31, 2023
Opening Balance	465.34	405.18
Addition/ (disposal) during the year	502.79	231.92
Add: Accretion of interest	56.53	46.46
Less: Payment during the year	(246.87)	(218.22)
Closing Balance	777.79	465.34

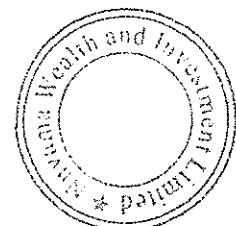
#### iii) Short term lease commitments

Short term lease payments for the year as follows:

Particulars	March 31, 2024	March 31, 2023
Within one year	7.93	6.17
Total	7.93	6.17

#### iv) Other disclosures

Particulars	March 31, 2024 Years / Amount	March 31, 2023 Years / Amount
The leases have an average life of between (in years)	6.56	5.41
The total lease payment for the year (amount)	404.32	341.31
Lease rent expenses recognised in statement of profit and loss for short term lease (amount)	157.45	130.09



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

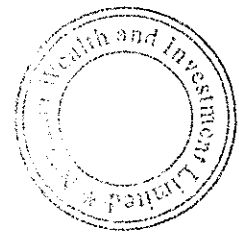
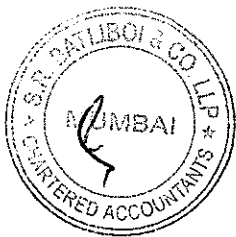
### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

#### 39 Contingent liabilities, commitments and lease arrangements (Continued)

##### d. Capital and other commitments

- i) Estimated amount of contracts remaining to be executed on Property, plant and equipment and Intangible assets amounts to ₹ 49.70 million (net of advances) (P.Y. ₹ 42.63 million).
- ii) The Company has provided bank guarantees aggregating to ₹ 2,500.00 million (P.Y. ₹ 2,500.00 million) to The Bombay Stock Exchange of India Limited for meeting margin requirement.
- iii) The Company has pledged fixed deposits with bank aggregating to ₹ 1,250.00 million (P.Y. ₹ 1,250.00 million) for obtaining the above bank guarantees.





# Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

for the year ended Mar 31, 2024

### 40 Related Party Disclosure

#### List of related parties

##### a. Name of related party by whom control is exercised

PAGAC Ecstasy Pte. Limited - Ultimate Holding Company

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) - Holding Company

##### b. Names of related parties who exercise significant influence over the Company's Holding Company (till March 30, 2023)

Edelweiss Financial Services Limited

##### c. Fellow subsidiaries with whom transactions have taken place

Nuvama Asset Management Limited (formerly known as ESL Securities Limited)

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

Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)

Nuvama Capital Services (IFSC) Limited (Formerly known as Edelweiss Securities (IFSC) Limited)

Pickright Technologies Private Limited

##### d. Associate of Holding Company with whom transactions have taken place

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

##### e. Subsidiaries of the entity exercising significant influence over the Company's Holding Company with whom transactions have taken place (till March 30, 2023)

ECap Equities Limited (formerly known as Edel Land Limited)

ECL Finance Limited

Edel Finance Company Limited

Edel Investments Limited

Edelcap Securities Limited

Edelweiss Alternative Asset Advisors Limited

Edelweiss Asset Management Limited

Edelweiss Asset Reconstruction Company Limited

Edelweiss Investment Adviser Limited

Edelweiss Retail Finance Limited

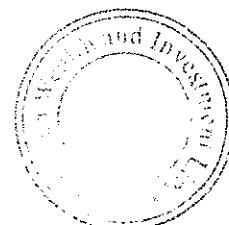
Edelweiss Securities and Investments Private Limited

Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)

Edelgive Foundation

##### f. Fellow entities of the ultimate holding company with whom transactions have taken place

Asia Pragati Strategic Investment Fund



# Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

for the year ended Mar 31, 2024

### 40 Related Party Disclosure (Continued)

#### List of related parties (Continued)

##### g. Key Management Personnel (KMP)

Rahul Jain - Managing Director & Chief Executive Officer  
Prashant Mody - Executive Director  
Ashish Kehair - Non Executive Director  
Kamala Kantharaj - Non Executive Director (till November 25, 2022)  
Ananya Suneja - Non Executive Director (w.e.f. November 25, 2022 till March 22, 2023)  
Neetu Ranka - Non Executive Director (w.e.f. April 26, 2023)  
Vinod Juneja - Independent Director (till March 14, 2024)  
Birendra Kumar - Independent Director  
Kamlesh Vikamsey - Independent Director (w.e.f. August 18, 2023)  
Sheetal Gandhi - Chief Financial Officer  
Viral Thanawala - Chief Financial Officer (till August 10, 2022)  
Prachi Mathur - Company Secretary (till May 25, 2022)  
Dipankar Basu - Company Secretary (w.e.f. May 25, 2022 till August 10, 2022)  
Vandana Das - Company Secretary (w.e.f. October 20, 2022 till January 23, 2023)  
Rohan Jadhav - Company Secretary (w.e.f. May 24, 2023)

##### h. Key Management Personnel of holding Company with whom transactions have taken place

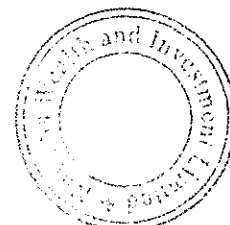
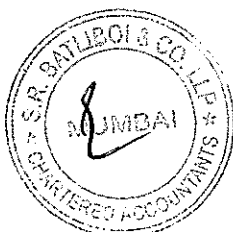
Shiv Sehgal - Executive Director  
Venkatchalam Ramaswamy - Non Executive Director (till March 17, 2023)

##### i. Relatives of Key Management Personnel with whom transactions have taken place

Virendra Kumar Jain (Father of Rahul Jain - Managing Director & Chief Executive Officer)  
Pratiksha Jain (Spouse of Rahul Jain - Managing Director & Chief Executive Officer)  
Madhubala Jain (Mother of Rahul Jain - Managing Director & Chief Executive Officer)  
Priya Nayak Kehair (Spouse of Ashish Kehair - Non Executive Director)  
Monika Mody (Spouse of Prashant Mody - Executive Director)  
Rupal Jain (Sister of Rahul Jain - Managing Director & Chief Executive Officer)  
Svastha Consulting LLP (LLP Controlled by Ashish Kehair - Non Executive Director)

#### Notes :-

Edelweiss Financial Services Limited ("EFSL") along with its subsidiaries holds 43.74% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till March 30, 2023, EFSL had significant influence over NWML. With effect from March 31, 2023, pursuant to the amendment dated March 9, 2023 made to the amended and restated shareholders' agreement dated March 18, 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML, EFSL has lost its significant influence as per Ind AS 28 on NWML.



**Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)**

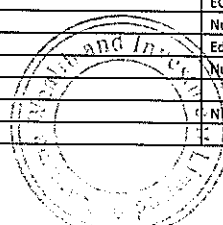
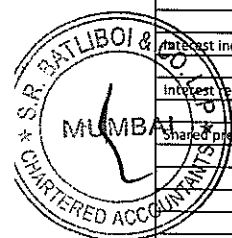
Notes the financial statements

(Currency: Indian rupees in million)

**40 Related Party Disclosure**

Transactions with related parties :

Nature of Transaction	Related party name	March 31, 2024	March 31, 2023
<b>Current account transactions</b>			
Loans taken from	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	59,872.15	72,610.30
	Edelweiss Rural & Corporate Services Limited	-	1,000.00
Loan repaid to	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	59,872.15	72,610.30
	Edelweiss Rural & Corporate Services Limited	-	1,000.00
<b>Secondary market transactions with clearing house</b>			
Margin placed with	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	5,42,118.46	1,46,484.76
Margin withdrawn from	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	5,34,449.73	1,41,214.29
Margin placed by	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	317.55	-
Margin refunded to	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	235.88	-
Brokerage income received from	Ecap Equities Limited (formerly known as Edel Land Limited)	-	0.06
	Edelweiss Tokio Life Insurance Company Limited	-	0.47
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	0.23	-
	Key Managerial Personnel	0.62	0.27
	Key Managerial Personnel of Holding Company	0.08	0.01
	Relatives of Key Managerial Personnel of Holding Company	-	0.56
	Relatives of Key Managerial Personnel	0.52	0.45
Charges recovered from	Key Managerial Personnel	0.50	0.33
	Key Managerial Personnel of Holding Company	0.05	-
	Relatives of Key Managerial Personnel	0.26	0.24
	Relatives of Key Managerial Personnel of Holding Company	-	0.01
Fees income received from	ECL Finance Limited	-	2.17
	Edel Finance Company Limited	-	3.44
	Edel Investments Limited	-	15.00
	Ecap Equities Limited (formerly known as Edel Land Limited)	-	877.51
	Edelcap Securities Limited	-	17.95
	Edelweiss Alternative Asset Advisors Limited	-	1,550.38
	Edelweiss Asset Management Limited	-	615.14
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-	43.91
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	34.43	92.63
	Edelweiss Financial Services Limited	-	380.48
	Zuno General Insurance Limited	-	3.22
	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	-	97.40
	Edelweiss Investment Adviser Limited	-	17.95
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	2.77	1.77
	Edelweiss Securities And Investments Private Limited	-	289.04
	Edelweiss Tokio Life Insurance Company Limited	-	185.09
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	98.66	14.84
	Nuvama Custodial Services Limited (Formerly known as Edelweiss Capital Services Limited)	34.42	-
Banner fees recovered from	Edelweiss Tokio Life Insurance Company Limited	-	99.90
Commission and brokerage expenses paid to	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	116.41
	Edelweiss Financial Services Limited	-	3.00
	Nuvama Asset Management Limited (Formerly known as ESL Securities Limited)	80.51	-
Rental income from	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	-	0.51
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-	3.25
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	-	22.82
	Edelweiss Financial Services Limited	-	0.10
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	2.40
Interest paid on loan	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	49.76	113.36
	Edelweiss Rural & Corporate Services Limited	-	11.36
Interest income on debt instrument	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	4.28	1.92
Interest received on margin	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	802.21	513.05
Shared premises cost paid to	ECL Finance Limited	-	0.35
	Ecap Equities Limited (formerly known as Edel Land Limited)	-	0.09
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	38.44	83.89
	Edelweiss Rural & Corporate Services Limited	-	0.99
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	67.54	36.48
Clearing charges paid	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	140.67	93.05



**Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)**

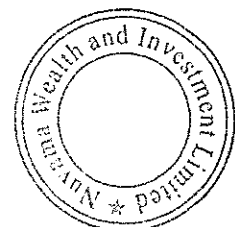
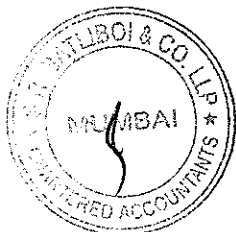
Notes the financial statements (Continued)

(Currency: Indian rupees in million)

**40 Related Party Disclosure (Continued)**

Transactions with related parties (Continued) :

Nature of Transaction	Related party name	March 31, 2024	March 31, 2023
Software usage charges paid to	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	144.31
Technology Shared Service Cost paid to	Edelweiss Rural & Corporate Services Limited	-	0.68
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	254.92	221.45
	Edelcap Securities Limited	-	2.32
Branding expenses paid to	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	23.61
Enterprise/ Corporate cost paid to	Edelweiss Rural & Corporate Services Limited	-	2.76
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	66.36	239.02
Fees paid	Nuvama Asset Management Limited (Formerly known as ESL Securities Limited)	23.74	-
Contribution to CSR	Edelgive Foundation	-	6.91
Employee Stock Option Cost paid to	Edelweiss Financial Services Limited	-	5.46
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	102.04	82.25
Employee Stock Appreciation Rights paid to	Edelweiss Financial Services Limited	-	7.99
Employee Stock Option Cost reversed	Edelweiss Financial Services Limited	-	31.20
Insurance Premium Paid to	Zuno General Insurance Limited	-	62.58
	Edelweiss Tokio Life Insurance Company Limited	-	17.45
Rental security deposit paid to	Edelweiss Rural & Corporate Services Limited	-	1.05
Purchase of securities from	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	4,509.18	5,353.53
Sale of securities to	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	4,557.67	3,819.45
Cost reimbursement paid to	ECL Finance Limited	-	0.25
	ECap Equities Limited (formerly known as Edel Land Limited)	-	1.65
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	-	2.08
	Edelweiss Rural & Corporate Services Limited	-	0.04
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	50.40	125.32
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	-	0.10
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)*	3.59	0.00
	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	-	5.46
Cost reimbursement recovered from	ECap Equities Limited (formerly known as Edel Land Limited)	-	0.01
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	3.39	0.03
	Edelweiss Financial Services Limited	-	0.02
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	30.53	0.02
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	5.01	0.27
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	0.02	0.04
	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	0.56	-
Purchase of Property Plant and Equipment & Intangible Assets from	Edel Finance Company Limited*	-	0.00
	Edelweiss Financial Services Limited*	-	0.00
	Edelweiss Investment Adviser Limited	-	0.03
	Edelweiss Rural & Corporate Services Limited*	-	0.00
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	0.08	-
Sale of Property Plant and Equipment & Intangible Assets to	Edel Investments Limited*	-	0.00
	Edelcap Securities Limited*	-	0.00
Subscription fees paid	Pickright Technologies Private Limited	1.21	-
Software development and maintenance cost paid	Pickright Technologies Private Limited	6.07	-
Director's Sitting Fees paid	Independent Directors	2.96	0.70
Remuneration paid	Key Managerial Personnel	122.00	66.31



**Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)**

Notes the financial statements (Continued)

(Currency: Indian rupees in million)

40 Related Party Disclosure (Continued)

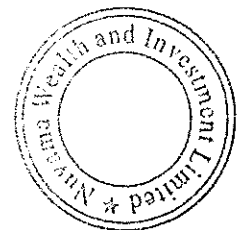
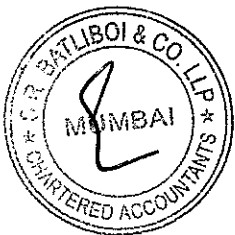
Transactions with related parties (Continued) :

Nature of Transaction	Related party name	March 31, 2024	March 31, 2023
<b>Balances with related parties</b>			
Interest accrued and due on loan taken	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	3.60	3.04
Debt securities held by	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	72.73	55.49
Trade payables to	Asia Pragati Strategic Investment Fund	-	100.00
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	4.33	-
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	304.70	22.70
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	69.24	203.47
	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	0.01	6.44
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	5.12	0.03
	Pickright Technologies Pvt Ltd	7.86	-
	Key Managerial Personnel	14.54	1.78
	Relatives of Key Managerial Personnel	2.47	2.53
Other payables to	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	0.02	-
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	22.45	22.43
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	0.43	0.82
Trade receivables from	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	5.42	0.07
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	0.56	6.04
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	24.44	2.76
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	20.09	2.77
	Nuvama Asset Management Limited (formerly known as ESL Securities Limited)	44.54	3.80
	Relatives of Key Managerial Personnel	1.70	-
Other Receivables from	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	-	0.01
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-	0.68
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	-	1.27
	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	5.01
Securities held for trading	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	38.64	1,426.43
Accrued interest on Securities held for trading	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)	0.57	0.01
Margin placed with	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	21,978.44	14,309.71
Accrued interest on Margin placed with	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	263.36	126.21
<b>Off Balance sheet balances</b>			
Liquidity support availed from (Off Balance sheet)	Asia Pragati Strategic Investment Fund	-	10,000.00
Corporate Guarantee availed (Off Balance sheet)	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	14,946.50	10,633.50

\*0.00 indicates amount less than 0.01 million

Notes :-

- The intra group Company loans are generally in the nature of revolving demand loans. Loan taken parties are disclosed based on actual amount taken/repaid during the reporting period.
- All above transactions are in the ordinary course of business and are at arms length price and under Omnibus approved limits.
- Information relating remuneration paid Key Managerial Person mentioned above excludes provision made for gratuity, compensated absence and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.



## **Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

*(Currency: Indian rupees in million)*

#### **41 Capital management**

The primary objective of the Company's capital management policy is to ensure that the Company maintains healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue new shares or raise/repay debt. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

In addition to above, the Company is required to maintain minimum net worth as prescribed by regulatory authorities. The management ensures that this is complied.

#### **42 Risk Management framework**

##### **Introduction and risk profile**

The Company's overall objective is to manage its broking and distribution of financial products, and the associated risks (such as credit risk, liquidity risk, market risk, operational risk etc.) in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

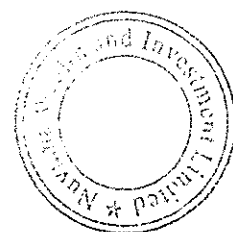
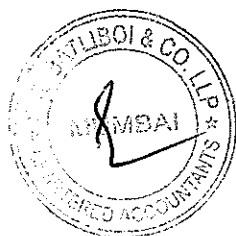
The Company is regulated by SEBI & respective exchanges for stock broking activities which comprises of trade execution, client fund/ security management, exchange and client reporting, etc. The Company strives for continual improvement through efforts to enhance systemic and manual controls, ongoing employee training and development and other measures.

##### **Risk management structure**

The Company has a well-defined risk management process framework for risk identification, assessment and control in order to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. At the Company level, there is a 'Global Risk Group' which is responsible for managing the risks arising out of various business activities at a central level.

The Company's multi-level risk management process ensures that the margin monitoring processes withstand market volatility. As a result, the Company follows strict margin call process and limits are set and monitored on an ongoing basis.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. They are assisted in its oversight role by internal



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 42 Risk Management (Continued)

##### Risk management structure (Continued)

audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Client introduction, client on-boarding, credit control processes, centralised operations unit, independent internal auditors for checking compliance with the prescribed policies/processes at each transaction level are all segregated. The Company's risk management processes and policies allow layers of multiple checks and verifications.

##### Credit risk

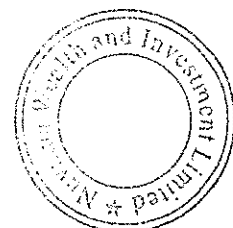
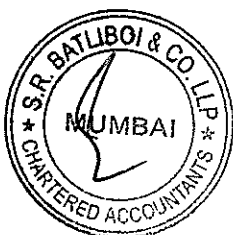
Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables, SEBI Margin Trading Facility ('SMTF').

