

**INDEPENDENT AUDITOR'S REPORT****To the Members of Nuvama Asset Management Limited (Formerly ESL Securities Limited)****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Nuvama Asset Management Limited (Formerly ESL Securities Limited)** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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

**Basis for Opinion**

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

**Other Information**

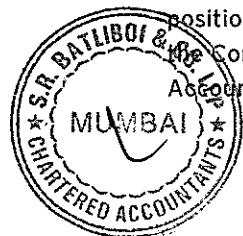
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

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

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

**Responsibility of Management for the Financial Statements**

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



Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

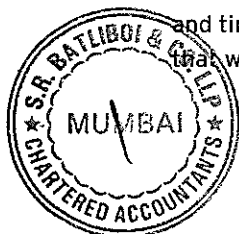
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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.



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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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.31 (v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.31 (vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company;
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software (refer Note 2.37 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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



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per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 24102102BKBZYM9819  
Place of Signature: Mumbai  
Date: May 06, 2024



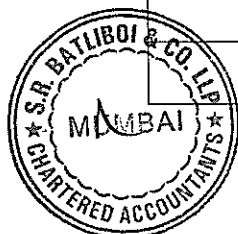
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## Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

The Information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

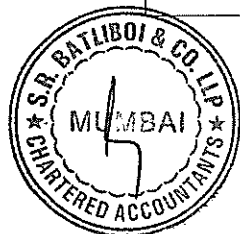
(i)	(a) (A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
	(a) (B)	The Company has maintained proper records showing full particulars of intangible assets.
	(b)	The Company has a regular programme of 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. All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, 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 March 31, 2024.
	(e)	There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
(ii)	(a)	The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
	(b)	The Company has not been sanctioned working capital limits in excess of Rs. five crores 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 investments made to companies 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 advance 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)	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 companies, firms,



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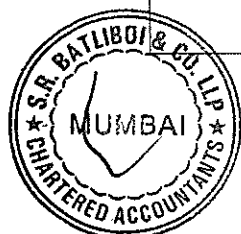
		Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
(iv)		The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments which is in compliance to the provisions of section 186 of the Companies Act 2013.
(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, 2013 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)	<p>The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:</p> <p>There has been a delay in depositing provident fund dues under the Provident Fund and Miscellaneous Provisions Act, 1952 of an amount of Rs. 27 thousand pertaining to the period April 2023 and May 2023. The due date for depositing this amount is 15th of the following month to which they pertain. As represented by the Company, the delay in the deposit of provident fund within the stipulated time as the Aadhaar number of the new employees could not be linked to their UAN as per the government norms. Further, the Company is making the efforts to pay the amount and resolve the matter.</p> <p>As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.</p>
	(b)	<p>There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.</p> <p>As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.</p>
(viii)		The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
(ix)	(a)	The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
	(b)	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
	(c)	The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
	(d)	On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.



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	(e)	On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture.
	(f)	The Company has not raised loans during the year on the pledge of securities held in its joint venture. Hence, the requirement to report on clause (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 complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised.
(xi)	(a)	No fraud by the Company or no fraud 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 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 whistle blower 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 clause 3(xii) of the Order is not applicable to the Company.
(xiii)		Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
(xiv)	(a)	The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.;
	(b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
(xv)		The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
(xvi)	(a)	The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
	(b)	The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
	(c)	The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.



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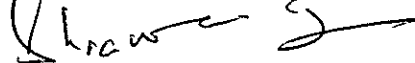
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	(d)	There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company
(xvii)		The Company has incurred cash losses amounting to Rs. 46,059.6 thousand in the current year and amounting to Rs. 19,597.64 thousand 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 2.32 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)	The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
	(b)	The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 24102102BKBZYM9819

Place of Signature: Mumbai

Date: May 06, 2024





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

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**Annexure 2 to the Independent Auditor's report of even date on the financial statements of Nuvama Asset Management Limited (Formerly ESL Securities Limited)**

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

We have audited the internal financial controls with reference to financial statements of Nuvama Asset Management Limited (Formerly ESL Securities Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

## **Auditor's Responsibility**

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

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

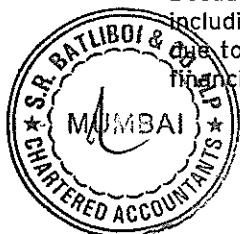
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

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

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

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the



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

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internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 24102102BKBZYM9819

Place of Signature: Mumbai



Date: May 06, 2024

Nuvama Asset Management Limited (formerly ESL Securities Limited)

Balance Sheet

(Currency : Indian rupees in thousands)

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2.01	185,675.11	120,672.52
(b) Trade receivables	2.02	202,958.46	68,605.44
(c) Investments	2.03	178,633.14	125,517.97
(d) Other financial assets	2.04	23,179.00	22,083.99
		<u>590,445.71</u>	<u>336,879.92</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	2.05	21,521.26	3,309.07
(b) Property, Plant and Equipment	2.06	11,998.86	1,937.39
(c) Intangible assets under development	2.27	1,690.00	360.00
(d) Intangible assets	2.07	7,163.55	10,462.48
(e) Other non-financial assets	2.08	7,158.13	4,822.52
		<u>49,531.80</u>	<u>20,891.46</u>
<b>TOTAL ASSETS</b>		<u><b>639,977.51</b></u>	<u><b>357,771.38</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
Trade payables	2.09		
(i) total outstanding dues of micro enterprises and small enterprises		1,150.62	2,187.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		163,947.35	28,137.89
(b) Other financial liabilities	2.10	187,635.25	145,455.59
		<u>352,733.22</u>	<u>175,781.35</u>
<b>Non-financial liabilities</b>			
(a) Provisions	2.11	21,952.31	17,528.04
(b) Other non-financial liabilities	2.12	21,036.06	21,417.12
		<u>42,988.37</u>	<u>38,945.16</u>
<b>EQUITY</b>			
(a) Equity share capital	2.13	459,600.00	359,600.00
(b) Other equity	2.14	(215,344.08)	(216,555.13)
		<u>244,255.92</u>	<u>143,044.87</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>639,977.51</b></u>	<u><b>357,771.38</b></u>

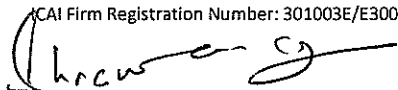
The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

1 & 2

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

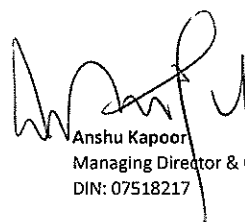
Membership No: 102102




Mumbai

May 06, 2024

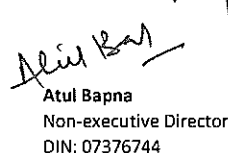
For and on behalf of the Board of Directors



Anshu Kapoor  
Managing Director & CEO  
DIN: 07518217



Riyaz Marfatia  
Non-executive Director  
DIN: 07120715



Atul Bapna  
Non-executive Director  
DIN: 07376744



Dinesh Thadani  
Chief Financial Officer



Aditi Desai  
Company Secretary

Mumbai

May 06, 2024



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Statement of Profit and Loss

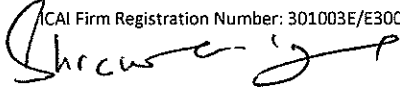
(Currency : Indian rupees in thousands)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Fee and commission income	2.15	765,465.26	468,296.50
Net gain on fair value changes (including Treasury income)	2.16	38,865.17	20,808.43
<b>Total revenue from operations</b>		<b>804,330.43</b>	<b>489,104.93</b>
<b>Other income</b>	2.17	<b>3,343.05</b>	<b>2,158.22</b>
<b>Total Income</b>		<b>807,673.48</b>	<b>491,263.15</b>
<b>Expenses</b>			
Employee benefits expense	2.18	443,192.57	381,480.52
Finance costs	2.19	980.56	216.66
Depreciation and amortisation	2.06	6,446.55	5,950.47
Other expenses	2.20	369,326.13	120,685.66
<b>Total expenses</b>		<b>819,945.81</b>	<b>508,333.31</b>
<b>Profit/(Loss) before tax</b>		<b>(12,272.33)</b>	<b>(17,070.16)</b>
<b>Tax expenses:</b>			
Current tax		-	-
<b>Profit/(Loss) for the year</b>		<b>(12,272.33)</b>	<b>(17,070.16)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans - gratuity (OCI)		344.00	198.00
<b>Items that will be reclassified to profit or loss</b>			
Foreign Exchange Translation Reserve (OCI)		(27.26)	-
<b>Total comprehensive income</b>		<b>(11,955.59)</b>	<b>(16,872.16)</b>
<b>Earnings per equity share (Face value of Rs 10 each):</b>			
<b>Basic and Diluted (amount in Indian rupees)</b>	2.34	(0.34)	(0.50)
The accompanying notes are an integral part of these financial statements.	1 & 2		
As per our report of even date attached			

