



Edelweiss Asset Management Limited

Corporate Identity Number: U65991MH2007PLC173409

Financial Statement for the year ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Asset Management Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Edelweiss Asset Management Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, 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 including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2024, and its profit including Other Comprehensive Income, its Cash Flows and its Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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 Ind AS Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained 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.

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Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements (Continued)

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

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

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

Other Matters:

The comparative financial information of the Company for year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 10, 2023. Accordingly, we do not express any opinion, as the case may be, on the figures reported in the financial statements for the year ended March 31, 2023.

Our opinion is not modified in respect of this matter.

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 Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

Report on Other Legal and Regulatory Requirements (Continued)

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, and the Statement of Cash Flow 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 Ind AS 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 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 29 (iii) to the financial statements;
 - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 42 to the financial statements;
 - 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 it's knowledge and belief, as disclosed in the note 47.9(A) to the financial statements, during the year 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 on behalf of the Ultimate Beneficiaries.



Report on Other Legal and Regulatory Requirements (Continued)

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 47.9(B) to the financial statements, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), 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 on behalf of the Ultimate Beneficiaries.

(c) Based on the 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 (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all transactions recorded in the software. Further, during the course of our audit we didn't come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Nangia & Co. LLP
Chartered Accountants
Firm Registration Number: 002391C/N500069



Jaspreet Singh Bedi
Partner

Membership No.: 601788
UDIN: 24601788BKFM PN6314

Place: Mumbai
Date: 03 May 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: Edelweiss Asset Management Limited ("the Company")

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of Intangibles Assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31 March 2024.
- (e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of five crores rupees in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the terms and conditions of Investment made are not prejudicial to the Company's interest.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) According to the information and explanations given to us, the Company have generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employee's state insurance, income-tax and other statutory dues applicable to it though there has been slight delay in few cases. The provisions relating to duty of customs, sales-tax, duty of excise and value added tax are currently not applicable to Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the dues of goods and services tax, income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Amount paid under protest (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Goods and Service Tax Act, 2017	Summon under section 70	285.00	285.00	Financial year 2017-18, 2018-19,	DGGI

- (viii) According to the information and explanations given to us, 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. Hence, the provision stated in clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) According to the information and explanations given to us, the Company has not have any outstanding loans or other borrowings or payment of interest thereon due to any financial institutions, banks and debenture holders. The Company has not taken any loans or borrowings from the Government. Accordingly, the requirement to report on clause ix (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and the audit procedures performed by us, the Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and 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. Accordingly, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (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.
- (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 not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (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) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by a secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistleblower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations are given to us, transactions with the related parties are in compliance with sections 177 and 188 of the 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) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the Information and explanations given to us and audit procedures performed by us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.
- c(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 47.8 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) 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 22.2 to the financial statements.

(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 22.2 to the standalone financial statements.

(xxi) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For Nangia & Co. LLP
Chartered Accountants
FBN No. 002391C/N500069



Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 24601788BKFMPN6314

Place: Mumbai
Date: 03 May 2024

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF EDELWEISS ASSET MANAGEMENT LIMITED

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

To
**The Member of
Edelweiss Asset Management Limited**

We have audited the internal financial controls over financial reporting of Edelweiss Asset Management Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Ind AS 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Nangia & Co. LLP**
Chartered Accountants
Firm Registration Number: 002391C/N500069



Jaspreet Singh Bedi
Partner

Membership No.: 601788
UDIN: 24601788BKFMFN6314

Place: Mumbai
Date: 03 May 2024

Edelweiss Asset Management Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	84.85	32.68
(b) Trade receivables	3	143.00	120.84
(c) Investments	4	1,778.74	1,419.69
(d) Other financial assets	5	29.79	27.92
(e) Assets held for sale	6	213.21	-
		<u>2,249.59</u>	<u>1,601.13</u>
Non-financial assets			
(a) Current tax assets (net)	7	38.86	74.57
(b) Deferred tax assets (net)	8	-	-
(c) Property, Plant and Equipment	9	21.68	12.24
(d) Capital work-in-progress	9.1 (A)	-	5.46
(e) Intangible assets under development	9.1 (B)	0.64	7.21
(f) Right to use assets	9	193.12	197.56
(g) Other Intangible assets	9	659.33	655.97
(h) Other non- financial assets	10	114.57	337.27
		<u>1,028.20</u>	<u>1,290.28</u>
TOTAL ASSETS		<u>3,277.79</u>	<u>2,891.41</u>
LIABILITIES			
Financial liabilities			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	186.58	249.99
(b) Lease liabilities	35	217.88	215.09
(c) Other financial liabilities	12	452.60	388.15
		<u>857.06</u>	<u>853.23</u>
Non-financial liabilities			
(a) Provisions	13	15.28	12.79
(b) Other non-financial liabilities	14	18.70	25.06
		<u>33.98</u>	<u>37.85</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	733.43	733.43
(b) Other equity	16	1,653.32	1,266.90
		<u>2,386.75</u>	<u>2,000.33</u>
TOTAL LIABILITIES AND EQUITY		<u>3,277.79</u>	<u>2,891.41</u>

The accompanying notes are an integral part of these financial statements

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

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069

Jaspreet Singh Bedi

Partner

Membership No: 601788



Mumbai

May 03, 2024

For and on behalf of the Board of Directors

A Venkatchalam

Venkatchalam Ramaswamy

Director

DIN - 00008509

Radhika Gupta

Managing Director and CEO

DIN - 02657595

Vivek Gupta

Company Secretary

Mumbai

May 03, 2024

Suresh Gurumani

Suresh Gurumani

Director

DIN - 00636944

Amit Malpani

Chief Financial Officer



Edelweiss Asset Management Limited

Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Fee income	17	1,833.78	1,668.48
Net gain on fair value changes	18	702.76	491.80
Total Revenue from operations		2,536.54	2,160.28
Other income	19	8.67	6.64
Total Revenue		2,545.21	2,166.92
Expenses			
Finance costs	20	23.88	14.51
Employee benefits expense	21	979.16	731.05
Depreciation, amortisation and impairment	9	69.38	52.81
Other expenses	22	1,096.59	1,190.67
Total expenses		2,169.01	1,989.04
Profit before tax		376.20	177.88
Tax expenses:			
Current tax		-	-
Profit after tax		376.20	177.88
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		2.53	(1.21)
Other Comprehensive Income		2.53	(1.21)
Total Comprehensive Income		378.73	176.67
Earnings per equity share (Face value of INR 10 each):			
(1) Basic	23	5.13	2.43
(2) Diluted		5.13	2.43

The accompanying notes are an integral part of these financial statements 1 - 48

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

For Nangia & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 002391C/N500069