The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company applies the expected credit loss model for all financial assets and simplified approach for trade receivables for recognition of impairment loss. Expected credit loss allowance based on simplified approach in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

##### Trade receivables including SEBI Margin Trading Facility ('SMTF')

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables including SEBI Margin Trading Facility ('SMTF'). 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 (Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 42 Risk Management (Continued)

##### Credit risk (Continued)

##### Trade receivables including SEBI Margin Trading Facility ('SMTF') (Continued)

The ageing wise trade receivable use to assess credit risk is as follows:

Bucketing	March 31, 2024	March 31, 2023
(Ageing)	Carrying value	Carrying value
0 – 30 Days	4,320.03	4,982.92
31 – 60 Days	104.66	386.08
61 – 90 Days	23.75	107.75
More than 90 Days	170.80	123.01
Less: Impairment allowance	(163.67)	(141.56)
<b>Total</b>	<b>4,455.57</b>	<b>5,458.20</b>

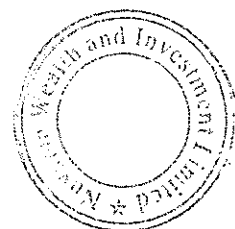
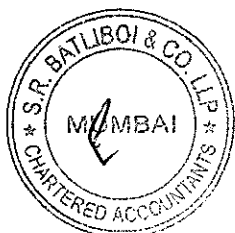
##### Employee Stock Option Plan ('ESOP') Loans

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

Internal rating grade	Internal grading description	Stages
<b>Performing</b>		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
<b>Non-performing</b>		
Individually impaired	90+ dpd	Stage III

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

1) An unbiased and probability weighted amount that evaluates a range of possible outcomes





## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 42 Risk Management (Continued)

##### Employee Stock Option Plan ('ESOP') Loans (Continued)

- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

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

##### Significant increase in Credit Risk (SICR)

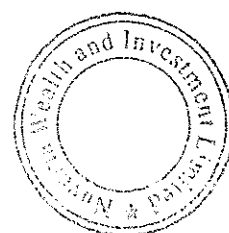
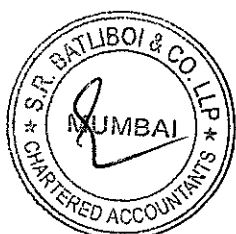
The Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30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

##### Probability of Default (PD)

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. Company calculates the 12 month PD by taking into account the historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

##### Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. Since the Company is into the business of lending against securities, haircut of 25% is applied on the value of the collateral, based on basel haircut values for corporate securities. The exposure amount that is over and above the collateral (with haircut) is considered as the effective exposure. The LGD of 65% is used for the unsecured exposure the portfolio carries.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 42 Risk Management (Continued)

##### Exposure at Default (EAD)

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

Following table provides information about exposure to credit risk and ECL on Loans:

Bucketing (Stage)	March 31, 2024		March 31, 2023	
	Carrying value	ECL	Carrying value	ECL
Stage 1	18,026.78	3.73	13,099.15	2.51
Stage 2	-	-	-	-
Stage 3	0.03	0.03	1.79	1.79
<b>Total</b>	<b>18,026.81</b>	<b>3.76</b>	<b>13,100.94</b>	<b>4.30</b>

##### Market risks

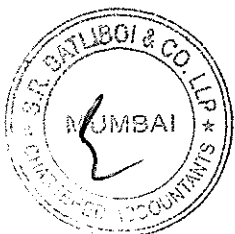
Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk.

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

##### Liquidity risk

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

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, the Company ensures maintenance of adequate Liquidity Cushion in the form of Fixed Deposits, Cash and bank balance, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. Further, the Company has undrawn bank facilities.



Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

42 Risk Management (Continued)

42a(i) Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at year end:

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2024	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Derivative financial instruments	221.75	-	23.90	69.01	-	314.66
Trade payables	17,917.62	-	-	-	-	17,917.62
Debt securities	3,102.28	2,989.49	1,504.67	13,180.42	2,710.00	23,486.86
Borrowings (other than debt securities)	3,230.63	2,900.00	-	-	-	6,130.63
Other financial liabilities	807.97	47.80	91.55	296.41	289.86	1,533.59
<b>Total undiscounted financial liabilities</b>	<b>25,280.25</b>	<b>5,937.29</b>	<b>1,620.12</b>	<b>13,545.84</b>	<b>2,999.86</b>	<b>49,383.36</b>

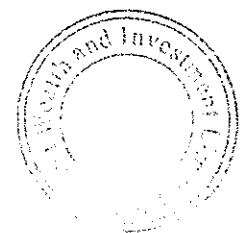
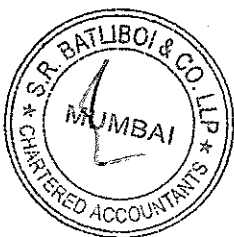
As at March 31, 2023	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Derivative financial instruments	380.29	-	-	-	-	380.29
Trade payables	13,138.19	-	-	-	-	13,138.19
Debt securities	5,468.31	1,165.78	1,993.13	10,617.40	2,394.07	21,638.69
Borrowings (other than debt securities)	3,222.21	-	-	-	-	3,222.21
Other financial liabilities	662.79	50.59	67.93	189.51	104.27	1,075.09
<b>Total undiscounted financial liabilities</b>	<b>22,871.79</b>	<b>1,216.37</b>	<b>2,061.06</b>	<b>10,806.91</b>	<b>2,498.34</b>	<b>39,454.47</b>

42a(ii) Analysis of financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets as at year ended:

As at March 31, 2024	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	2,877.00	2,739.02	2,990.69	0.42	-	8,607.13
Derivative financial instruments	784.44	-	8.59	299.81	162.40	1,255.24
Securities held for trading	1,363.82	-	-	-	-	1,363.82
Trade receivables	2,744.35	500.37	790.22	420.63	-	4,455.57
Loans	3,704.67	2,833.53	11,484.85	-	-	18,023.05
Other financial assets	23,366.61	-	-	138.68	31.50	23,536.79
<b>Total</b>	<b>34,840.89</b>	<b>6,072.92</b>	<b>15,274.35</b>	<b>859.54</b>	<b>193.90</b>	<b>57,241.60</b>