For S.R. Batliboi & Co. LLP

Chartered Accountants

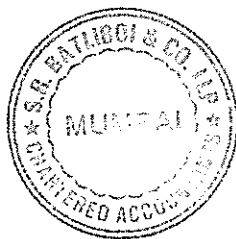
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

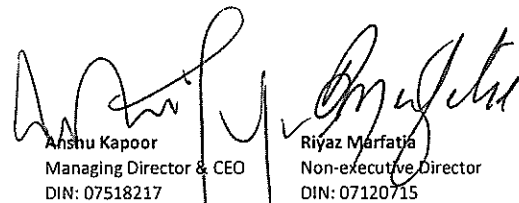
Membership No: 102102



Mumbai

May 06, 2024

For and on behalf of the Board of Directors



Anshu Kapoor  
Managing Director & CEO  
DIN: 07518217

Riyaz Marfatia  
Non-executive Director  
DIN: 07120715



Atul Bapna  
Non-executive Director  
DIN: 07376744



Dinesh Thadani  
Chief Financial Officer



Aditi Desai  
Company Secretary

Mumbai

May 06, 2024



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Statement of Cash Flow

(Currency : Indian rupees in thousands)

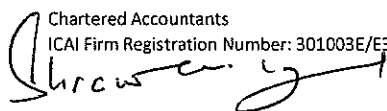
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	(12,272.33)	(17,070.16)
Adjustments for		
Depreciation and amortisation	6,446.55	5,950.47
Fair value on investments	(38,865.17)	(8,279.95)
(Profit) / Loss on sale of Property, Plant and Equipment	87.42	(0.63)
Interest expense on borrowings	-	204.38
Interest expense on lease liabilities	957.59	-
Operating cash flow before working capital changes	(43,645.94)	(19,195.89)
Adjustments for changes in working capital:		
Financial and Non-financial assets	9,736.02	(5,777.59)
Trade receivables	(134,353.02)	(27,198.60)
Trade payables & provisions	139,540.48	18,039.74
Financial and Non-financial liabilities	33,758.64	58,987.93
Cash flow from operations	5,036.18	24,855.59
Income taxes paid, net	(18,212.19)	(96.81)
Net cash used in operating activities	(13,176.01)	24,758.78
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant & Equipment and Intangible assets	(6,387.72)	(3,125.88)
Sale of Property, Plant and Equipment	9.54	0.76
Investment in equity shares of Joint venture	(14,250.00)	-
Net cash used in investing activities	(20,628.18)	(3,125.12)
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital	100,000.00	90,000.00
Proceeds from borrowings	-	84,600.00
Payment of borrowings	-	(84,600.00)
Interest paid on borrowings	-	(204.38)
Repayment of lease obligations	(1,165.96)	-
Net cash generated from financing activities	98,834.04	89,795.62
Net increase in cash and cash equivalents (A+B+C)	65,029.85	111,429.28
Change in foreign exchange translation reserve	(27.26)	-
Cash and cash equivalent as at the beginning of the year	120,672.52	9,243.24
Cash and cash equivalent as at the end of the year (refer note 2.01)	185,675.11	120,672.52

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

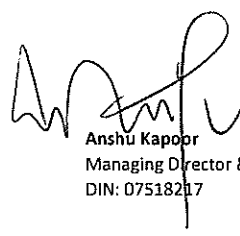
Partner

Membership No: 102102

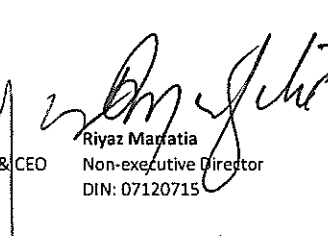


Mumbai  
May 06, 2024

For and on behalf of the Board of Directors



Anshu Kapoor  
Managing Director & CEO  
DIN: 07518217



Riyaz Marfatia  
Non-executive Director  
DIN: 07120715



Atul Bapna  
Non-executive Director  
DIN: 07376744



Dinesh Thadani  
Chief Financial Officer



Aditi Desai  
Company Secretary  
Mumbai  
May 06, 2024



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Statement of changes in Equity  
(Currency : Indian rupees in thousands)

a) Equity share capital

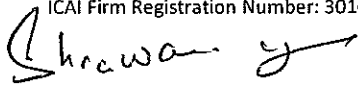
	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	359,600.00	269,600.00
Changes in equity share capital during the year (refer note 2.13)	100,000.00	90,000.00
Balance as at the end of the year	<b>459,600.00</b>	<b>359,600.00</b>

b) Other equity

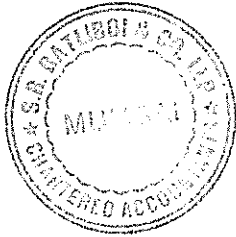
Particulars	Reserves & Surplus		Total
	Retained Earnings	Foreign exchange translation reserve	
Balance at April 1, 2022	(206,997.98)	-	(206,997.98)
Profit/(Loss) for the year	(17,070.16)	-	(17,070.16)
Other comprehensive income	198.00	-	198.00
Adjustment of share based payments on lapse/cancellation	7,315.01	-	7,315.01
<b>Balance at March 31, 2023</b>	<b>(216,555.13)</b>	<b>-</b>	<b>(216,555.13)</b>
Profit/(Loss) for the year	(12,272.33)	-	(12,272.33)
Other comprehensive income	344.00	(27.26)	316.74
Adjustment of share based payments on lapse/cancellation	13,166.64	-	13,166.64
<b>Balance at March 31, 2024</b>	<b>(215,316.82)</b>	<b>(27.26)</b>	<b>(215,344.08)</b>

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

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



per Shrawan Jalan  
Partner  
Membership No: 102102



Mumbai  
May 06, 2024

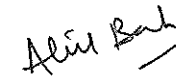
For and on behalf of the Board of Directors



Anshu Kapoor  
Managing Director & CEO  
DIN: 07518217



Riyaz Manjaria  
Non-executive Director  
DIN: 07120715



Atul Bapna  
Non-executive Director  
DIN: 07376744



Dinesh Thadani  
Chief Financial Officer



Aditi Desai  
Company Secretary

Mumbai  
May 06, 2024



**Nuvama Asset Management Limited (formerly ESL Securities Limited)**

**Notes to the financial statements**

(Currency : Indian rupees in thousands)

**Company background**

Nuvama Asset Management Limited (formerly ESL Securities Limited) ('the Company') is incorporated as a public limited company on October 1, 2019, under the Companies Act, 2013 having Corporate Identity Number: U67190MH2019PLC343440. The registered office of the Company is situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

The Company is engaged in the business of portfolio management services and Investment Manager for alternative investment funds.

**1. Summary of material accounting policy information**

**1.01 Basis of preparation of financial statements**

These financial statements comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash flow and the Statement of Changes in Equity for the year ended March 31, 2024 and a summary of the material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with Division III of the Schedule III to the Companies Act, 2013. The financial statements have been approved for issue by the Board of Directors of the Company on May 06, 2024.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirements of Schedule III, unless otherwise stated.