For and on behalf of the Board of Directors


Jaspreet Singh Bedi
Partner
Membership No: 601788




Venkatchalam Ramaswamy
Director
DIN - 00008509


Radhika Gupta
Managing Director and CEO
DIN - 02657595


Vivek Gupta
Company Secretary


Suresh Gurumani
Director
DIN - 00636844


Amit Malpani
Chief Financial Officer

Mumbai
May 03, 2024

Mumbai
May 03, 2024



Edelweiss Asset Management Limited

Statement of changes in Equity

(Currency : Indian rupees in millions)

Equity share capital

Balance at the beginning of the reporting period (April 01 2023)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2024)
733.43	-	733.43
Balance at the beginning of the reporting period (April 01 2022)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2023)
733.43	-	733.43

Other Equity

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Account	ESOP reserve	Retained earnings	
Balance at March 31, 2022 (Ind AS)	117.47	1,010.32	10.34	(52.92)	1,085.21
Profit or loss	-	-	-	177.88	177.88
Ind AS adjustments on account of SAR	-	-	-	5.02	5.02
Other comprehensive income	-	-	-	(1.21)	(1.21)
Total Comprehensive Income for the year	-	-	-	181.69	181.69
Issue of equity instruments	-	-	-	-	-
Balance at March 31, 2023 (Ind AS)	117.47	1,010.32	10.34	128.77	1,266.90
Profit or loss	-	-	-	376.20	376.20
Ind AS adjustments on account of SAR	-	-	-	7.69	7.69
Other comprehensive income	-	-	-	2.53	2.53
Total Comprehensive Income for the year	-	-	-	386.42	386.42
Issue of equity instruments	-	-	-	-	-
Balance at March 31, 2024 (Ind AS)	117.47	1,010.32	10.34	515.19	1,653.32

The accompanying notes are an integral part of these financial statements 1-48

As per our report of even dated attached

For **Nangia & Co. LLP**
Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069


Jaspreet Singh Bedi
Partner

Membership No: 601788



For and on behalf of the Board of Directors


Venkatchalam Ramaswamy
Director
DIN - 00008509


Radhika Gupta
Managing Director and CEO
DIN - 02657595


Vivek Gupta
Company Secretary

Mumbai
May 03, 2024


Suresh Gurumani
Director
DIN - 00635844


Amit Malpani
Chief Financial Officer



Mumbai
May 03, 2024

Edelweiss Asset Management Limited

Cash Flow Statement

(Currency : Indian rupees in millions)

No	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before tax	376.20	177.88
<i>Adjustments for</i>		
Depreciation, amortisation and impairment on investment property	69.38	52.81
Realised fair value (gain) on financial instruments	(268.58)	(468.74)
Unrealised fair value (gain) on financial instruments	(434.19)	(23.06)
(Profit) on sale of property, plant and equipment (net)	(0.02)	(0.17)
(Profit) on Termination of Lease- INDAS 116 and Lease waiver	(1.90)	(3.63)
Gratuity and compensated expenses	7.97	8.06
Finance costs	23.30	14.40
Operating cash flow before working capital changes	(227.84)	(242.45)
<i>Adjustments for</i>		
(Increase) / Decrease in trade receivables	(22.16)	28.92
Decrease / (increase) in Other financial/non financial assets	220.83	(182.68)
(Decrease) / Increase in trade payables	(63.40)	143.65
Increase in liabilities and provisions	62.82	84.65
Cash generated from / (used in) operations	(29.75)	(167.91)
Taxes refund received / (paid) (net of refunds)	35.70	(22.52)
Net cash generated from / (used in) operating activities - A	5.95	(190.43)
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(25.66)	(17.67)
Proceeds from sale of property, plant and equipment	7.28	0.28
Purchase of investments	(2,462.47)	(2,710.12)
Sale / redemption of investments	2,592.98	(16.75)
ROU Asset/Lease Liabilities	(42.61)	2,950.90
Net cash generated from investing activities - B	69.52	206.64
C Cash flow from financing activities		
Finance Cost Paid (Including Interest on Leases - Indas 116)	(23.30)	(14.40)
Net cash (used in) / generated from financing activities - C	(23.30)	(14.40)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	52.17	1.81
Cash and cash equivalents as at the beginning of the year	32.68	30.87
Cash and cash equivalents as at the end of the period	84.85	32.68

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (1956) Rules, 2015 under the Companies Act, 2013.
- Purchase of tangible and intangible assets includes movements of Capital Work-in-Progress and capital expenditure during the year.
- Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows

This is the Cash Flow Statement referred to in our report of even date

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069


Jaspreet Singh Bedi
Partner
Membership No: 601788



For and on behalf of the Board of Directors


Venkatchalam Ramaswamy
Director
DIN - 08008509


Suresh Gurumani
Director
DIN - 00636844


Radhika Gupta
Managing Director and CEO
DIN - 02657595


Amit Malpani
Chief Financial Officer


Vivek Gupta
Company Secretary

Mumbai
May 03, 2024

Mumbai
May 03, 2024



Edelweiss Asset Management Limited

Notes to the financial statements

1. Material accounting policies

1.1 Background

Edelweiss Asset Management Limited ('the Company') was incorporated on August 23, 2007, as a private limited company. With effect from January 18, 2008, the Company converted itself into a public limited company.

The Company is a subsidiary of Edelweiss Financial Services Limited and is incorporated as an asset management company. The Company is registered with the Securities and Exchange Board of India ('SEBI') to act as an investment manager to the Edelweiss Mutual Fund ('the fund') and Alternative Investment funds ('AIF'). It is also registered with SEBI as a portfolio manager.

1.2 Basis of preparation of financial statements

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as

- a. Certain financial assets and liabilities (including derivatives instruments).
- b. Defined benefit plans – plan assets and
- c. Equity Settled share-based payments.

The Company's financial statements are presented in Indian Rupees (INR).

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 36.

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

1.4 Use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.5 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

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

The Company recognises revenue from the following sources:

- a. **Investment Management Fees (net of tax)**
Investment Management fees on Mutual fund and Alternative investment funds are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI Regulations based on average assets under management (AUM) of Edelweiss Mutual Fund schemes and Alternative investment funds.
- b. **Advisory Fees (net of tax)**
Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.
- c. **Portfolio Management Fees (net of tax)**
Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.
- d. **Interest income**
Interest income is recognized using the effective interest rate.
- e. Profit/loss on sale of investments is recognised on trade date basis.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.6 Financial Instruments

Date of recognition

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

Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

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

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

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow
- Selling a financial asset because of significant increase in credit risk

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.
- By default, all other financial assets are subsequently measured at FVTPL.



