

INDEPENDENT AUDITOR'S REPORT

To the Members of Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)

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

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.39 B, to the financial statements which describes that an appeal has been filed by the Company before the Hon'ble Supreme Court of India in relation to liquidation of collaterals to regularize outstanding debit obligation by the Company. Pending the outcome of such appeal and based on the legal opinion, no adjustments have been made by the management of the Company to these financial statements.

Our opinion is not modified in respect of this matter.

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.

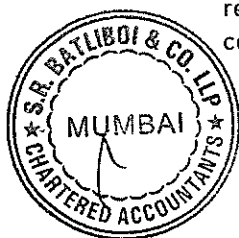
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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.

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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.39 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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

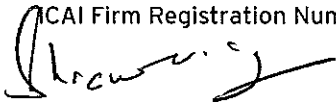
b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.54 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company;
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 2.56 (b) 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

CAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 24102102BKBZY04816

Place of Signature: Mumbai

Date: May 06, 2024



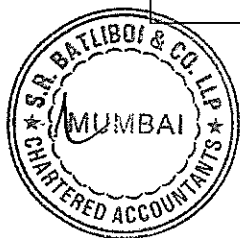
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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

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)	The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of 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 Company has not made investments, provided guarantees, provided security and 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)(b) of the Order is not applicable to the Company.
	(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.



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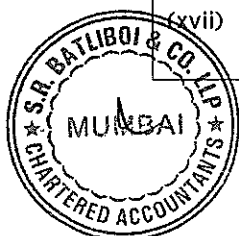
	(e)	There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
	(f)	The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, 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)		There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
(v)		The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 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, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</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.
	(e)	The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.



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	(f)	The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
(x)	(a)	The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
	(b)	The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
(xi)	(a)	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 an internal audit system commensurate with the size and nature of its business.
	(b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
(xv)		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.
	(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 not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.



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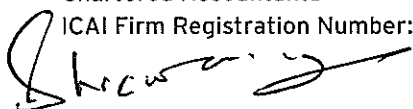
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(xviii)		There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
(xix)		On the basis of the financial ratios disclosed in note 2.50 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)	There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.48 to the financial statements.
	(b)	There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 2.48 to the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 24102102BKBZYO4816

Place of Signature: Mumbai

Date: May 06, 2024

Annexure 2 to the Independent Auditor's report of even date on the financial statements of Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services 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 Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

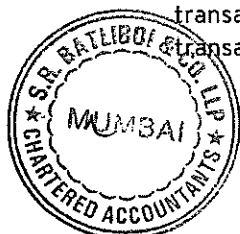
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note")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

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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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



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generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

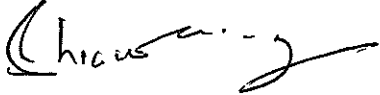
Opinion

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 24102102BKBZYO4816

Place of Signature: Mumbai

Date: May 06, 2024



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Balance Sheet as at March 31, 2024

(Currency : Indian rupees in million)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non current assets			
(a) Property, plant and equipment	2.1	114.91	173.24
(b) Investment property	2.2	114.00	147.35
(c) Intangible assets	2.3	43.79	12.47
(d) Intangible assets under development	2.4	-	17.40
Financial assets			
(i) Investments	2.5	110.73	231.61
(ii) Other financial assets	2.6	141.51	187.28
(f) Deferred tax assets (net)	2.7	44.48	-
		569.42	769.35
Current assets			
(a) Financial assets			
(i) Securities held for trading	2.8	2.87	2,608.88
(ii) Trade receivables	2.9	260.27	520.65
(iii) Cash and cash equivalents	2.10	544.55	4,352.86
(iv) Bank balances other than cash and cash equivalents	2.11	1,06,476.58	38,145.00
(v) Other financial assets	2.12	3,060.17	296.07
(b) Other current assets			
	2.13	74.30	124.48
(c) Current tax assets (net)			
	2.14	9.44	61.94
		1,10,428.18	46,109.88
		1,10,997.60	46,879.23
Total assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.15	62.68	62.68
(b) Other equity	2.16	6,323.28	3,804.88
		6,385.96	3,867.56
Liabilities			
Non current liabilities			
(a) Financial liabilities			
Other financial liabilities	2.17	64.85	56.22
(b) Provision	2.18	25.16	21.42
(c) Deferred tax liabilities (net)	2.7	-	47.67
		90.01	125.31
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	2.19	0.50	0.51
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		82.51	196.66
(ii) Debt securities			
	2.20	48.97	-
(iii) Borrowings (other than debt securities)			
	2.21	1.44	-
(iv) Other financial liabilities	2.22	1,04,229.09	42,615.10
(b) Other current liabilities			
	2.23	97.29	35.94
(c) Provisions			
	2.24	7.28	6.13
(d) Current tax liabilities (net)			
	2.25	54.55	32.02
		1,04,521.63	42,886.36
		1,10,997.60	46,879.23