**1.02 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 2.21.

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:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

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

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

**Judgements**

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

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

**1.04 Cash and Cash Equivalents**

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



Notes to the financial statements

(Currency : Indian rupees in thousands)

1.05 Financial Instruments

**Date of recognition**

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

**Initial measurement of financial instruments**

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

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

**Day 1 profit or loss**

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

**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:

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

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

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

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

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

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

**d. 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.





Notes to the financial statements

(Currency : Indian rupees in thousands)

**e. 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.

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

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

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

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

**g. Investment in equity instruments**

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

**h. Investment in mutual funds/alternative investment funds**

The Company subsequently measures all mutual fund investments and alternative investment funds 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.

**Financial liabilities**

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

**a. 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.

**b. Financial liabilities and equity instruments**

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

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

**Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities upto and including the year ended March 31, 2024.



**Notes to the financial statements**

(Currency : Indian rupees in thousands)

**Derecognition of financial assets**

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

**Derecognition of financial liabilities**

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

**Impairment of financial assets**

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

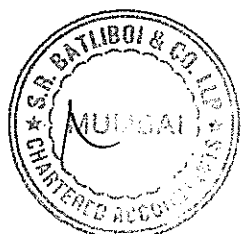
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, 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 and how the managers of these assets are compensated.

**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.



Notes to the financial statements

(Currency : Indian rupees in thousands)

**Write-offs**

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

**Determination of fair value**

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

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

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

**Level 1 financial instruments:**

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

**Level 2 financial instruments:**

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

**Level 3 financial instruments:**

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

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

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

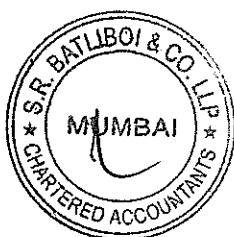
**1.06 Property, Plant and Equipment, Right-of-use assets and Capital work in progress**

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

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

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

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



Notes to the financial statements

(Currency : Indian rupees in thousands)

The estimated useful lives of the Property, plant and equipment are as follows:

Assets	Useful life
Furniture and Fixtures	10 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years
Office equipment	5 years

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

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

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

**Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The estimated useful lives for the different types of assets are:

Assets	Useful life
Softwares	3-5 years
Asset Management Rights	5 years

**Impairment of non-financial assets**

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

**1.07 Borrowings**

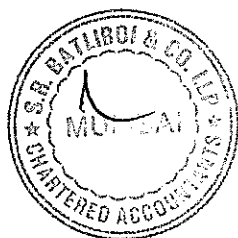
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

**1.08 Leases**

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.



Notes to the financial statements

(Currency : Indian rupees in thousands)

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

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

**1.09 Provision and contingent liabilities**

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

A contingent liability is:

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

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

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

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

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

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

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

**1.10 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivables. 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:

- a. Identification of contract(s) with customers;
- b. Identification of the separate performance obligations in the contract;
- c. Determination of transaction price;
- d. Allocation of transaction price to the separate performance obligations; and
- e. Recognition of revenue when (or as) each performance obligation is satisfied

i) Income from managing Alternative Investment Fund (AIF) schemes are accounted on accrual basis (net of Goods and Service Tax), in accordance with the Investment management agreement. Management fees from PMS are recognised on an accrual basis (net of Goods and Service Tax) as per the terms of the contract with the customers.

ii) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii) Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.



**Notes to the financial statements**

(Currency : Indian rupees in thousands)

iv) Income from treasury operations comprises of profit/loss on sale of securities.

v) Fee income including advisory fees, Index administration fees is accounted on an accrual basis as per Ind AS 115 in accordance with the terms and contracts entered into between the Company and the counterparty.

**1.11 Brokerage**

The brokerage paid towards mobilization of funds for schemes is recognised based on the period for which services are utilised.

**1.12 Retirement and other employee benefits**

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Indian Accounting Standard 19 – Employee benefits, is set out below:

**i) Defined Contribution plans**

**Provident fund and national pension scheme:**

The Company contributes to a recognized provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss. The Company has no obligations other than the contributions payable to the respective Funds.

**ii) Defined Benefits plans**

**Gratuity:**

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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. Such 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 actuarial valuation using the Projected Unit Credit Method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

**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 to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits are determined using the projected unit credit method.

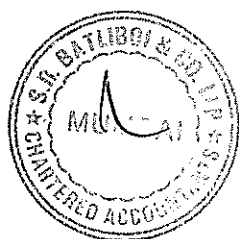
**1.13 Share based payments**

Equity-settled share-based payments to employees and others providing similar services that are granted by the erstwhile holding company Edelweiss Financial Service Limited (EFSL) and current holding company Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) are measured by reference to the fair value of the equity instruments at the grant date.

**1.14 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 year, 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.



Notes to the financial statements

(Currency : Indian rupees in thousands)

1.15 Foreign currency translation

The financial statements of branch office having functional currency other than Indian Rupees are converted on the following basis: (a) Income and expenses are converted at the rate of exchange on the date on which transaction first qualifies for recognition and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Foreign Exchange Translation Reserve" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

1.16 Income Taxes

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

i) 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 year.

ii) 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 carry forward 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.

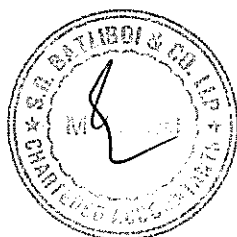
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

1.17 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during 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 the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.



**Nuvama Asset Management Limited (formerly ESL Securities Limited)**

**Notes to the financial statements**

(Currency : Indian rupees in thousands)

**1.18 Standards issued and effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments

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

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

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

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

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

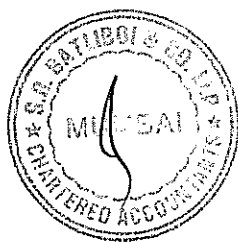
The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

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

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The Company did not had leases during the previous financial year.

**1.19 Standards notified but not yet effective**

There are no new standards that are notified, but not yet effective.





Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

	As at March 31, 2024	As at March 31, 2023
<b>2.01 Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	14,558.92	3,559.89
- In fixed deposits with original maturity of less than 3 months	171,000.00	116,500.00
- Accrued interest on fixed deposits	116.19	612.63
	<u>185,675.11</u>	<u>120,672.52</u>

**2.02 Trade Receivables**

Receivable considered good - unsecured	202,958.46	68,605.44
	<u>202,958.46</u>	<u>68,605.44</u>

Trade receivable ageing :

As at March 31, 2024	Outstanding for following periods from due date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Receivable considered good - unsecured	82,069.44	-	120,889.02	-	-	-	-	202,958.46

As at March 31, 2023	Outstanding for following periods from due date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Receivable considered good - unsecured	-	-	68,605.44	-	-	-	-	68,605.44



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

2.03 Investments

Particulars	At Amortised cost	At fair value through			At cost (Joint Venture)	Total
		Profit & Loss	Other Comprehensive income	Subtotal		
<b>As at March 31, 2024</b>						
<b>Joint Venture</b>						
Nuvama and Cushman & Wakefield Management Private Limited	-	-	-	-	14,250.00	14,250.00
<b>Alternative Investment Fund</b>						
Nuvama Enhanced Dynamic Growth Equity [EDGE] Fund	-	164,383.14	-	164,383.14	-	164,383.14
<b>Total (A)-Gross</b>	-	<b>164,383.14</b>	-	<b>164,383.14</b>	<b>14,250.00</b>	<b>178,633.14</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	-	<b>164,383.14</b>	-	<b>164,383.14</b>	<b>14,250.00</b>	<b>178,633.14</b>
Investments outside India	-	-	-	-	-	-
Investments in India	-	164,383.14	-	164,383.14	14,250.00	178,633.14
<b>Total (B) - Gross</b>	-	<b>164,383.14</b>	-	<b>164,383.14</b>	<b>14,250.00</b>	<b>178,633.14</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) - Net</b>	-	<b>164,383.14</b>	-	<b>164,383.14</b>	<b>14,250.00</b>	<b>178,633.14</b>
<b>As at March 31, 2023</b>						
<b>Alternative Investment Fund</b>						
Nuvama Enhanced Dynamic Growth Equity [EDGE] Fund	-	125,517.97	-	125,517.97	-	125,517.97
<b>Total (A)-Gross</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) - Net</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>
Investments outside India	-	-	-	-	-	-
Investments in India	-	125,517.97	-	125,517.97	-	125,517.97
<b>Total (B) - Gross</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>
(Less): Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) - Net</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>	-	<b>125,517.97</b>