Edelweiss Asset Management Limited

Notes to the financial statements (*Continued*)

1.6 Financial Instruments (*continued*)

Amortized cost and Effective interest rate (EIR)

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

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

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

Financial assets held for trading

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

Financial assets at fair value through profit or loss

Financial assets 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.

Investment in equity instruments

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

Investment in mutual funds

The Company subsequently measures all mutual fund investments at fair value through profit or loss as these financial assets do not pass the contractual cash flow test as required by Ind AS- 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL.



Edelweiss Asset Management Limited

Notes to the financial statements (*Continued*)

1.6 Financial Instruments (*continued*)

Financial liabilities

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

Debt securities and other borrowed funds

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

Financial liabilities and equity instruments

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

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

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

Reclassification of financial assets and liabilities

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

Derecognition of financial assets and financial liabilities

A transfer only qualifies for derecognition if either:

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

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

Derecognition of financial liabilities

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



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.6 Financial Instruments (continued)

Impairment of financial assets

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

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.

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.

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.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

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

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.

1.7 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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



Edelweiss Asset Management Limited

Notes to the financial statements (*Continued*)

1.8 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.

1.9 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).

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 non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by Edelweiss Financial Services Limited are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.11 Property, plant and equipment and right of use assets

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

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated Useful Life
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.11 Property, plant and equipment and right of use assets (continued)

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 over the lease term.

Intangible assets

Intangible assets are stated at the cost of acquisition net of recoverable taxes, accumulated amortization, and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

Gains or losses arising from the derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.13 Provisions and other contingent liabilities

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

1.14 Lease

As described in Note 34, the Company has applied Ind AS 116 using the modified retrospective approach.

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

Right of use assets

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

Lease Liabilities

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

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.15 Income tax

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

1.16 New fund offer expenses of mutual fund, PMS and AIF schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred. For AIF schemes such expenses are initially borne by the Company and recovered from scheme after the launch of the scheme. Distribution cost is recognised over the lock in period for investment in the schemes.

1.17 Fund expenses

Expenses incurred on behalf of schemes of Bharat Bond ETF – April 2023, Bharat Bond ETF – April 2025, Bharat Bond ETF – April 2030, Bharat Bond ETF – April 2031, Bharat Bond ETF – April 2032, Bharat Bond ETF – April 2033, (Collectively referred as “Bharat Bond Funds”) are recognised in the statement of profit and loss under Mutual Fund expenses in accordance with the agreement entered with Department of Investment and Public Asset Management, Ministry of Finance, Government of India (DIPAM).

1.18 Significant accounting judgements, estimates and assumptions

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

Judgements

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

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

1.19 Rounding of amounts

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

1.20 Standards issued but not yet effective

There are no new standard or amendment issued but not effective.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2024	As at March 31, 2023
2 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- in current accounts	84.85	32.68
	<u>84.85</u>	<u>32.68</u>
3 Trade receivables		
Receivables considered good and credit impaired - Unsecured	143.23	121.22
Less : Allowance for expected credit losses	0.23	0.38
	<u>143.00</u>	<u>120.84</u>

3.1 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance as on 1 April 2022	0.20
Add/ (less): asset originated or acquired (net)	0.18
Impairment allowance as on 31 March 2023	0.38
Add/ (less): asset originated or acquired (net)	(0.15)
Impairment allowance as on 31 March 2024	0.23

3.2 Trade receivables Ageing Schedule

As at March 31, 2024 Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good - Unsecured	143.23	-	-	-	-	143.23
Gross receivables (A)	143.23	-	-	-	-	143.23
i) Undisputed Trade receivables – considered good - Unsecured	0.23	-	-	-	-	0.23
ECL - Simplified approach (B)	0.23	-	-	-	-	0.23
Total receivables net of provision = (A)-(B)	143.00	-	-	-	-	143.00

As at March 31, 2023 Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good - Unsecured	120.92	0.07	0.23	-	-	121.22
Gross receivables (A)	120.92	0.07	0.23	-	-	121.22
i) Undisputed Trade receivables – considered good - Unsecured	0.13	0.02	0.23	-	-	0.38
ECL - Simplified approach (B)	0.13	0.02	0.23	-	-	0.38
Total receivables net of provision = (A)-(B)	120.79	0.05	-	-	-	120.84

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

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

There are no disputed, unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.



Edelweiss Asset Management Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

4. Investments
As at March 31, 2024

Particulars	At fair value through P&L	At amortised cost	Total
(i) Equity	36.39	-	36.39
(ii) Investments in units of fund (unquoted)	439.30	-	439.30
(iii) Mutual Fund	1,303.05	-	1,303.05
TOTAL - Gross (A)	1,778.74	-	1,778.74
(i) Investments outside India	-	-	-
(ii) Investment in India	1,778.74	-	1,778.74
Total (B)	1,778.74	-	1,778.74
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	1,778.74	-	1,778.74

As at March 31, 2023

Particulars	At fair value through P&L	At amortised cost	Total
(i) Equity	34.16	-	34.16
(ii) Investments in units of fund (unquoted)	382.14	-	382.14
(iii) Mutual Fund	1,003.39	-	1,003.39
TOTAL - Gross (A)	1,419.69	-	1,419.69
(i) Investments outside India	-	-	-
(ii) Investment in India	1,419.69	-	1,419.69
Total (B)	1,419.69	-	1,419.69
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	1,419.69	-	1,419.69



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2024	As at March 31, 2023
5 Other financial assets		
Security Deposits	29.41	19.52
Advances recoverable in cash or in kind or for value to be received	0.38	8.40
	<u>29.79</u>	<u>27.92</u>
6 Assets held for sale		
Investment Management Rights - Edelweiss Discovery Fund -Series I	213.21	-
	<u>213.21</u>	<u>-</u>
7 Current tax assets (net)		
Advance income taxes	38.86	74.57
	<u>38.86</u>	<u>74.57</u>
8 Deferred tax assets (net)		
a. Deferred tax assets		
<u>Investments and other financial instruments</u>		
Provision for diminution in value of current investments	-	-
Fair valuation of investments - unrealised gain	58.88	5.80
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	0.28	0.31
<u>Unused tax losses</u>		
Accumulated losses	65.65	116.32
Others	2.31	3.61
	<u>127.12</u>	<u>126.04</u>
b. Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	127.12	126.04
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	-	-
	<u>127.12</u>	<u>126.04</u>
Total (a-b)	<u>-</u>	<u>-</u>

Note:

Due to absence of reasonable certainty of future taxable income, the Company has not recognised Deferred Tax on temporary differences as the company has previous years brought forward losses.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