As at March 31, 2023	Less than 3 months	3 months to 6 months	6 months to 12 months	12 months to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	1,635.19	1,306.89	1,797.03	1.04	-	4,740.15
Derivative financial instruments	1,415.90	-	-	1,447.11	260.97	3,123.98
Securities held for trading	3,030.00	-	-	-	-	3,030.00
Trade receivables	4,041.14	577.82	694.90	144.34	-	5,458.20
Loans	851.12	1,787.00	10,458.52	-	-	13,096.64
Other financial assets	15,829.53	-	18.94	118.52	30.90	15,997.89
<b>Total</b>	<b>26,802.88</b>	<b>3,671.71</b>	<b>12,969.39</b>	<b>1,711.01</b>	<b>291.87</b>	<b>45,446.86</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 42 Risk Management (Continued)

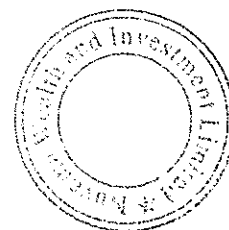
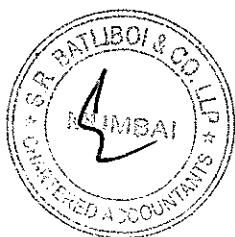
#### 42b Collateral held and other credit enhancements

The tables shows the maximum exposure to credit risk by class of financial asset. That also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk:

As at March 31, 2024	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Loans (Gross)	18,026.81	Securities
Trade receivables (Gross) - Secured	1,253.63	Securities
Trade receivables (Gross) - Unsecured	3,365.61	
<b>Total</b>	<b>22,646.05</b>	

As at March 31, 2023	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Loans (Gross)	13,100.94	Securities
Trade receivables (Gross) - Secured	2,590.04	Securities, Fixed deposits
Trade receivables (Gross) - Unsecured	3,009.72	
<b>Total</b>	<b>18,700.70</b>	

Collateral information is not applicable to financial assets other than those mentioned above.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

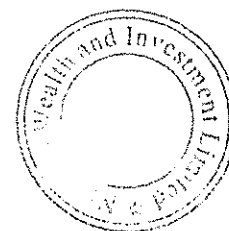
**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

**42 Risk Management (Continued)**

**42c 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>Financial assets</b>						
Cash and cash equivalent and other bank balances	8,607.13	-	8,607.13	4,740.15	-	4,740.15
Derivative financial instruments	1,255.24	1,255.24	-	3,123.98	3,123.98	-
Securities held for trading	1,363.82	1,363.82	-	3,030.00	3,030.00	-
Loans	18,023.05	-	18,023.05	13,096.64	-	13,096.64
Trade receivables	4,455.57	-	4,455.57	5,458.20	-	5,458.20
Other Financial assets	23,536.79	21,978.57	1,558.22	15,997.89	14,809.84	1,188.05
<b>Total</b>	<b>57,241.60</b>	<b>24,597.63</b>	<b>32,643.97</b>	<b>45,446.86</b>	<b>20,963.82</b>	<b>24,483.05</b>
<b>Financial liabilities</b>						
Derivative financial instruments	314.66	314.66	-	380.29	380.29	-
Borrowings (other than Debt Securities)	6,130.63	-	6,130.63	3,222.21	-	3,222.21
Debt securities	23,486.86	-	23,486.86	21,638.69	-	21,638.69
Trade payables	17,917.62	-	17,917.62	13,138.19	-	13,138.19
Other liabilities	1,533.59	-	1,533.59	1,075.09	-	1,075.09
<b>Total</b>	<b>49,383.36</b>	<b>314.66</b>	<b>49,068.70</b>	<b>39,454.47</b>	<b>380.29</b>	<b>39,074.18</b>



# Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

### 42 Risk Management (Continued)

#### 42d Market Risk (Price Risk)

The Company has exposure in quoted equity shares, mutual funds, debt instruments and derivative instruments. Accordingly there is effect on the Company's profitability due to variation in market price as mentioned below.

#### 42d(i) Index Price Risk

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

As at March 31, 2024	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Embedded derivative	25	0.98	25	(0.98)
Exchange traded derivatives	25	1.37	25	(1.37)

As at March 31, 2023	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Embedded derivative	25	4.27	25	(4.27)
Exchange traded derivatives	25	2.59	25	(2.59)

#### 42d (ii) Equity Price Risk

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

As at March 31, 2024	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Equity shares and mutual funds	25	2.54	25	(2.54)

As at March 31, 2023	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Equity shares and mutual funds	25	3.19	25	(3.19)

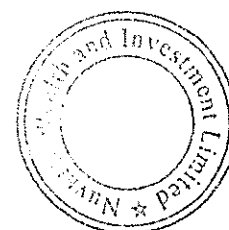
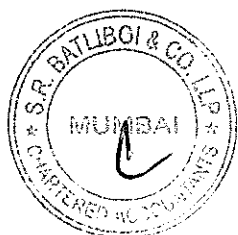
#### 42d (iii) Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates.

As at March 31, 2024	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Debt instruments	25	0.87	25	(0.87)

As at March 31, 2023	Increase in basis points	Effect on Profit before tax	Decrease in basis points	Effect on Profit before tax
Debt instruments	25	4.39	25	(4.39)



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

**43 Financial assets available to support future funding**

**a. Following table sets out availability of assets to support funding:**

March 31, 2024	Pledge as collateral	others (refer note 1)	Available as collateral	others (refer note 2)	Total carrying amount
Cash and cash equivalents	-	-	-	907.34	907.34
Bank balances other than cash and cash equivalents	7,555.77	-	-	144.02	7,699.79
Derivative financial instruments	-	1,255.24	-	-	1,255.24
Securities held for trading	833.71	-	530.11	-	1,363.82
Trade receivables (refer note 3)	3,000.00	-	1,455.57	-	4,455.57
Loans	8,316.65	-	9,706.40	-	18,023.05
Other financial assets	-	22,964.45	494.15	78.18	23,536.79
<b>Total assets</b>	<b>19,706.13</b>	<b>24,219.70</b>	<b>12,186.24</b>	<b>1,129.55</b>	<b>57,241.60</b>