As at  
31 March 2024      As at  
31 March 2023

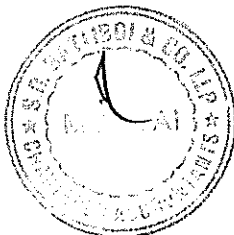
2.04 Other financial assets

(Unsecured considered good, unless stated otherwise)

Advances recoverable in cash or in kind or for value to be received	22,379.62	16,762.98
Security deposits	799.38	744.80
Other assets	-	4,576.21
	<u>23,179.00</u>	<u>22,083.99</u>

2.05 Current tax assets

Advance income taxes	21,521.26	3,309.07
	<u>21,521.26</u>	<u>3,309.07</u>



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements  
(Currency : Indian rupees in thousands)

2.06 Property, Plant and Equipment

Particulars	Gross Block			Accumulated depreciation				Net Block		
	As at April 01, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 01, 2023	Charge for the year	Disposals during the year	Other adjustments (*)	As at March 31, 2024	As at March 31, 2024
Furniture and Fixtures	41.60	238.20	-	279.80	19.76	44.87	-	-	64.63	215.17
Leasehold Premises	-	1,893.33	-	1,893.33	-	250.95	-	-	250.95	1,642.38
Computers	5,820.06	2,538.86	255.63	8,103.29	4,008.65	1,508.84	211.71	-	5,305.78	2,797.51
Right of use Assets	-	8,230.83	-	8,230.83	-	1,024.65	-	(17.50)	1,007.15	7,223.68
Office Equipments	303.51	153.80	242.43	214.88	199.37	84.78	189.39	-	94.76	120.12
<b>Total</b>	<b>6,165.17</b>	<b>13,055.02</b>	<b>498.06</b>	<b>18,722.13</b>	<b>4,227.78</b>	<b>2,914.09</b>	<b>401.10</b>	<b>(17.50)</b>	<b>6,723.27</b>	<b>11,998.86</b>

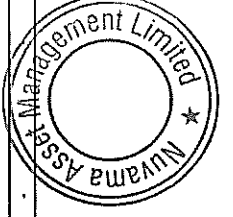
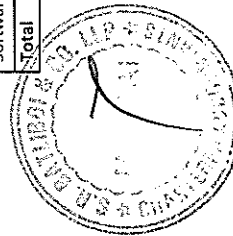
(\*) pertains to foreign exchanges differences

Particulars	Gross Block			Accumulated depreciation				Net Block		
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	Charge for the year	Disposals during the year	Other adjustments	As at March 31, 2023	As at March 31, 2023
Furniture and Fixtures	41.60	-	-	41.60	12.13	7.63	-	-	19.76	21.84
Computers	4,241.39	1,579.02	0.35	5,820.06	1,509.67	2,499.20	0.22	-	4,008.65	1,811.41
Office Equipments	303.51	-	-	303.51	110.09	89.28	-	-	199.37	104.14
<b>Total</b>	<b>4,586.50</b>	<b>1,579.02</b>	<b>0.35</b>	<b>6,165.17</b>	<b>1,631.89</b>	<b>2,596.11</b>	<b>0.22</b>	<b>-</b>	<b>4,227.78</b>	<b>1,937.39</b>

2.07 Intangible assets

Particulars	Gross Block			Accumulated depreciation				Net Block		
	As at April 01, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 01, 2023	Charge for the year	Disposals during the year	Other adjustments	As at March 31, 2024	As at March 31, 2024
Asset Management Rights Software	14,130.96	-	-	14,130.96	5,133.60	2,826.19	-	-	7,959.79	6,171.17
	2,354.43	233.53	-	2,587.96	889.31	706.27	-	-	1,595.58	992.38
<b>Total</b>	<b>16,485.39</b>	<b>233.53</b>	<b>-</b>	<b>16,718.92</b>	<b>6,022.91</b>	<b>3,532.46</b>	<b>-</b>	<b>-</b>	<b>9,555.37</b>	<b>7,163.55</b>

Particulars	Gross Block			Accumulated depreciation				Net Block		
	As at April 01, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 01, 2022	Charge for the year	Disposals during the year	Other adjustments	As at March 31, 2023	As at March 31, 2023
Asset Management Rights Software	14,130.96	-	-	14,130.96	2,307.41	2,826.19	-	-	5,133.60	8,997.36
	1,167.57	1,186.86	-	2,354.43	361.14	528.17	-	-	889.31	1,465.12
<b>Total</b>	<b>15,298.53</b>	<b>1,186.86</b>	<b>-</b>	<b>16,485.39</b>	<b>2,668.55</b>	<b>3,354.36</b>	<b>-</b>	<b>-</b>	<b>6,022.91</b>	<b>10,462.48</b>



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

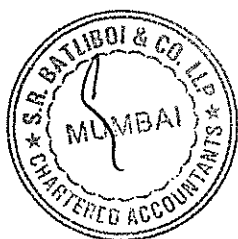
(Currency : Indian rupees in thousands)

	As at March 31, 2024	As at March 31, 2023
<b>2.08 Other non-financial assets</b> (Unsecured Considered good, unless stated otherwise)		
Input tax credit	-	-
Prepaid expenses	4,083.59	1,955.25
Advances to employees	452.49	77.20
Vendor Advances	2,622.05	2,790.07
	<u>7,158.13</u>	<u>4,822.52</u>
<b>2.09 Trade Payables</b>		
Trade payables	165,097.97	30,325.76
	<u>165,097.97</u>	<u>30,325.76</u>

Trade Payables includes Rs 1,150.62 thousand (previous year: Rs 2,187.87 thousand) 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 period/year to "Suppliers" registered under this Act. The afore- mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

As at March 31, 2024	Outstanding for following periods from the date of transaction					Total
	Provisions	upto 1 year	1-2 years	2-3 years	more than 3 years	
MSME	859.84	290.78	-	-	-	1,150.62
Others	113,485.07	50,462.28	-	-	-	163,947.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>114,344.91</b>	<b>50,753.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,097.97</b>

As at March 31, 2023	Outstanding for following periods from due date of transactions					Total
	Provisions	upto 1 year	1-2 years	2-3 years	more than 3 years	
MSME	1,412.28	775.59	-	-	-	2,187.87
Others	18,862.54	9,275.35	-	-	-	28,137.89
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>20,274.82</b>	<b>10,050.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,325.76</b>



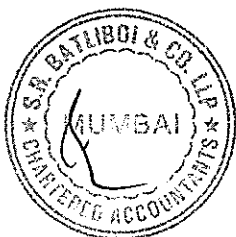
Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

	As at March 31, 2024	As at March 31, 2023
<b>2.10 Other financial liabilities</b>		
Other payables	4,341.64	6,235.36
Retention money Payable	92.16	-
Security deposits	1,400.00	-
Accrued salaries and benefits	173,761.49	139,220.23
Lease liabilities	8,039.96	-
	<u>187,635.25</u>	<u>145,455.59</u>
<b>2.11 Provisions</b>		
Provision for employee benefits		
Gratuity	18,001.31	14,972.29
Compensated leave absences	3,951.00	2,555.75
	<u>21,952.31</u>	<u>17,528.04</u>
<b>2.12 Other non-financial liabilities</b>		
Statutory liabilities*	21,036.06	21,416.01
Others	-	1.11
	<u>21,036.06</u>	<u>21,417.12</u>

\* Includes withholding taxes, goods & service tax, provident fund, profession tax and other statutory dues



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.13 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	100,000,000	1,000,000.00	40,000,000	400,000.00
Issued, subscribed & fully paid-up shares				
Equity shares of Rs. 10 each	45,960,000	459,600.00	35,960,000	359,600.00
<b>Total</b>	<b>45,960,000</b>	<b>459,600.00</b>	<b>35,960,000</b>	<b>359,600.00</b>

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	35,960,000	359,600.00	26,960,000	269,600.00
Shares issued during the year	10,000,000	100,000.00	9,000,000	90,000.00
<b>Outstanding at the end of the year</b>	<b>45,960,000</b>	<b>459,600.00</b>	<b>35,960,000</b>	<b>359,600.00</b>

b) Terms and rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)*	45,960,000	100%	35,960,000	100%

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)*	45,960,000	100%	35,960,000	100%

e) Details of shares held by Promoters

For the financial year 2023-24

Particulars	No. of shares at the beginning of the year	Change during the period	No. of shares at the end of the year	% of Total Shares	% change during the period
Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)*	35,960,000	10,000,000	45,960,000	100%	-

For the financial year 2022-23

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)*	26,960,000	9,000,000	35,960,000	100%	-

\* include shares held by nominees of the Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited).