9 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at April 1, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	Charge for the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Property, plant and equipments								
Leasehold improvements	13.78	12.45	-	26.23	7.50	4.56	12.06	14.17
Furniture and Fittings	3.25	0.12	-	3.37	1.98	0.33	2.31	1.06
Motor vehicles	-	-	-	-	-	-	-	-
Office equipments	8.41	3.09	-	11.50	5.45	2.04	7.49	4.01
Computers	18.45	2.34	1.74	19.05	16.72	1.58	16.61	2.44
Total : A	43.89	18.00	1.74	60.15	31.65	8.51	38.47	21.68
Intangible assets								
Computer software	36.48	12.50	-	48.98	29.55	9.14	38.69	10.29
Asset Management Rights - Mutual funds and Alternative investment funds	709.04	-	-	709.04	60.00	-	60.00	649.04
Total : B	745.52	12.50	-	758.02	89.55	9.14	98.69	659.33
Right to use lease assets	287.62	58.73	11.44	334.91	90.06	51.73	141.79	193.12
Total : C	287.62	58.73	11.44	334.91	90.06	51.73	141.79	193.12
Grand Total [A+B+C]	1,077.03	89.23	13.18	1,153.08	211.26	69.38	278.95	874.13



EdeIweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

9 Fixed assets

Description of Assets	Gross Block		Depreciation		Net Block As at March 31, 2023
	As at April 1, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	
Property, plant and equipments					
Leasehold improvements	9.63	4.15	-	13.78	6.28
Furniture and Fittings	3.20	0.05	-	3.25	1.27
Motor vehicles	0.57	-	0.57	-	-
Office equipments	5.83	2.58	-	8.41	2.96
Computers	19.25	0.75	1.55	18.45	1.73
Total : A	38.48	7.53	2.12	43.89	12.24
Intangible assets					
Computer software	36.48	-	-	36.48	6.93
Asset Management Rights - Mutual funds and Alternative Investment funds (Refer note below)	709.04	-	-	709.04	649.04
Total : B	745.52	-	-	745.52	655.97
Right to use lease assets	104.36	203.36	20.10	287.62	197.56
Total : C	104.36	203.36	20.10	287.62	197.56
	888.36	210.89	22.22	1,077.03	865.77

Note:-

1. Management has carried out impairment analysis of Asset Management Rights of Mutual funds and Alternative Investment Funds through independent Chartered Accountant Firm. Based on the report of such firm and in the view of management there is impairment of INR 10.00 on the above rights as on March 31, 2023.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

9.1 (A) Capital work-in-progress

Description of Assets	Gross Block			
	As at April 01, 2023	Additions	Capitalization	As at March 31, 2024
Capital WIP - Software	5.46	-	5.46	-
Total	5.46	-	5.46	-

Description of Assets	Gross Block			
	As at April 01, 2022	Additions	Capitalization	As at March 31, 2023
Capital WIP - Software	-	5.46	-	5.46
Total	-	5.46	-	5.46

9.1 (B) Capital work-in-progress under development aging schedule

As at March 31, 2024

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	0.64	-	-	-	0.64
Projects temporarily suspended	-	-	-	-	-
Total	0.64	-	-	-	0.64

As at March 31, 2023

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	7.21	-	-	-	7.21
Projects temporarily suspended	-	-	-	-	-
Total	7.21	-	-	-	7.21



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2024	As at March 31, 2023
10 Other non-financial assets		
(Unsecured Considered good, unless stated otherwise)		
GST Input credit	22.53	43.13
Prepaid expenses	76.83	286.75
Vendor Advances	14.71	6.53
Others	0.50	0.86
	<u>114.57</u>	<u>337.27</u>

11 Trade Payables

As at March 31, 2024	Outstanding for following periods from due date of payment			Total
	Less than 1 year	2-3 years	More than 3 years	
Particulars				
(i) Undisputed Trade Payable - MSME	-	-	-	-
(ii) Undisputed Trade Payable - Others	186.58	-	-	186.58
Total	186.58	-	-	186.58

As at March 31, 2023	Outstanding for following periods from due date of payment			Total
	Less than 1 year	2-3 years	More than 3 years	
Particulars				
(i) Undisputed Trade Payable - MSME	-	-	-	-
(ii) Undisputed Trade Payable - Others	249.99	-	-	249.99
Total	249.99	-	-	249.99

Note:-

There is INR Nil (Previous year: INR Nil) dues 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 aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

12 Other financial liabilities

Others		
Accrued salaries and benefits	452.38	320.28
Others	0.22	67.87
	<u>452.60</u>	<u>388.15</u>

13 Provisions

Provision for employee benefits		
Gratuity	5.66	4.28
Compensated leave absences	9.62	8.51
	<u>15.28</u>	<u>12.79</u>

14 Other non-financial liabilities

Others		
Others	-	0.05
Statutory dues	18.70	25.01
	<u>18.70</u>	<u>25.06</u>



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2024		As at March 31, 2023	
15 Equity share capital				
Authorised :				
113,250,000 (Previous year: 113,250,000) equity shares of Rs. 10 each		1,132.50		1,132.50
		<u>1,132.50</u>		<u>1,132.50</u>
Issued, Subscribed and Paid up:	No. of shares	Amount	No. of shares	Amount
7,33,43,293 (Previous year: 7,33,43,293) equity shares of Rs. 10 each, fully paid-up	7,33,43,293	733.43	7,33,43,293	733.43
		<u>733.43</u>		<u>733.43</u>
a. Movement in share capital :				
	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	7,33,43,293	733.43	7,33,43,293	733.43
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>7,33,43,293</u>	<u>733.43</u>	<u>7,33,43,293</u>	<u>733.43</u>
b. Terms/rights attached to equity shares :				
The Company has only one class of equity shares having a par value of Re 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.				
Shares held by holding/ultimate holding company and/or their subsidiaries/associates				
	March 31, 2024		March 31, 2023	
Holding company				
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	6,63,75,680	90.50%
Edel Finance Company Limited	69,67,613	9.50%	69,67,613	9.50%
	<u>7,33,43,293</u>	<u>100%</u>	<u>7,33,43,293</u>	<u>100.00%</u>
c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	March 31, 2024		March 31, 2023	
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	6,63,75,680	90.50%
Edel Finance Company Limited	69,67,613	9.50%	69,67,613	9.50%
	<u>7,33,43,293</u>	<u>100.00%</u>	<u>7,33,43,293</u>	<u>100.00%</u>
d. Details of shares held by promoters in the Company				
	March 31, 2024		March 31, 2023	
Promoter name	No. of Shares	%of total shares	No. of Shares	%of total shares
Ultimate Holding / Holding company				
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	6,63,75,680	90.50%
Edel Finance Company Limited	69,67,613	9.50%	69,67,613	9.50%
16 Reserves and surplus				
Capital Reserve - Opening balance		117.47		117.47
Add : Additions during the year		-		-
		<u>117.47</u>		<u>117.47</u>
Securities Premium Account		1,010.32		1,010.32
Add : Additions during on issue of Equity Shares		-		-
		<u>1,010.32</u>		<u>1,010.32</u>
Deemed capital contribution - ESOP		10.34		10.34
Add : Additions during the year		-		-
		<u>10.34</u>		<u>10.34</u>
Retained earnings - Opening balance (P&L)		128.77		(52.92)
Add: Profit for the year		376.20		177.88
Adjustment on account of Reversal of SAR		7.69		5.02
Add: Other comprehensive income for the year		2.53		(1.21)
Retained earnings - Closing balance (P&L)		<u>515.19</u>		<u>128.77</u>
		<u>1,653.32</u>		<u>1,266.90</u>