The accompanying notes are an integral part of the financial statements

1 & 2

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

Shrawan

per Shrawan Jalan

Partner

Membership No:102102



Mumbai

May 06, 2024

For and on behalf of the Board of Directors

Udit Sureka
Udit Sureka
Executive Director & CEO
DIN : 02190342

Arbinda Ghimire
Arbinda Ghimire
Executive Director
DIN : 10097420

Shiv Sehgal
Shiv Sehgal
Non-Executive Director
DIN : 07112524

Manoj Sharma
Manoj Sharma
Chief Financial Officer

Girija Joshi
Girija Joshi
Company Secretary

Mumbai
May 06, 2024



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

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

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Fee and commission income	2.26	863.70	426.95
Interest income	2.27	4,602.77	2,052.05
Rental income	2.28	-	182.76
Net (loss)/ gain on fair value changes	2.29	(3.71)	261.59
Total revenue from operations		5,462.76	2,923.35
Other Income	2.30	54.29	67.59
Total Income		5,517.05	2,990.94
Expenses			
Employee benefits expense	2.31	336.43	277.84
Finance costs	2.32	1,336.38	739.15
Impairment on financial instruments	2.33	103.37	(5.24)
Depreciation, amortisation and impairment	2.1, 2.2, 2.3	57.64	152.05
Other expenses	2.34	328.50	520.87
Total expenses		2,162.32	1,684.67
Profit before tax		3,354.73	1,306.27
Tax expenses: (refer note 2.35)			
Current tax		929.88	270.33
Deferred tax		(91.96)	57.36
Profit for the year		2,516.81	978.58
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans - gratuity (OCI)		(0.76)	(1.30)
Add: Income tax relating to items that will not be reclassified to profit or loss		0.19	0.33
Other comprehensive income		(0.57)	(0.97)
Total comprehensive income		2,516.24	977.61
Earnings per equity share (Face value of Rs. 10 each):			
Basic and Diluted (INR)	2.38	401.57	156.14

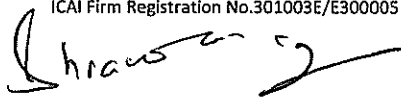
The accompanying notes are an integral part of the financial statements 1 & 2

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

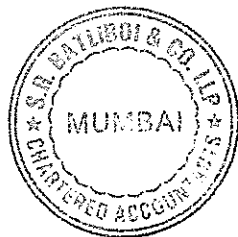
ICAI Firm Registration No.301003E/E300005



per Shrawan Jalan

Partner

Membership No:102102



Mumbai

May 06, 2024

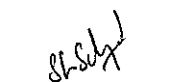
For and on behalf of the Board of Directors



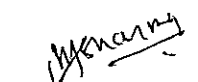
Udit Sureka
Executive Director & CEO
DIN : 02190342



Arbinda Ghimire
Executive Director
DIN : 10097420



Shiv Sehgal
Non-Executive Director
DIN : 07112524



Manoj Sharma
Chief Financial Officer



Girija Joshi
Company Secretary

Mumbai
May 06, 2024



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Statement of changes in equity for the year ended March 31, 2024

(Currency : Indian rupees in millions)

A. Equity share capital

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	62.68	62.68
Issue of shares during the year	-	-
Balance at the end of the year	62.68	62.68

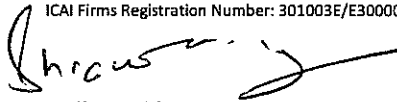
B. Other Equity

	Securities premium reserve	Deemed capital contribution - ESOP	Retained earnings	Total
Balance as at April 01, 2022	652.10	8.92	2,230.54	2,891.56
Profit for the year	-	-	978.58	978.58
Other comprehensive income	-	-	(0.97)	(0.97)
Total comprehensive income	-	-	977.61	977.61
Adjustment of share based payments on lapses /cancellation	-	-	1.52	1.52
Dividends to shareholders	-	-	(65.81)	(65.81)
Balance as at March 31, 2023	652.10	8.92	3,143.86	3,804.88
Profit for the year	-	-	2,516.81	2,516.81
Other comprehensive income	-	-	(0.57)	(0.57)
Total comprehensive income	-	-	2,516.24	2,516.24
Adjustment of share based payments on lapses /cancellation	-	-	2.16	2.16
Transfer from deemed capital contribution - ESOP	-	(8.92)	8.92	-
Balance as at March 31, 2024	652.10	-	5,671.18	6,323.28