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.14 Other equity

(A) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(216,555.13)	(206,997.98)
Profit/(loss) for the year	(12,272.33)	(17,070.16)
Other comprehensive income	344.00	198.00
Adjustment of share based payments on lapse/cancellation	13,166.64	7,315.01
Closing balance	(215,316.82)	(216,555.13)

(B) Foreign exchange translation reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add: Reserve created during the year	(27.26)	-
Closing balance	(27.26)	-

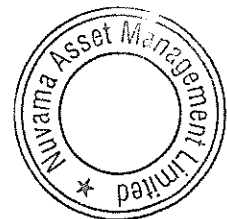
Nature and purpose of reserves:

(A) Retained earnings

Retained earnings comprises of the Company's undistributed profit/(loss) after taxes \*

(B) Foreign exchange translation reserve

The exchange difference arising out of the year end translation of Company's branch office accounts having functional currency other than Indian Rupees is debited or credited to this reserve. The cumulative amount will be reclassified to statement of profit or loss on winding up of branch office.



**Nuvama Asset Management Limited (formerly ESL Securities Limited)**

**Notes to the financial statements**

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>2.15 Fee income</b>		
Management and other fees	765,465.26	468,296.50
	<u>765,465.26</u>	<u>468,296.50</u>
- Recognised over a period of time	667,766.12	460,695.26
- Recognised at a point in time	97,699.14	7,601.24
	<u>765,465.26</u>	<u>468,296.50</u>
<b>2.16 Net gain / (loss) on fair value changes</b>		
On financial instruments at fair value through profit or loss		
- Securities held for trading	-	12,528.48
- Investments	38,865.17	8,279.95
	<u>38,865.17</u>	<u>20,808.43</u>
- Realised	-	12,528.48
- Unrealised	38,865.17	8,279.95
	<u>38,865.17</u>	<u>20,808.43</u>
<b>2.17 Other income</b>		
Interest income on deposits with bank	3,158.74	1,984.23
Interest on income tax refund	184.63	164.92
Profit on sale of property, plant and equipment	-	0.63
Miscellaneous income	(0.32)	8.44
	<u>3,343.05</u>	<u>2,158.22</u>
<b>2.18 Employee benefits expense</b>		
Salaries, wages and bonus	400,003.76	339,233.25
Contribution to provident and other funds	13,694.23	11,532.07
Expense on share based payments- refer note below	19,338.52	25,469.24
Staff welfare expenses	10,156.06	5,245.96
	<u>443,192.57</u>	<u>381,480.52</u>

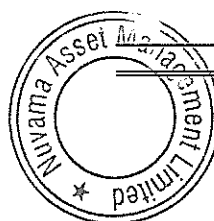
**Note:**

Edelweiss Financial Services Limited (EFSL) and Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited) (NWML) has granted Employee Stock Option Plans (ESOP) / Stock Appreciation Rights Plans (SAR) to the Company's employees. Based on company policy/ arrangement, EFSL/NMWL has charged the fair value of such stock options, and the Company has accepted such cross charge and recognised the same under the employee cost.

**2.19 Finance costs**

On financial liabilities measured at amortised cost

Interest on borrowings		
- Interest on loans from fellow subsidiary	-	204.38
Other interest expense		
- Interest on statutory payments	9.19	8.21
- Other finance and bank charges	13.78	4.07
- Interest on lease liabilities	957.59	-
	<u>980.56</u>	<u>216.66</u>





Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>2.20 Other expenses</b>		
Advertisement and business promotion	17,617.91	19,259.13
Auditors' remuneration (refer note below)	2,545.07	1,757.13
Commission and brokerage	214,043.79	14,965.06
Communication	1,539.61	1,203.34
Insurance	397.45	502.59
Legal and professional fees	29,792.52	10,544.51
Printing and stationery	159.54	224.66
Rates and taxes	524.78	13.22
Rent	31,045.69	22,979.52
Repairs and maintenance	94.53	314.14
<b>Other expenditure</b>		
Electricity charges	15.85	21.00
Foreign exchange loss, net	17.00	11.18
Computer expenses	15,724.77	21,313.41
Computer software	13,081.93	8,979.79
Clearing & custodian charges	6,894.49	3,964.65
Membership and subscription	4,352.48	1,273.90
Office expenses	103.45	30.83
Loss on sale of Property, Plant and Equipment, net	87.42	-
Postage and courier	7.27	111.70
SEBI fees	1,776.85	-
Seminar & Conference expenses	4,706.20	568.85
ROC Expenses	4,515.91	779.06
Goods & Service tax expenses	356.03	1,182.50
Stamp duty	1,718.00	835.04
Travelling and conveyance	16,724.67	8,421.89
Miscellaneous expenses	99.16	278.94
Outside Services Cost	1,383.76	1,149.62
	<b>369,326.13</b>	<b>120,685.66</b>
<b>Auditors' remuneration:</b>		
As Auditors-		
Statutory audit fees	900.00	550.00
Limited review fees	525.00	450.00
Special audit fees	1,051.50	700.00
Reimbursement of expenses	68.57	57.13
	<b>2,545.07</b>	<b>1,757.13</b>



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.21 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Risk	Exposure arising from
Liquidity risk	Mismatches in the timing of cash flows
Credit risk	Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost
Market risk	Investments in units of alternative investment funds

A. Liquidity risk and funding management

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company will be able to discharge its liabilities with future cash flow and support from its holding company.

Analysis of financial assets and liabilities by remaining contractual maturities

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

As at March 31, 2024

Contractual maturities of assets and liabilities	Upto 1 year	1 to 3 years	Over 3 years	Total
<b>Financial assets</b>				
(a) Cash and cash equivalents	185,675.11	-	-	185,675.11
(b) Trade receivables	202,958.46	-	-	202,958.46
(c) Investments	-	-	178,633.14	178,633.14
(d) Other financial assets	22,379.62	-	799.38	23,179.00
<b>Total (A)</b>	<b>411,013.19</b>	<b>-</b>	<b>179,432.52</b>	<b>590,445.71</b>
<b>Financial liabilities</b>				
(a) Trade payables	165,097.97	-	-	165,097.97
(b) Other financial liabilities	180,122.91	2,204.79	5,307.55	187,635.25
<b>Total (B)</b>	<b>345,220.88</b>	<b>2,204.79</b>	<b>5,307.55</b>	<b>352,733.22</b>
<b>Net (A) - (B)</b>	<b>65,792.31</b>	<b>(2,204.79)</b>	<b>174,124.97</b>	<b>237,712.49</b>
<b>Cumulative net</b>	<b>65,792.31</b>	<b>63,587.52</b>	<b>237,712.49</b>	

As at March 31, 2023

Contractual maturities of assets and liabilities	Upto 1 year	1 to 3 years	Over 3 years	Total
<b>Financial assets</b>				
(a) Cash and cash equivalents	120,672.52	-	-	120,672.52
(b) Trade receivables	68,605.44	-	-	68,605.44
(c) Investments	-	-	125,517.97	125,517.97
(d) Other financial assets	21,339.19	-	744.80	22,083.99
<b>Total (A)</b>	<b>210,617.15</b>	<b>-</b>	<b>126,262.77</b>	<b>336,879.92</b>
<b>Financial liabilities</b>				
(a) Trade payables	30,325.76	-	-	30,325.76
(b) Other financial liabilities	145,455.59	-	-	145,455.59
<b>Total (B)</b>	<b>175,781.35</b>	<b>-</b>	<b>-</b>	<b>175,781.35</b>
<b>Net (A) - (B)</b>	<b>34,835.80</b>	<b>-</b>	<b>126,262.77</b>	<b>161,098.57</b>
<b>Cumulative net</b>	<b>34,835.80</b>	<b>34,835.80</b>	<b>161,098.57</b>	

B. Credit Risk

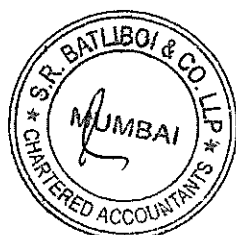
Credit risk arises when a customer or counterparty does not meet its obligation under a customer contract or financial instrument, leading to a financial loss and arises primarily from trade receivables. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The Company's exposure to credit exposure is very minimal as trade receivable consists of receivable from the schemes for which the Company is Investment manager.

C. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices etc.

(i) Cash flow and fair value interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.21 Financial Risk Management

ii) Currency risk

Currency risk is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not have significant transactions foreign currency outstanding as at the reporting date.

iii) Price risk

Price risk is the risk that the financial assets at fair value through profit or loss may fluctuate as a result of change in market prices.

Sensitivity

The table below summaries the impact of increase/decrease of the NAV on the Company's equity and profit. The analysis is based on the assumption that NAV had changed by 5% with all other variables held constant.

Particulars	Impact on profit after tax		Impact on other components of equity	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Alternative Investment Funds				
NAV - increase by 5%	8,219.16	6,275.89	8,219.16	6,275.89
NAV - decrease by 5%	(8,219.16)	(6,275.89)	(8,219.16)	(6,275.89)

2.22 Capital Management

The capital of the Company, for the purpose of capital management, include issued capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise shareholders value and ensure that the minimum capital requirement. The Company is required to maintain minimum net worth as prescribed under Securities Board of India (Portfolio Managers) Regulations, 2020 and IFSCA (Fund Management) Regulations 2022. The management ensures that this is complied.

2.23 Cost Sharing

Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited) being the Holding Company incurred expenditure like branding fee, technology and administrative cost etc. which is for the common benefit of itself and its subsidiaries and associates. These costs expended are reimbursed by the Company on the basis of number of employees, actual identifications etc. On the same lines, branch running costs expended (if any) by the Holding Company for the benefit of its subsidiaries and associates are recovered by the Holding Company. Accordingly and as identified by the management, the expenditure heads in note 2.18 and 2.20 includes reimbursement paid and are net of reimbursement received based on the management's best estimate.

2.24 Calculation of cash losses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss for the year	(12,272.33)	(17,070.16)
Depreciation and amortisation (excluding depreciation on Right of use Assets)	5,421.90	5,950.47
Remeasurement gain / (loss) on defined benefit	(344.00)	(198.00)
Mark to Market (gains)/losses on investments, unrealised	(38,865.17)	(8,279.95)
Cash losses during the year	(46,059.60)	(19,597.64)



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.25 Fair value measurement

a) Fair value hierarchy

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

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

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

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

The following table shows an analysis of financial assets and financial liabilities by level of fair value hierarchy:

As at March 31, 2024

Assets and liabilities	Note	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
<b>At Fair Value Through Profit/Loss</b>						
Investments	2.03	-	-	164,383.14	-	164,383.14
<b>At Cost</b>						
Investments	2.03	14,250.00	-	-	-	14,250.00
<b>At Amortised cost</b>						
(a) Cash and cash equivalents	2.01	185,675.11	-	-	-	185,675.11
(b) Trade receivables	2.02	202,958.46	-	-	-	202,958.46
(c) Other financial assets	2.04	23,179.00	-	-	-	23,179.00
<b>Total financial assets</b>		<b>426,062.57</b>	<b>-</b>	<b>164,383.14</b>	<b>-</b>	<b>590,445.71</b>
<b>Financial liabilities</b>						
<b>At Amortised cost</b>						
(a) Trade payables	2.09	165,097.97	-	-	-	165,097.97
(b) Other financial liabilities	2.10	187,635.25	-	-	-	187,635.25
<b>Total financial liabilities</b>		<b>352,733.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352,733.22</b>

As at March 31, 2023

Assets and liabilities	Note	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
<b>At Fair Value Through Profit/Loss</b>						
Investments	2.03	-	-	125,517.97	-	125,517.97
<b>At Amortised cost</b>						
(a) Cash and cash equivalents	2.01	120,672.52	-	-	-	120,672.52
(b) Trade receivables	2.02	68,605.44	-	-	-	68,605.44
(c) Other financial assets	2.04	22,083.99	-	-	-	22,083.99
<b>Total financial assets</b>		<b>211,361.95</b>	<b>-</b>	<b>125,517.97</b>	<b>-</b>	<b>336,879.92</b>
<b>Financial liabilities</b>						
<b>At Amortised cost</b>						
(a) Trade payables	2.09	30,325.76	-	-	-	30,325.76
(b) Other financial liabilities	2.10	145,455.59	-	-	-	145,455.59
<b>Total financial liabilities</b>		<b>175,781.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,781.35</b>

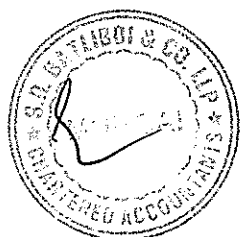
There are no transfers between levels 1 and 2 during the year.

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- Alternative Investment Schemes at declared NAV's, and
- for other financial instruments – discounted cash flow analysis.

c) The carrying amounts of cash and cash equivalents, trade receivables, trade payables, other financial assets and liabilities approximate the fair value because of their short-term nature.



**Nuvama Asset Management Limited (formerly ESL Securities Limited)**

(Currency : Indian rupees in thousands)

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

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

Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) Holding company  
PAGAC Ecstasy Pte Limited Ultimate holding company

**(B) Names of related parties who exercise significant influence over the Company's Holding company**

Edelweiss Financial Services Limited (w.e.f. March 27, 2021 upto March 30, 2023)

**(C) Fellow subsidiaries with whom the Company has transactions**

- 1 Nuvama Wealth Finance Limited (formerly Edelweiss Finance & Investments Limited)
- 2 Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)
- 3 Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)

**(D) Subsidiaries/Fellow Subsidiary/ Associate/JV of Entity exercising significant over holding Company influence with whom the Company has transactions (upto March 30, 2023)**

- 1 Edelweiss Rural & Corporate Services Limited
- 2 ZUNO General Insurance Limited (formerly Edelweiss General Insurance Company Limited)
- 3 Edelweiss Tokio Life Insurance Company Limited
- 4 Edelweiss Alternative Asset Advisors Limited
- 5 Ecap Equities Limited
- 6 Edel Finance Company Limited

**(E) Joint venture company:**

Nuvama and Cushman & Wakefield Management Private Limited (w.e.f September 4, 2023)

**(F) Fellow entity of the Ultimate holding company with whom transactions have taken place during the year:**

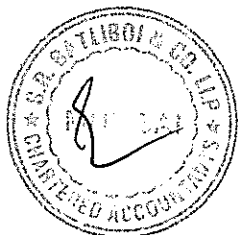
PAG Investment Advisors Pte. Ltd

**(G) Key Management Personnel (KMP):**

Anshu Kapoor	Managing Director & Chief Executive Officer
Riyaz Marfatia (w.e.f January 6, 2024)	Non-executive Director
Jasbir Kochar (w.e.f January 6, 2024)	Non-executive Director
Atul Bapna (w.e.f January 6, 2024)	Non-executive Director
Riyaz Ladiwala (Upto January 10, 2024)	Non-executive Director
Prashant Mody (Upto January 10, 2024)	Non-executive Director
Devanshi Shah (Upto July 18, 2023)	Company Secretary
Aditi Desai (w.e.f July 19, 2023)	Company Secretary
Manish Khatri (Upto January 31, 2024)	Chief Financial Officer
Dinesh Thadani (w.e.f February 1, 2024)	Chief Financial Officer