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2024	for the year ended March 31, 2023
17 Fee income		
Management and other Fee		
- Mutual Fund Management fees	1,565.91	1,189.94
- AIF, PMS and other advisory Fees	267.87	478.54
	1,833.78	1,668.48
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:		
Particulars	2023-24	2022-23
Service transferred at a point in time	-	-
Service transferred over time	1,833.78	1,668.48
Total revenue from contract with customers	1,833.78	1,668.48
18 Net gain on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments		
Profit on sale of Current Investment	268.57	468.74
Fair value gain - P&L - mutual funds, AIF Funds and Equity	434.19	23.06
Total Net gain/(loss) on fair value changes	702.76	491.80
Fair value changes:		
- Realised	268.57	468.74
- Unrealised	434.19	23.06
Total Net gain/loss on fair value changes	702.76	491.80
19 Other income		
(Loss) / profit on sale of fixed assets (net)	0.02	0.17
Others		
Miscellaneous income	8.65	6.47
	8.67	6.64



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

20	Finance costs	For the year ended March 31, 2024			For the year ended March 31, 2023		
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
	Other interest expense	-	23.88	23.88	-	14.51	14.51
	Total	-	23.88	23.88	-	14.51	14.51

21	Employee benefit expenses	for the year ended March 31, 2024	for the year ended March 31, 2023
	Salaries and wages		
	Salaries and wages	476.75	422.31
	Salaries and wages - Bonus	341.13	219.42
	Salaries and wages - Long term incentive plan	85.38	37.72
	Contribution to provident and other funds (refer note 26)	35.87	32.38
	Expense on Employee Stock Appreciation Rights (SAR) and Employee Stock Option Scheme (ESOP)	2.09	0.47
	Staff welfare expenses	37.94	18.75
		<u>979.16</u>	<u>731.05</u>



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2024	for the year ended March 31, 2023
22 Other expenses		
Advertisement and business promotion	78.05	56.19
Auditors' remuneration (refer note below)	2.17	2.58
Bad- debts and advances written off	0.09	-
Commission and brokerage	525.26	724.66
Communication	5.85	8.00
Directors' sitting fees	0.94	0.66
Corporate Social Responsibility (CSR) Expenses (Refer note 22.2)	2.90	1.80
Insurance	2.50	2.08
Legal and professional fees	26.52	90.66
Printing and stationery	8.21	10.48
Allowances / (Recoveries) on receivables	(0.15)	0.18
Rates and taxes	6.47	0.84
Rent (refer note 34)	1.23	15.34
Repairs and maintenance	8.67	2.24
Electricity charges	4.40	2.83
Mutual Fund - New Fund Offer Expenses	32.27	28.36
Computer expenses	52.32	48.61
Clearing & custodian charges	0.46	1.20
Membership and subscription	46.25	40.83
Mutual Fund Expenses	161.24	68.78
Office expenses	6.16	4.43
Postage and courier	5.36	4.39
Goods & Service tax expenses	13.33	0.88
Travelling and conveyance	41.83	23.99
Computer Software	45.77	36.06
Outside Services Cost	15.18	13.83
Miscellaneous expenses	3.31	0.77
	1,096.59	1,190.67
22.1 Auditors' remuneration:		
As Auditors	2.08	2.50
Towards reimbursement of expenses	0.09	0.08
	2.17	2.58

22.2 Corporate Social Responsibility (CSR)

Particulars	for the year ended March 31, 2024	for the year ended March 31, 2023
Gross amount required to be spent by the Company as per the provisions of section 135 of Companies Act, 2013	2.86	1.76
Amount spent (paid in cash)		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above *	2.90	1.80
Amount unspent (yet to be paid in cash)		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
Amount paid to EdelGive Foundation	2.90	1.80



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

23 Earnings per Share

Basic earnings per share (EPS) are calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	for the year ended March 31, 2024	for the year ended March 31, 2023
Net Profit from continued operation attributable to equity holders	376.20	177.88
Net Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	376.20	177.88
Weighted average number of ordinary shares for basic earnings per share	7,33,43,293	7,33,43,293
Earnings per share		
Basic earnings per share	5.13	2.43
Diluted earnings per share	5.13	2.43



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

24 Disclosure as required by Indian Accounting Standard 24 - Related Party Disclosure

i. List of related parties and relationship:

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited Edel Finance Company Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Equities Limited (formerly known as Edel Land Limited) Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited ECL Finance Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Trusteeship Company Limited Edelweiss Investment Advisors Limited Edelweiss Alternative Asset Advisors Pte. Limited Edelweiss Capital Services Limited Edelweiss Securities And Investments Private Limited EdelGive Foundation
Non-Executive Directors	Venkatchalam Ramaswamy
Independent Directors	Suresh Gurumani Manjit Singh Karan Datta Sandeep Bhandarkar
Key Management Personnel	Radhika Gupta (Managing Director and Chief Executive Officer) Amit Malpani (Chief Financial Officer) Vivek Gupta (Company Secretary)

i. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Cost reimbursements paid to	Edelweiss Financial Services Limited	0.17	0.14
		Edelweiss Rural and Corporate Services Limited	6.52	19.30
		Edelweiss Retail Finance Limited	-	0.01
		ECap Equities Limited (formerly known as Edel Land Limited)	0.94	0.55
		Edelweiss Capital Services Limited	-	0.11
		Edelweiss Securities And Investments Private Limited	22.17	20.26
		ECL Finance Limited	53.16	17.24
2	Advisory fees received from	Edelweiss Alternative Asset Advisors Pte. Limited	0.21	1.33
3	CSR Paid to	EdelGive Foundation	2.90	1.80
4	Security Deposit paid to	ECL Finance Limited	7.44	11.15
4	Directors sitting fees	Suresh Gurumani	0.34	0.24
		Manjit Singh	0.34	0.28
		Karan Datta	0.16	0.12
		Sandeep Bhandarkar	0.10	0.02
5	Remuneration paid to (Refer Note 2 below)	Key Management Personnel	63.39	56.11