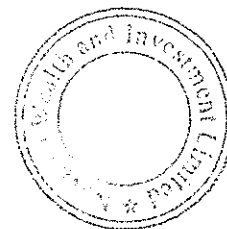
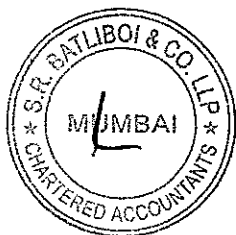
March 31, 2023	Pledge as collateral	others (refer note 1)	Available as collateral	others (refer note 2)	Total carrying amount
Cash and cash equivalents	-	-	-	1,215.48	1,215.48
Bank balances other than cash and cash equivalents	3,429.11	-	-	95.56	3,524.67
Derivative financial instruments	-	3,123.98	-	-	3,123.98
Securities held for trading	1,228.98	-	1,801.02	-	3,030.00
Trade receivables	5,458.20	-	-	-	5,458.20
Loans	7,983.20	-	5,113.44	-	13,096.64
Other financial assets	-	15,848.51	130.45	18.94	15,997.89
<b>Total assets</b>	<b>18,099.49</b>	<b>18,972.49</b>	<b>7,044.91</b>	<b>1,329.98</b>	<b>45,446.86</b>

**Note**

- 1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal 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.
- 3 Trade receivables pledged as collateral are against undrawn bank facilities.

**b. Undrawn borrowing commitments**

The Company has undrawn borrowing commitments from banks amounting to ₹ 1,985.64 million as on March 31, 2024 (P.Y. : ₹ 1,090.50 million).



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

**44 Fair Value measurement**

**a. Valuation principles**

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

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

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

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

**b. Valuation governance framework**

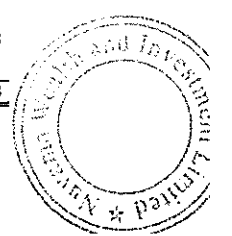
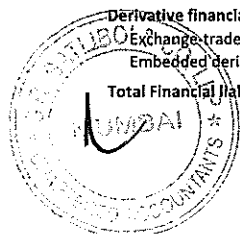
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by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

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

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

**c. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy**

As at March 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (refer note 4a)</b>				
Exchange traded derivatives	847.44	7.77	-	855.21
Embedded derivatives in market-linked debentures	-	-	463.02	463.02
<b>Total derivative financial instruments - A</b>	<b>847.44</b>	<b>7.77</b>	<b>463.02</b>	<b>1,318.23</b>
<b>Financial Assets held for trading (refer note 5)</b>				
Equity Shares	351.43	0.01	-	351.44
Mutual fund	664.86	-	-	664.86
Debt instruments	180.08	167.44	-	347.52
<b>Total Financial assets held for trading - B</b>	<b>1,196.37</b>	<b>167.45</b>	<b>-</b>	<b>1,363.82</b>
<b>Total Financial assets measured at fair value (A+B)</b>	<b>2,043.81</b>	<b>175.22</b>	<b>463.02</b>	<b>2,682.05</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (refer note 4a)</b>				
Exchange traded derivatives	230.04	22.88	-	252.92
Embedded derivatives in market-linked debentures	-	-	70.02	70.02
<b>Total derivative financial instruments</b>	<b>230.04</b>	<b>22.88</b>	<b>70.02</b>	<b>322.94</b>
<b>Total Financial liabilities measured at fair value</b>	<b>230.04</b>	<b>22.88</b>	<b>70.02</b>	<b>322.94</b>
<b>As at March 31, 2023</b>				
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Exchange traded derivatives	1,492.33	47.50	-	1,539.83
Embedded derivatives in market-linked debentures	-	-	1,708.08	1,708.08
<b>Total derivative financial instruments - A</b>	<b>1,492.33</b>	<b>47.50</b>	<b>1,708.08</b>	<b>3,247.91</b>
<b>Financial Assets held for trading (refer note 5)</b>				
Equity Shares	45.85	0.01	-	45.86
Mutual fund	1,228.98	-	-	1,228.98
Debt instruments	-	1,755.16	-	1,755.16
<b>Total Financial assets held for trading - B</b>	<b>1,274.83</b>	<b>1,755.17</b>	<b>-</b>	<b>3,030.00</b>
<b>Total Financial assets measured at fair value (A+B)</b>	<b>2,767.16</b>	<b>1,802.67</b>	<b>1,708.08</b>	<b>6,277.91</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (refer note 4a)</b>				
Exchange traded derivatives	391.68	-	-	391.68
Embedded derivatives in market-linked debentures	-	-	-	-
<b>Total Financial liabilities measured at fair value</b>	<b>391.68</b>	<b>-</b>	<b>-</b>	<b>391.68</b>





**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

**44 Fair Value measurement (Continued)**

**d. Valuation techniques (Continued)**

**Debt securities:**

Whilst most of these instruments are standard fixed rate securities. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of stock exchange wherever bonds are traded actively.

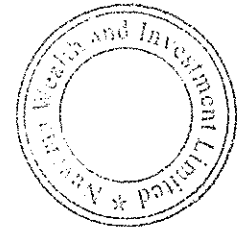
**Equity Shares:**

The majority of equity shares are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity shares in non listed entities are initially recognized at transaction price and remeasured at each reporting date with realizable values basis agreements entered with prospective buyer. Such equity shares are classified at level 2.

e. There have been no transfers between levels during the year ended March 31, 2024 and March 31, 2023.