**Note:**

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



Nuvama Asset Management Limited (formerly ESL Securities Limited)

(Currency : Indian rupees in thousands)

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

(H) The details of transactions of the Company with its related parties during the year ended March 31, 2024 are given below:

Sr. No.	Particulars	Holding company	Joint venture	Fellow Subsidiaries	Fellow entity of the Ultimate Holding Company	KMPs
1	<b>Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)</b>					
	- Issue of share capital	100,000.00	-	-	-	-
	- Employee Stock Option Scheme (ESOP) expenses paid	15,825.41	-	-	-	-
	- Rent paid	23,219.67	-	-	-	-
	- Cost reimbursements received	35.05	-	-	-	-
	- Cost reimbursements paid	15,590.64	-	-	-	-
2	<b>Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)</b>					
	- Rent paid	-	-	2,494.54	-	-
3	<b>Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)</b>					
	- Commission and brokerage	-	-	98,663.29	-	-
	- Management and other fees	-	-	33,756.76	-	-
	- Cost reimbursements received	-	-	70,494.51	-	-
	- Cost reimbursements paid	-	-	23.21	-	-
4	<b>Nuvama Wealth Finance Limited (formerly Edelweiss Finance &amp; Investments Limited)</b>					
	- Management and other fees	-	-	47,263.13	-	-
	- Cost reimbursements paid	-	-	0.72	-	-
5	<b>Nuvama and Cushman &amp; Wakefield Management Private Limited</b>					
	- Investment in equity share capital	-	14,250.00	-	-	-
	- Reimbursement received	-	2,413.93	-	-	-
6	<b>PAG Investment Advisors Pte. Ltd</b>					
	- Referral expense paid	-	-	-	97,500.00	-
7	<b>Remuneration paid to KMPs</b>	-	-	-	-	79,357.38

The balances with related parties of the Company as on March 31, 2024 are given below:

Sr. No.	Particulars	Holding company	Joint venture	Fellow Subsidiaries	Fellow entity of the Ultimate Holding Company	KMPs
1	<b>Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)</b>					
	- Trade & other payables, net	6,041.94	-	-	-	-
	- Other receivables, net	1,375.37	-	-	-	-
2	<b>Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)</b>					
	- Trade & other payables, net	-	-	253.04	-	-
3	<b>Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)</b>					
	- Trade & other payables, net	-	-	44,540.07	-	-
	- Trade & other receivables, net	-	-	5,555.55	-	-
4	<b>Nuvama Wealth Finance Limited (formerly Edelweiss Finance &amp; Investments Limited)</b>					
	- Trade & other receivables, net	-	-	8,121.03	-	-
5	<b>Nuvama and Cushman &amp; Wakefield Management Private Limited</b>					
	- Investment in equity share capital	-	14,250.00	-	-	-
	- Trade & other receivables, net	-	322.08	-	-	-
6	<b>PAG Investment Advisors Pte. Ltd</b>					
	- Trade & other payables, net	-	-	-	97,500.00	-

**Note:**

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for performance bonus, which is provided on an overall basis. These are included on cash basis.



Nuvama Asset Management Limited (formerly ESL Securities Limited)

(Currency : Indian rupees in thousands)

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

(i) The details of transactions of the Company with its related parties during the year ended March 31, 2023 are given below:

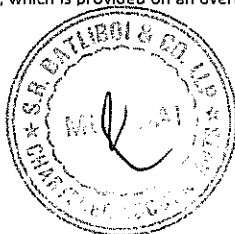
Sr. No.	Particulars	Holding company	Entities exercising significant influence over holding company	Fellow Subsidiaries	Subsidiaries/ Associate/ JV of Entity exercising significant influence over holding company	KMPs
1	<b>Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)</b>					
	- Issue of share capital	90,000.00	-	-	-	-
	- Employee Stock Option Scheme (ESOP) expenses paid	19,653.51	-	-	-	-
	- Shared Technology cost paid	21,622.83	-	-	-	-
	- Rent paid	8,459.33	-	-	-	-
	- Cost reimbursements paid	5,043.49	-	-	-	-
2	<b>Edelweiss Financial Services Limited</b>					
	- ESOP/ESAR expenses paid	-	5,800.98	-	-	-
	- Management and other fees	-	5,315.40	-	-	-
3	<b>Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)</b>					
	- Rent paid	-	-	10,089.16	-	-
4	<b>Edelweiss Rural &amp; Corporate Services Limited</b>					
	- Cost reimbursements paid	-	-	-	33.06	-
5	<b>ZUNO General Insurance Limited (formerly Edelweiss General Insurance Company Limited)</b>					
	- Insurance expenses paid	-	-	-	2,244.42	-
6	<b>Edelweiss Tokio Life Insurance Company Ltd</b>					
	- Insurance expenses paid	-	-	-	1,113.51	-
7	<b>Edelweiss Alternative Asset Advisors Limited</b>					
	- Management and other fees	-	-	-	85.06	-
8	<b>Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)</b>					
	- Commission and brokerage	-	-	14,838.04	-	-
	- Management and other fees	-	-	96.99	-	-
	- Cost reimbursements paid	-	-	40.26	-	-
9	<b>Nuvama Wealth Finance Limited (formerly Edelweiss Finance and Investments Limited)</b>					
	- Short term loans taken	-	-	84,600.00	-	-
	- Short term loans repaid	-	-	84,600.00	-	-
	- Interest paid on short term loans	-	-	204.38	-	-
	- Management and other fees	-	-	1,961.07	-	-
	- Cost reimbursements paid	-	-	855.74	-	-
10	<b>Ecap Equities Limited</b>					
	- Management and other fees	-	-	-	55,275.10	-
	- Cost reimbursements paid	-	-	-	28.02	-
11	<b>Edel Finance Company Ltd</b>					
	- Management and other fees	-	-	-	5,674.49	-
12	<b>Remuneration paid to KMPs</b>	-	-	-	-	42,754.28

The balances payable to/receivable from the related parties of the Company as on March 31, 2023 are given below:

Sr. No.	Particulars	Holding company	Entities exercising significant influence over holding company	Fellow Subsidiaries	Subsidiaries/ Associate/ JV of Entity exercising significant influence over holding company	KMPs
1	<b>Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)</b>					
	- Trade & other payables, net	9,489.85	-	-	-	-
	- Other receivables, net	4,549.88	-	-	-	-
2	<b>Nuvama Clearing Services Limited (Formerly Edelweiss Custodial Services Limited)</b>					
	- Trade & other receivables, net	-	-	1,653.44	-	-
3	<b>Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)</b>					
	- Trade & other payables, net	-	-	2,944.28	-	-
4	<b>Nuvama Wealth Finance Limited (formerly Edelweiss Finance &amp; Investments Limited)</b>					
	- Trade & other receivables, net	-	-	1,157.16	-	-

**Note:**

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for performance bonus, which is provided on an overall basis. These are included on cash basis.



Notes to the financial statements

(Currency : Indian rupees in thousands)

2.27 Intangible assets under development ageing schedule

A) Ageing schedule

Intangible assets under development	As at March 31, 2024				Total
	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in progress	1,330.00	360.00	-	-	1,690.00

Intangible assets under development	As at March 31, 2023				Total
	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in progress	360.00	-	-	-	360.00

B) Projects whose completion is overdue or has exceeded its cost compared to its original plan:

As at March 31, 2024	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	1,690.00	-	-	-

As at March 31, 2023	To be completed in			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
Projects in progress	-	-	-	-

2.28 Expenditure and Earning in foreign currency

Additional information pursuant to the provision of Schedule III to the Companies Act, 2013 is given below:

The Company has not earned any revenue in foreign currency during the year ended March 31, 2024 and March 31, 2023.

Expenditure in foreign currency (on accrual basis)

Rs. in thousands

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Travelling expenses	670.63	-
Membership and subscription	3,516.69	-
Computer expenses	198.59	-
Advertisement and business promotion	166.00	-

2.29 Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in the business of Asset Management services and not an NBFC registered under section 45-IA of Reserve Bank of India Act, 1934.