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

24 Disclosure as required by Indian Accounting Standard 24 - Related Party Disclosure

ii. Balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	As at	
			March 31, 2024	March 31, 2023
6	Trade payables to	Edelweiss Financial Services Limited	-	0.02
		ECL Finance Limited	0.60	0.64
		Edelweiss Securities And Investments Private Limited	5.52	4.85
		ECap Equities Limited (formerly known as Edel Land Limited)	0.02	0.04
		Edelweiss Alternative Asset Advisors Limited	0.25	-
		Edelweiss Rural and Corporate Services Limited	0.62	-
7	Advances recoverable in cash or in kind or for value to be received	Edelweiss Rural and Corporate Services Limited	-	8.33
		Edelweiss Trusteeship Company Limited	-	0.12
		Edelweiss Financial Services Limited	0.38	-
8	Trade receivables	Edelweiss Alternative Asset Advisors Pte. Limited	-	0.29
9	Security Deposit	ECL Finance Limited	18.59	11.15
10	Other payables - ESOP	Edelweiss Financial Services Limited	0.13	2.49

Note: 1. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

2. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment 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.



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

25 Segment reporting

The primary business of the Company is to act as an investment manager to Edelweiss Mutual Fund. Accordingly, there is no separate reportable segment and hence, no disclosure is made under **Indian Accounting Standard 108 – Operating Segment Reporting**. Further, segmentation based on geography has not been presented as the Company operates only in India.

26 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

A) Defined contribution plan (Provident fund and National Pension Scheme and Employees State Insurance Corporation):

Amount of **Rs. 28.99** (Previous year: Rs. 25.54) is recognised as an expense and included in "Employee benefit expense" – note 21 in 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 of profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognized in the statement of profit and loss account:

	2024	2023
Current service cost	6.51	6.95
Interest cost	0.35	(0.12)
Expected return on plan asset	-	-
Past service cost	-	-
Actuarial (gain) or loss recognized in the year	(2.53)	1.21
Employer expense	4.34	8.04

Balance sheet

Reconciliation of Defined Benefit Obligation (DBO):

	2024	2023
Present value of DBO at the beginning of the year	42.66	34.89
Acquisition/ (Divesture)	-	-
Transfer in / (out)	(0.25)	0.12
Interest cost	3.01	2.07
Current service cost	6.51	6.95
Benefits paid	(4.51)	(1.64)
Past service cost	-	-
Actuarial (gain)/loss on obligation	0.52	0.27
Present value of DBO at the end of the year	47.95	42.66

Reconciliation of fair value of plan assets:

	2024	2023
Fair value of plan assets at the beginning of the year	38.39	37.14
Expected return on plan asset	3.05	(0.94)
Contributions	2.71	1.64
Benefits paid	(4.52)	(1.64)
Interest Income	2.66	2.19
Fair value of plan assets at the end of the year	42.30	38.39



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

26 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (continued)

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

Particulars	2024	2023
Present value of defined benefit obligation	47.95	42.66
Fair value of plan assets at the end of the year	42.30	38.39
Amount recognized in balance sheet - asset/(liability)	5.66	4.28

Experience adjustments:

Particulars	2024	2023
On plan liabilities: (gain)/ loss	0.26	3.21
On plan assets: gain/ (loss)	-	-
Estimated contribution for next year	6.5	Nil

Principal actuarial assumptions at the balance sheet date:

	2024	2023
Discount rate	7.00%	7.10%
Salary escalation	7%	7%
Employee attrition rate	16%	16%
Expected return on plan assets	7.10%	5.90%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Sensitivity analysis:

DBO increases / (decreases) by	March-24	March-23
Increase of 1% in Salary Growth Rate	2.49	2.24
Decrease of 1% in Salary Growth Rate	(2.29)	(2.15)
Increase of 1% in Discount Rate	(2.27)	(2.13)
Decrease of 1% in Discount Rate	2.51	2.26
Increase of 1% in Withdrawal Rate	(0.15)	0.01
Decrease of 1% in Withdrawal Rate	0.15	(0.02)
Mortality (Increase in expected lifetime by 1 year)	-	-
Mortality (increase in expected lifetime by 3 years)	-	0.00

Percentage Break-down of Total Plan Assets:

	2024	2023
Insurer Managed Funds (Unit-linked)	99.90%	99.90%
Cash and Bank	0.10%	0.10%

27 Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs)

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights Plans in force. Based on such ESOP/SAR schemes, the parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to the company's employees. Based on group policy/arrangement, EFSL has charged the fair value of such stock options, Company has accepted the such cross charge and recognised the same under the employee cost.



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

28 Foreign currency transactions

The Company has foreign currency exposure as of the date of the balance sheet as below:

Particulars	2024	2023
Trade Receivable	-	0.29

The Company has undertaken the following transactions in foreign currency:

	2024	2023
Income generated in foreign currency (on an accrual basis)		
Advisory Income	0.21	1.33
Expenditure incurred in foreign currency (on an accrual basis)		
Membership & Subscription Charges	7.23	7.70

29 Contingent liabilities, commitments, and litigations

i. Contingent liabilities

There is Nil (Previous year Nil) contingent liabilities as on the date of balance sheet.

ii. Commitments

The Company has capital commitments of Nil (Previous year: Rs. Nil) as at the balance sheet date.

iii. Litigations

The Company does not have any pending litigations as on the date of balance sheet.

(Previous Year: The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of the Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeals and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, the company is reasonably certain about sustaining its position in the pending cases, hence the possibility of an outflow of resources embodying economic benefits on this ground is remote)

30 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditures like Group Medclaim, insurance, rent, electricity charges, etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company based on the number of employees, time spent by employees of other companies, actual identifications, etc. Accordingly, and as identified by the management, the expenditure heads in note 22 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

31 Risk Management framework:-

a) Governance framework

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

b) Approach to capital management

Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders.

Company monitors capital using the debt-equity ratio, which is total debt divided by total equity.

Particulars	As at March 31, 2024	As at March 31, 2023
Total Debt	-	-
Equity	2,386.75	2,000.33
Net Debt to Equity	-	-

32 Provident Fund

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.



Edelweiss Asset Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

33 Credit risk

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

The Company's management policy is to closely monitor creditworthiness of counterparties by reviewing their credit ratings, financial statements and press release on regular basis.