As per our report of even date attached

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

ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership No:102102



Mumbai
May 06, 2024


For and on behalf of the Board of Directors



Udit Sureka
Executive Director & CEO
DIN : 02190342



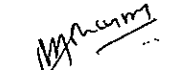
Shiv Sehgal
Non-Executive Director
DIN : 07112524



Girija Joshi
Company Secretary
Mumbai
May 06, 2024



Arbind Ghimre
Executive Director
DIN : 10097420



Manoj Sharma
Chief Financial Officer



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Cash flow statement for the year ended March 31, 2024

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities		
Profit before taxation	3,354.73	1,306.27
<i>Adjustments for</i>		
Depreciation, amortisation and impairment (refer note below 1)	105.49	152.05
Impairment of financial instruments	2.03	(5.29)
Impairment of investment	101.34	-
Loss/ (gain) on sale of property, plant and equipment	0.62	(0.02)
Unrealised loss / (gain) on securities held for trading	249.90	(206.76)
Fair value (gain)/loss on financial instruments	0.03	(0.03)
Interest expense on lease liabilities (refer note below 2)	13.86	42.45
Interest expense on borrowings	25.64	-
Interest income on preference shares	(15.50)	(15.81)
Discount on commercial paper	0.99	-
Gain on termination of lease	-	(31.97)
Operating cash flow before working capital changes	3,839.13	1,240.89
Add / (Less): Adjustments for working capital changes		
(Increase) / decrease in trade receivables	258.35	4,169.95
(Increase) / decrease in other bank balances	(68,331.58)	(7,585.96)
(Increase) / decrease in securities held for trading	2,356.11	(2,022.09)
(Increase) / decrease in other financial assets	(2,718.33)	(184.54)
(Increase) / decrease in other non financial assets	50.18	(29.97)
Increase / (decrease) in liabilities and provisions	61,632.35	4,250.26
Cash used in operations	(2,913.79)	(161.46)
Income taxes paid (net of refund)	(854.84)	(276.61)
Net cash used in operating activities - A	(3,768.63)	(438.07)
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles (Refer note 4)	(28.42)	(27.62)
Sale of property, plant and equipment and intangibles	0.04	0.04
Interest income on Preference shares	15.50	16.45
Sale of investment	19.50	13.55
Purchase of investment	-	(5.00)
Net cash generated from / (used in) Investing activities - B	6.62	(2.58)
C Cash flow from financing activities		
Proceeds from unsecured loan	12,497.60	-
Repayment of unsecured loan	(12,497.60)	-
Proceeds from inter corporate deposit	1,500.00	-
Repayment of inter corporate deposit	(1,500.00)	-
Proceeds from commercial paper	47.98	-
Repayment of lease liabilities	(70.08)	(153.96)
Dividend paid to shareholders	-	(65.81)
Interest paid	(24.20)	-
Net cash used in financing activities - C	(46.30)	(219.77)
Net decrease in cash and cash equivalents (A+B+C)	(3,808.31)	(660.42)
Cash and cash equivalent as at the beginning of the year (Refer note 2.10)	4,352.86	5,013.28
Cash and cash equivalent as at the end of the year	544.55	4,352.86

Notes:

- 1 Depreciation, amortisation and impairment is gross of reimbursement received of Rs. 47.85 million for the year ended March 31, 2024. (Previous Year: Nil)
- 2 Interest expenses on lease liabilities is gross of reimbursement received of Rs. 11.60 million for the year ended March 31, 2024. (Previous Year: Nil)
- 3 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statements" specified under Section 133 of Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.
- 4 Purchase of property, plant and equipment and intangibles includes movement of intangible assets under development and capital expenditure during the year.