2.30 Corporate Social Responsibility

The Company doesn't meet the threshold criteria as prescribed under section 135 of the Companies Act, 2013. Accordingly, the provision of section 135 of the Companies Act, 2013 is not applicable to the Company.

2.31 Other statutory information

- i) The Company does not have any Benami property and no proceeding has been initiated or pending against the Company.
- ii) The Company does not have any transactions with companies struck off.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the period.
- v) 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:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company 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:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).





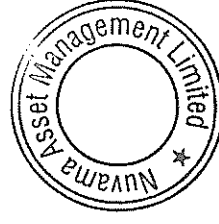
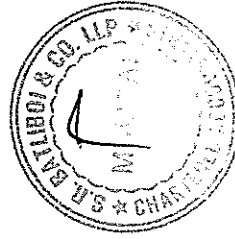
Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

2.32 Ratios analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	As at/ For the year ended March 31, 2024	As at/ For the year ended March 31, 2023	Movement	Reason for movement >25%<
i)	Current Ratio (times)	Current Assets	Current liabilities	1.10	1.07	2.96%	NA
ii)	Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	-	-	NA	NA
iii)	Debt service coverage ratio	Net profit before tax and finance cost excluding IND AS 116 impact	Finance cost excluding IND AS 116 impact + Total borrowings	NA	NA	NA	NA
iv)	Return on Equity	Net profit after tax	Average Shareholder's Equity	(6.34%)	(16.60%)	(61.83%)	Reduction in loss for the year ended March 31, 2024 when compared to previous year. Also there is an additional equity share capital issuance during the year ended March 31, 2024.
v)	Return on Capital Employed	Earning before interest and taxes	Capital Employed (Net worth + Total Debt)	(4.62%)	(11.78%)	(60.76%)	Reduction in loss for the year ended March 31, 2024 when compared to previous years. Also there is an additional equity share capital issuance during the year ended March 31, 2024.
vi)	Return on Investments	Net gain on fair value changes	Average fair value of Investments	26.81%	6.82%	293.05%	Increase in mark to market income on investments in Alternative Investment Fund during the year ended March 31, 2024.



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2.33 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits expense

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	9,707.68	8,434.93

b) Defined benefit plans

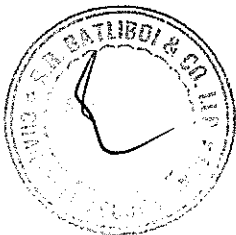
The Company has a defined benefit gratuity plan in India. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 1, 2022</b>	12,785.46	-	12,785.46
Current service cost	2,002.80	-	2,002.80
Interest expense/(income)	763.00	-	763.00
Return on plan assets	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	(1,125.00)	-	(1,125.00)
Actuarial loss / (gain) arising from change in demographic assumptions	220.00	-	220.00
Actuarial loss / (gain) arising on account of experience changes	707.00	-	707.00
Transfer In/ (Out)	1,346.00	-	1,346.00
Benefit payments	(1,727.00)	-	(1,727.00)
<b>As at March 31, 2023</b>	<b>14,972.26</b>	<b>-</b>	<b>14,972.26</b>
Current service cost	2,379.05	-	2,379.05
Interest expense/(income)	1,113.00	-	1,113.00
Return on plan assets	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	151.00	-	151.00
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(496.00)	-	(496.00)
Transfer In/ (Out)	701.00	-	701.00
Benefit payments	(819.00)	-	(819.00)
<b>As at March 31, 2024</b>	<b>18,001.31</b>	<b>-</b>	<b>18,001.31</b>

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of plan liabilities	18,001.31	14,972.26
Fair value of plan assets	-	-
<b>Plan liability net of plan assets</b>	<b>18,001.31</b>	<b>14,972.26</b>



2.33 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits expense

ii) Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefit Expenses:		
Current service cost	2,379.05	2,002.80
<b>Total</b>	<b>2,379.05</b>	<b>2,002.80</b>
Finance cost	1,113.00	763.00
<b>Net impact on the profit before tax</b>	<b>3,492.05</b>	<b>2,765.80</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/income		
Actuarial gains/(losses) arising from changes in demographic assumptions	-	220.00
Actuarial gains/(losses) arising from changes in financial assumptions	151.00	(1,125.00)
Actuarial gains/(losses) arising from changes in experience	(496.00)	707.00
<b>Net impact on the other comprehensive income before tax</b>	<b>(345.00)</b>	<b>(198.00)</b>

iii) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	6.90%	7.10%
Salary escalation rate*	7.00%	7.00%
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Employee Turnover		
Senior	22.00%	22.00%
Middle	22.00%	22.00%
Junior	22.00%	22.00%

\* takes into account the inflation, seniority, promotions and other relevant factors

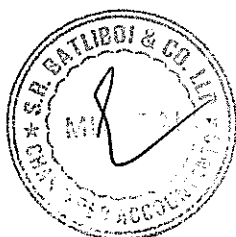
iv) Sensitivity

As at March 31, 2024	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	1% / -1%	(609.00)	621.00
Salary escalation rate	1% / -1%	615.00	(614.00)
Employee Turnover	1% / -1%	(89.00)	91.00

As at March 31, 2023	Change in assumption	Impact on defined benefit	
		Increase	Decrease
Discount rate	1% / -1%	(522.00)	568.00
Salary escalation rate	1% / -1%	563.00	(528.00)
Employee Turnover	1% / -1%	(69.00)	70.00

v) Maturity

The weighted average duration of the defined benefit obligation is 3 years (previous year - 3 years)



Nuvama Asset Management Limited (formerly ESL Securities Limited)

Notes to the financial statements

(Currency : Indian rupees in thousands)

2.34 Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit/ (loss) attributable to the equity holders of the Company - A	(12,272.33)	(17,070.16)
Weighted average number of equity shares - B	36,123,934	34,044,932
Earnings per equity share (basic and diluted) (amount in ₹) (A/B)	(0.34)	(0.50)

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

2.35 Segment reporting

The primary business of the Company is to provide Asset management services including portfolio management services to its clients. Accordingly, there is no separate reportable segment and hence, no disclosure is made under Indian Accounting Standard 108 – Operating Segment Reporting.

2.36 Contingent liabilities and commitments

A. Commitments

The Company has capital commitment of ₹117.20 thousands (previous year ₹183 thousands) and no contingent liabilities as at balance sheet date.

B. Lease arrangement

(i) Movement in the Right to use assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	-	-
Additions during the year	8,230.83	-
Depreciation charge for the year	(1,024.65)	-
Deletions during the year	-	-
Other adjustments	17.50	-
Closing balance	7,223.68	-

(ii) Movement in Lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	-	-
Additions during the year	8,230.83	-
Interest accrued during the year	957.59	-
Payment of lease liabilities	(1,165.96)	-
Other adjustments	17.50	-
Closing balance	8,039.96	-

(iii) Amount recognised in statement of profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Right to use assets	1,024.65	-
Interest on Lease liabilities	957.59	-
Expenses relating to short term leases	31,045.69	22,979.52
Total	33,027.93	22,979.52



**Nuvama Asset Management Limited (formerly ESL Securities Limited)**

**Notes to the financial statements**

(Currency : Indian rupees in thousands)

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

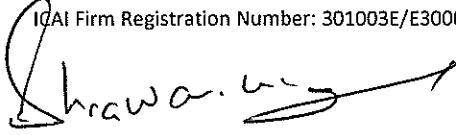
2.38 The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and 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.

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

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

Chartered Accountants

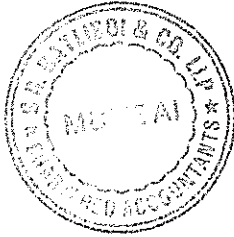
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102



Mumbai  
May 06, 2024

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



Anshu Kapoor

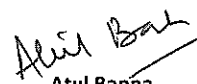
Managing Director & CEO

DIN: 07518217

Riyaz Marfatia

Non-executive Director

DIN: 07120715



Atul Bapna

Non-executive Director

DIN: 07376744



Dinesh Thadani

Chief Financial Officer



Aditi Desai

Company Secretary

Mumbai  
May 06, 2024