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

Assets measured at fair value on a recurring basis	Embedded derivatives		
	Assets	Liabilities	Net Balance
As at April 1, 2023	1,708.08	-	1,708.08
Issuances	169.40	45.03	124.37
Change in Value of Embedded derivatives	(1,414.46)	24.99	(1,439.45)
As at March 31, 2024	<u>463.02</u>	<u>70.02</u>	<u>393.00</u>
Assets measured at fair value on a recurring basis	Embedded derivatives		
Assets	Liabilities	Net Balance	
As at April 1, 2022	200.70	-	200.70
Issuances	1,517.18	-	1,517.18
Change in Value of Embedded derivatives	(9.80)	-	(9.80)
As at March 31, 2023	<u>1,708.08</u>	<u>-</u>	<u>1,708.08</u>



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

(Currency : Indian rupees in million)

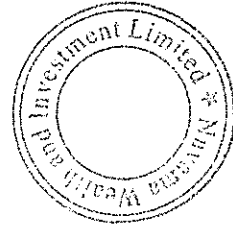
**44 Fair Value measurement (Continued)**

**g. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs**

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 instruments i.e. Derivative instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on March 31, 2024	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Embedded derivatives (net)	393.00	Fair value using Black Scholes model or Monte Carlo approach	Nifty level	22,327	5% increase in Nifty Index curve	159.40	5% Decrease in Nifty Index curve	(247.83)
			Underlying discount rate	4.5 % to 6%	1% increase in Risk-adjusted discount rate	64.92	1% Decrease in Risk-adjusted discount rate	(72.38)
Type of Financial Instruments	Fair value of asset as on March 31, 2023	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Embedded derivatives (net)	1,708.08	Fair value using Black Scholes model or Monte Carlo approach	Nifty level	17,443	5% increase in Nifty Index curve	356.30	5% Decrease in Nifty Index curve	(413.40)
			Underlying discount rate	4.5 % to 6%	1% increase in Risk-adjusted discount rate	193.20	1% Decrease in Risk-adjusted discount rate	(207.70)

h. With respect to financial instruments not measured at fair value, their carrying amounts approximates fair value.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 45 Foreign currency transactions

a. The Company has incurred following expenditure in foreign currency (on accrual basis).

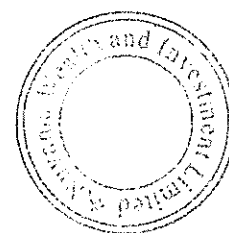
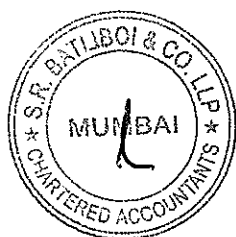
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other expenses	11.58	4.27

b. The Company has earned following income in foreign currency (on accrual basis).

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fees & Advisory Income	11.30	8.19

#### 46 Additional disclosure on fixed deposits

Particulars	March 31, 2024	March 31, 2023
Pledged with exchanges for meeting margin requirement	3,260.10	307.85
Pledged with exchanges for meeting base capital requirement	14.38	13.63
Pledged with exchanges towards arbitration	29.79	30.13
Pledged with bank for availing bank guarantees	1,250.00	1,250.00
Pledged with banks for availing Working Capital Demand Loan (WCDL)/ bank overdraft	2,501.00	1,450.00
Pledged with banks for availing intraday facility	500.50	375.50
Placed with Pension Fund Regulatory & Development Authority (PFRDA)	Nil	2.00
Total	7,555.77	3429.11



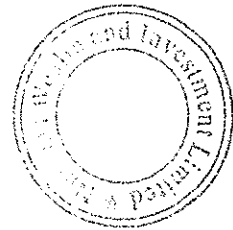
## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

#### 47 Cost sharing

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited), being the Holding Company incurred expenditure like branding fee, senior management cost, technology and administrative cost etc. which is for the common benefit of itself and its subsidiaries and associates. These costs expended are reimbursed by the Company on the basis of number of employees, actual identifications, etc. On the same lines, branch running costs expended (if any) by the Holding Company for the benefit of its subsidiaries and associates are recovered by the Holding Company. Accordingly, and as identified by the management, the expenditure heads in *notes 31 and 32* include reimbursements paid and are net of reimbursements received based on the management's best estimate.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

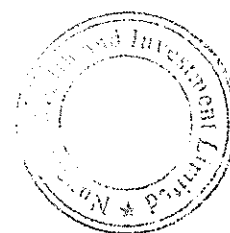
**Notes to the financial statements (Continued)**

(Currency: Indian rupees in million)

**48 Segment wise disclosure as required as per Regulation 31 (2) of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015**

Segment wise disclosure for Revenues received for Insurance intermediation and other income from Insurers as per Regulation 31 (2) of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015:

Particulars	March 31, 2024	March 31, 2023
<b>Edelweiss Tokio Life Insurance Company Limited</b>		
Brokerage commission earned	-	0.47
Commission earned on selling life insurance policies	332.94	187.22
Banner fees recovered	108.11	99.90
Group Life insurance for employees paid	-	17.45
<b>Edelweiss General Insurance Company Limited</b>		
Commission earned on selling general insurance policies	4.81	3.73
Group mediclaim insurance for employees paid	-	62.58
<b>Gallagher Insurance Brokers Private Limited</b>		
Research fees received	-	5.60
<b>HDFC Life Insurance Company Limited</b>		
Commission income earned	98.80	111.18
Banner fees recovered	90.00	37.50
<b>Star Health and Allied Insurance Company Limited</b>		
Commission income earned	2.22	0.95
<b>Bajaj Allianz Life Insurance Company Limited</b>		
Commission income earned	127.02	37.77
Banner fees recovered	95.79	-
<b>Tata AIA Life Insurance Company Limited</b>		
Commission income earned	30.92	-



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

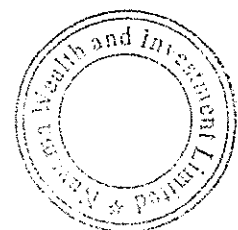
**49a** Additional regulatory information required under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the company as it is in broking business and not an NBFC registered under section 45-IA of Reserve Bank of India Act, 1934.