The Company's financial assets subject to the expected credit loss model within Ind AS 109 are only short-term trade and other receivables. All trade receivables are expected to be received in three months or less. Company applies the expected credit loss model for recognising impairment loss. Expected credit loss allowance in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

Company is exposed to credit risk on mutual fund investments, however this investment are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Company's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	INR
Impairment allowance as on March 31, 2023	0.38
Addition/ (Reduction) during the year	(0.15)
Impairment allowance as on March 31, 2024	0.23

Trade Receivables Aging and Expected Credit loss (ECL):

Year ended	Days past due	1-90days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
March 31, 2024	ECL rate	0.16%	-	-	-	-	0.16%
	Gross	143.23	-	-	-	-	143.23
	ECL	(0.23)	-	-	-	-	(0.23)
	Net	143.00	-	-	-	-	143.00
March 31, 2023	ECL rate	0.10%	10.00%	25.00%	33.33%	100.00%	0.31%
	Gross	120.87	0.05	0.04	0.03	0.23	121.22
	ECL	(0.12)	(0.01)	(0.01)	(0.01)	(0.23)	(0.38)
	Net	120.75	0.04	0.03	0.02	-	120.84



Edelweiss Asset Management Limited

Notes to the financial statements *(continued)*

(Currency: Indian Rupees in millions)

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. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected. The Company is exposed to cash redemptions of units on a regular basis. Units are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's constitution.

The company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Either disposal of other assets or increase of leverage

Refer *Note 35* on maturity analysis of assets and liabilities.

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. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

34 Lease

Right-of-use assets

Particulars	Amount	
	April 01, 2023	April 01, 2022
As at		
Opening Balance	197.56	45.29
Addition	58.73	203.36
Deletion	(11.44)	(20.10)
Depreciation expense	(51.73)	(30.99)
Closing Balance	193.12	197.56

Lease liability

Particulars	Amount	
	April 01, 2023	April 01, 2022
As at		
Opening Balance	215.09	52.21
Addition (net)	45.32	179.55
Accretion of interest	23.30	14.40
Payments	(65.83)	(31.07)
Closing Balance	217.88	215.09

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Depreciation expense	51.73	30.99
Interest expense on lease liabilities	23.30	14.40
Expense relating to short-term lease (included in other expenses)	1.23	15.34
Total amount recognised in statement of profit and loss	76.26	60.73

The Company has entered into commercial leases for buildings. Some of the leases contain extensions and termination options such options have been considered while lease term only.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

35. 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 set

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	84.85	-	84.85	32.68	-	32.68
Trade receivables	143.00	-	143.00	120.55	-	120.55
Trade receivables - related party	-	-	-	0.29	-	0.29
Investments	671.61	1,107.13	1,778.74	500.60	919.09	1,419.69
Other financial assets	0.38	29.41	29.79	8.40	19.52	27.92
Assets held for sale	213.21	-	213.21	-	-	-
Total (A)	1,113.05	1,136.54	2,249.59	662.52	938.61	1,601.13
Non-financial assets						
Current tax assets (net)	-	38.86	38.86	-	74.57	74.57
Property, plant and equipment	-	21.68	21.68	-	12.24	12.24
Capital work-in-progress	-	-	-	-	5.46	5.46
Intangible assets under development	-	0.64	0.64	-	7.21	7.21
Right to use assets	-	193.12	193.12	-	197.56	197.56
Other intangible assets	-	659.33	659.33	-	655.97	655.97
Other non-financial assets	15.21	99.36	114.57	6.53	330.74	337.27
Total (B)	15.21	1,012.99	1,028.20	6.53	1,283.75	1,290.28
Total assets	1,128.26	2,149.53	3,277.79	669.05	2,222.36	2,891.41

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	173.71	-	173.71	88.69	-	88.69
Trade payables - related party	12.87	-	12.87	161.30	-	161.30
Lease liabilities	-	217.88	217.88	-	215.09	215.09
Other financial liabilities	261.75	190.85	452.60	264.28	123.87	388.15
Total (A)	448.33	408.73	857.06	514.27	338.96	853.23
Non-financial liabilities						
Provisions	15.28	-	15.28	12.79	-	12.79
Other non-financial liabilities	18.70	-	18.70	25.01	0.05	25.06
Total (B)	33.98	-	33.98	37.80	0.05	37.85
Total liabilities	482.31	408.73	891.04	552.07	339.01	891.08
Net Assets / (Liabilities)	645.95	1,740.80	2,386.75	116.98	1,883.35	2,000.33



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

36. Change in liabilities arising from financing activities:-

Particulars	April 01, 2023	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2024
Borrowings other than debt securities	-	-	-	-	-	-
Other financial liabilities	388.15	64.45	-	-	-	452.60
Total liabilities from financing activities	388.15	64.45	-	-	-	452.60

Particulars	April 01, 2022	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2023
Borrowings other than debt securities	-	-	-	-	-	-
Other financial liabilities	307.91	80.24	-	-	-	388.15
Total liabilities from financing activities	307.91	80.24	-	-	-	388.15



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

37 Fair Values of Financial Instruments

Key Inputs for Fair Valuation technique:

- 1 Mutual Funds : Based on Net Asset Value of the Scheme
- 2 Unquoted Equity investment : Fair Valuation

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

Particulars	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual fund units	1,303.05	-	-	1,303.05
Investments in units of fund	-	439.30	-	439.30
Equity instruments	-	36.39	-	36.39
Total investments measured at fair value	1,303.05	475.69	-	1,778.74
Total financial assets measured at fair value on a recurring basis	1,303.05	475.69	-	1,778.74

Particulars	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual fund units	1,003.39	-	-	1,003.39
Investments in units of fund	-	382.14	-	382.14
Equity instruments	-	34.16	-	34.16
Total investments measured at fair value	1,003.39	416.30	-	1,419.69
Total financial assets measured at fair value on a recurring basis	1,003.39	416.30	-	1,419.69

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2024 and March 31, 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

38 Total market risk exposure

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Traded risk	Non-traded risk	Carrying amount
Assets				
Cash and cash equivalent and other bank balances	84.85	-	84.85	32.68
Financial assets at FVTPL	1,778.74	1,778.74	-	1,419.69
Trade receivables	143.00	-	143.00	120.55
Trade receivables - related party	-	-	-	0.29
Other Financial Assets	29.79	-	29.79	27.92
Assets held for sale	213.21	-	213.21	-
Total	2,249.59	1,778.74	470.85	1,601.13
Liability				
Trade payables	173.71	-	173.71	88.69
Trade payables - related party	12.87	-	12.87	161.30
Lease liabilities	217.88	-	217.88	215.09
Other liabilities	452.60	-	452.60	388.15
Total	857.06	-	857.06	853.23



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

39 Contractual Maturity Analysis

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial liabilities, financial assets, derivatives and financial commitments as at March 31, 2024 and March 31, 2023.