**49b** Pursuant to SEBI's Operational circular SEBI/ HO/ DDHS/ P/CIR/ 2021 /613 dated August 10, 2021 to the extent applicable to Commercial Papers, information as required under Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the year ended March 31, 2024 is as mentioned below :-

	Particulars	Represent in terms of	Year ended	Year ended
			March 31, 2024	March 31, 2023
1.	Debt-equity Ratio (Refer note 1)	Times	3.44	3.66
2.	Net worth (Refer note 2)	₹ in million	8,616.27	6,785.02
3.	Debt Service Coverage Ratio (Refer note 3)	Times	0.15	0.13
4.	Interest Service Coverage Ratio (Refer note 4)	Times	1.94	2.21
5.	Outstanding redeemable preference shares (no.of shares)	₹ in million	NA	NA
6.	Outstanding redeemable preference shares (including dividend accrued but not due)	₹ in million	NA	NA
7.	Capital redemption reserve	₹ in million	NA	NA
8.	Debenture redemption reserve	₹ in million	132.93	207.83
9.	Net profit after tax	₹ in million	1,776.99	1,422.37
10.	Earnings Per Share (₹) (Face Value of ₹ 10/- each)			
	- Basic	per share ₹	4.13	3.30
	- Diluted	per share ₹	4.13	3.30
11.	Total debt to Total assets (%) (Refer Note 5)	%	50.37%	53.04%
12.	Net profit margin (%) (Refer Note 6)	%	11.99%	11.70%

#### Notes:

- Debt-equity Ratio = Total debt/ Net worth  
Total Debt = Debt securities + Borrowings other than debt securities
- Net worth = Equity share capital + Other Equity
- Debt Service Coverage Ratio (DSCR) = (Profit before tax and Finance cost excluding IND AS 116 impact) / (Finance cost excluding INDAS 116 impact + Total Debt)
- Interest Service Coverage Ratio (ISCR) = (Profit before tax and Finance cost excluding IND AS 116 impact) / (Finance cost excluding IND AS 116 impact)
- Total Debt to Total Assets = Total Debt / Total Assets

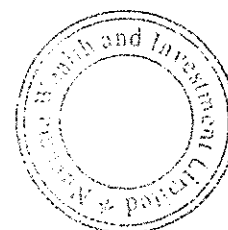
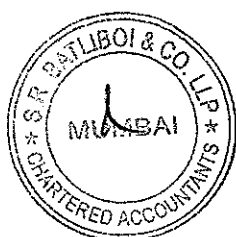


## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

6. Net profit margin = Net Profit after tax for the year/ Total Revenue
7. Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable owing to the business model of the Company.
- 50 There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 51 The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- 52 The Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender.
- 53 The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory year.
- 54 The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 55 The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- 56 There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.
- 57 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.
- 58 The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024 and March 31, 2023.
- 59 The Company has not declared or paid any dividend.



## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

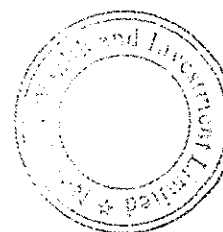
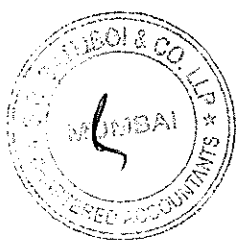
(Currency : Indian rupees in million)

#### 60 Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

For March 31, 2024			
Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company
Unicon Insurance Advisors Pvt Limited*	Referral and commission	0.00	Vendor

For March 31, 2023			
Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company
Arihant Capital Markets Limited	Referral and commission	-	Vendor
Br Wealth Advisors Private Limited	Referral and commission	-	Vendor
PCS Securities Limited	Referral and commission	-	Vendor
Quantum Securities Pvt Limited	Referral and commission	-	Vendor
Sowing Bean (India) Private Limited	Referral and commission	-	Vendor
Redington India Limited	Commission Income	0.22	Advisory Fees - Client
Orion Richiz Stock Broking Private Limited*	Broking and depository	0.00	Trading Client
Lalji Financial Advisors Private Limited*	Broking and depository	0.00	Trading Client
Arpit Fincap Private Limited*	Broking and depository	0.00	Trading Client
Sagar Associates Private Limited*	Broking and depository	0.00	Trading Client
Verb Consultants Private Limited*	Broking and depository	0.00	Trading Client
Om Sai Associates Private Limited*	Broking and depository	0.00	Trading Client
Shashwat Wealth Creators Private Limited*	Broking and depository	0.00	Trading Client
Arham Securities Private Limited*	Broking and depository	0.00	Trading Client
Neelam Private Limited*	Broking and depository	0.00	Trading Client
Bharati Private Limited*	Broking and depository	0.00	Trading Client
Indu Private Limited	Broking and depository	(2.79)	Trading Client
Prem Kumar Private Limited*	Broking and depository	(0.00)	Trading Client
Tigerlily Capital Advisors Private Limited*	Broking and depository	0.00	Trading Client

\*0.00 indicates amount less than 0.01 million





## Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

61 (A) During the year ended March 31, 2024, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

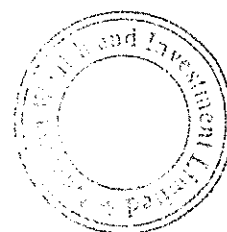
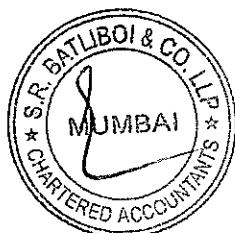
(B) During the year ended March 31, 2024, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons 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 to or on behalf of the Ultimate Beneficiaries.

### 62 Subsequent events

There have been no events or transactions which have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements and requires adjustment to the accounting estimates and disclosures included in the financial statements at that date or for the year then ended, other than those reflected or fully disclosed in the financial statements.

No events have occurred that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows or changes in equity of the Company.

63 The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.



**Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited)**

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

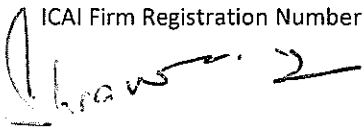
*(Currency: Indian rupees in millions)*

- 64 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

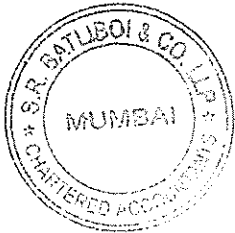
ICAI Firm Registration Number: 301003E/E300005



**per Shrawan Jalan**

Partner

Membership No.: 102102



Mumbai

May 8, 2024

**For and on behalf of the Board of Directors**

**Rahul Jain**

Managing Director &  
Chief Executive Officer

Din: 00387505

**Ashish Kehair**

Non Executive Director

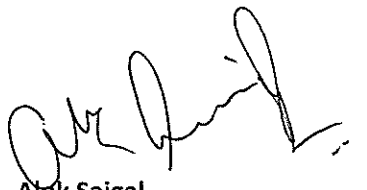
Din: 07789972

**Rohan Jadhav**

Company Secretary

Mumbai

May 8, 2024



**Alok Saigal**

Executive Director

Din: 08543458

**Sheetal Gandhi**

Chief Financial Officer