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

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

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March.

As at March 31, 2024	Upto 3 months	3 months to 6 month	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Trade payables	173.71	-	-	-	-	173.71
Trade payables - Related party	12.87	-	-	-	-	12.87
Lease liabilities	-	-	-	217.88	-	217.88
Other financial liabilities	452.60	-	-	-	-	452.60
Total undiscounted non-derivative financial liabilities	639.18	-	-	217.88	-	857.06
As at March 31, 2023	Upto 3 months	3 months to 6 month	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Trade payables	88.69	-	-	-	-	88.69
Trade payables - Related party	161.30	-	-	-	-	161.30
Lease liabilities	-	-	-	215.09	-	215.09
Other financial liabilities	388.15	-	-	-	-	388.15
Total undiscounted non-derivative financial liabilities	638.14	-	-	215.09	-	853.23

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

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.

As at March 31, 2024	Upto 3 months	3 months to 6 month	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	84.85	-	-	-	-	84.85
Trade receivables	143.00	-	-	-	-	143.00
Trade receivables - Related party	-	-	-	-	-	-
Investments at fair value through profit or loss	671.61	-	-	1,107.13	-	1,778.74
Other financial assets	-	-	-	29.79	-	29.79
Assets held for sale	213.21	-	-	-	213.21	213.21
Total	1,112.67	-	-	29.79	1,107.13	2,249.59
As at March 31, 2023	Upto 3 months	3 months to 6 month	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	32.68	-	-	-	-	32.68
Trade receivables	120.55	-	-	-	-	120.55
Trade receivables - Related party	0.29	-	-	-	-	0.29
Investments at fair value through profit or loss	500.60	-	-	-	919.09	1,419.69
Other financial assets	-	-	-	27.92	-	27.92
Total	654.12	-	-	27.92	919.09	1,601.13



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

40. Sensitivity Analysis

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

2023-24						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	-	-	5	-	-

2022-23						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	0.01	0.01	5	(0.01)	(0.01)

Equity price risk

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

2023-24						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Others (Investment in Equity shares)	5	1.82	1.82	5	(1.82)	(1.82)

2022-23						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Others (Investment in Equity shares)	5	1.71	1.71	5	(1.71)	(1.71)

Other price risk

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

2023-24						
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Others (Invt. in units of fund)	5	21.97	21.97	5	(21.97)	(21.97)
Others (Invt. in Mutual funds)	5	65.15	65.15	5	(65.15)	(65.15)

2022-23						
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Others (Invt. in units of fund)	5	19.11	19.11	5	(19.11)	(19.11)
Others (Invt. in Mutual funds)	5	50.17	50.17	5	(50.17)	(50.17)



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

41. Income Tax

The components of income tax expense for the years ended 31 March 2024 and 2023 are:

Particulars	2023-24	2022-23
Current tax	-	-
Write-down of deferred tax asset (other than on unused tax losses and unused tax credits)	-	-
Total tax charge	-	-
Current tax	-	-
MAT credit reversal	-	-

Reconciliation of total tax charge

Particulars	2023-24	2022-23
Accounting profit before tax as per financial statements	376.20	177.88
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	94.69	44.77
Effect of income not subject to tax:		
Others*	(94.69)	(44.77)
Tax charge for the year recorded in P&L	-	-

*Due to set off of brought forward losses company has not recognised any tax charge during the year.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Movement for the period (2023-24)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment	(126.04)	(1.08)	-	(1.08)	(127.12)
Other investments (equity instruments)	5.80	53.08	-	53.08	58.88
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	116.32	(50.67)	-	(50.67)	65.65
Others	3.92	(1.33)	-	(1.33)	2.59
Total	-	-	-	-	-

	Movement for the period (2022-23)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment	(117.56)	(8.48)	-	(8.48)	(126.04)
Other investments (equity instruments)	7.33	(1.53)	-	(1.53)	5.80
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	109.09	7.23	-	7.23	116.32
Others	1.14	2.78	-	2.78	3.92
Total	-	-	-	-	-



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

42. The Company does not have any long term contract including derivative contract for which there were any material foreseeable losses.

43. Subsequent Event

The Company has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were no reportable subsequent events to be disclosed.

44. For all the amounts below Rs. 5000/- in the schedules and notes of financial statements, the amounts are appearing zero on account of presentation of financial statements in Indian Rupees in millions.

45. The Code on Social Security 2020, relating to employee benefits during employment and post-employment, has been notified in the Official Gazette on 29th Sep 2020, which could impact the contributions made by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in period of notification of the relevant provisions

46. 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.

47. Other Additional Information

47.1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

47.2. Loans and Advances

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

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

47.3. Details of Benami Property held

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

47.4 Security of current assets against borrowings

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

47.5. Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

47. Other Additional Information (Continued)

47.6. Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off Company	Nature of transactions with struck-off Company	Amount of Transaction		Balance outstanding
		2023-24	2022-23	
Arihant Capital Markets Ltd.	Payables	-	0.00	Nil
SPA Capital Services Ltd	Payables	-	0.07	Nil

47.7. Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

47.8. Ratios

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	% of Deviation	Reason
1. Capital to risk-weighted assets ratio (CRAR)	NA	NA	NA	
2. Tier I CRAR	NA	NA	NA	
3. Tier II CRAR	NA	NA	NA	
4. Liquidity coverage ratio	NA	NA	NA	
5. Current ratio(a)	2.34	1.21	93%	Increase due to increase in Current Assets compared to previous year
6. Return on equity ratio(b)	0.51	0.24	111%	Increase due to Increase in Net profit compared to previous year
7. Net profit ratio(c)	0.15	0.08	80%	

(a) Current ratio = current assets / current liabilities

(b) Return on equity ratio = Net Earnings / Shareholders' Equity

(c) Net profit ratio = Net Profit / Total revenue



Edelweiss Asset Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

47. Other Additional Information (Continued)

47.9. Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

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

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities

(Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

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

47.10. Undisclosed Income

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

47.11. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

48. Prior period comparatives

Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069



Jaspreet Singh Bedi
Partner

Membership No: 601788



Mumbai
May 03, 2024

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Director

DIN - 00908509



Radhika Gupta

Managing Director and CEO

DIN - 02687595



Vivek Gupta

Company Secretary

Mumbai
May 03, 2024



Suresh Gurumani

Director

DIN - 00836844



Amit Malpani

Chief Financial Officer