As per our report of even date attached

For S.R. Battiboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.301003E/E300005

(Signature)

per Shrawan Jalan
Partner
Membership No:102102



Mumbai
May 05, 2024

For and on behalf of the Board of Directors

(Signature)
Udit Sureka
Executive Director & CEO
DIN : 02190342

(Signature)
Arbinda Ghimire
Executive Director
DIN : 10097420

(Signature)
Shiv Sehgal
Non-Executive Director
DIN : 07112524

(Signature)
Manoj Sharma
Chief Financial Officer

(Signature)
Girija Joshi
Company Secretary

Mumbai
May 06, 2024



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

Notes to the financial statements

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.1 Corporate information

Nuvama Clearing Services Limited (Formerly known as Edelweiss Custodial Services Limited) ('The Company') was incorporated on 16 October 2008 having CIN U51109MH2008PLC187594. On October 17, 2022, the Company changed its name from Edelweiss Custodial Services Limited to Nuvama Clearing Services Limited. The registered office of the company is located at Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai- 400070.

PAGAC Ecstasy Pte. Limited is the Ultimate Holding company.

The Company is registered as a Professional Clearing Member (PCM) with NSE Clearing Limited (NCL), Indian Clearing Corporation Limited (ICCL), Multi Commodity Clearing Corporation of India Limited (MCXCCL) and National Commodity Clearing Limited (NCCL) which clears and settles trades of various trading members and custodial participants. Other services provided include fund accounting services. Company invests in fixed deposits & other highly liquid callable instruments as part of its treasury activities.

1.2 Summary of material accounting policy information

1.2.1 Basis of preparation of financial statements

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

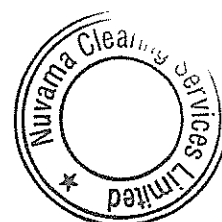
These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as derivative financial instruments and other financial assets held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest million, except when otherwise indicated.

1.2.2 Presentation of financial statements

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

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

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



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

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.3 Revenue from contract with customer

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

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

The company recognises revenue from the following sources:

- Fee income includes fees for clearing services, referral & fund accounting. The right to receive the clearing fees arises when the trade is executed and a valid contract is generated for the trade. All other fee income including referral fees, fund accounting etc is accounted on an accrual basis as per Ind AS 115 in accordance with the terms and contracts entered into between the Company and the counterparty and presented service transferred at point in time and over time.
- Interest income is recognized on accrual basis.
- Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

1.2.4 Financial Instruments

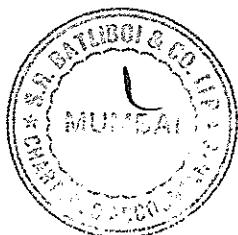
Date of recognition

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 market place. 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. Refer to the accounting policies in section 1.2.3 Revenue from contracts with customers.



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

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.4 Financial Instruments (Continued)

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.

1.2.5 Classification of financial instruments

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

Financial assets carried at amortised cost (AC)

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

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

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

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

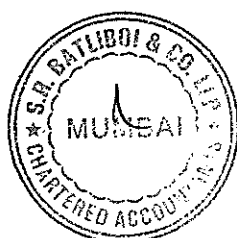
A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

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

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

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

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



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

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.6 Financial assets and liabilities

Amortized cost and effective interest rate (EIR)

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

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

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

Financial assets held for trading

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

Financial assets at fair value through profit or loss

Financial assets 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 recognizing 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.



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.6 Financial assets and liabilities (*Continued*)

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 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Financial liabilities

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

Debt securities and other borrowed funds

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

Financial liabilities and equity instruments

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

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

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

1.2.7 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.

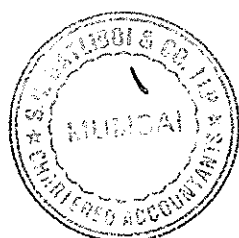
1.2.8 Derecognition of financial instruments

Derecognition of financial asset

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

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

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



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

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.8 Derecognition of financial instruments (Continued)

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

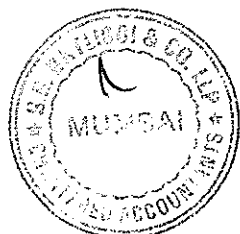
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.

1.2.9 Impairment of financial assets

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

Simplified approach

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



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

Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.10 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 period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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



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Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.11 Write-offs

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

1.2.12 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 or put to use whichever is earlier. 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.

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

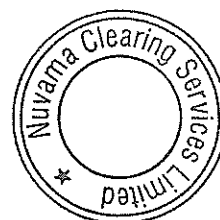
Class of asset	Useful life
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years
Computers and data processing units - Servers and networks	6 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible asset recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

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



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.13 Intangible assets

The Company's intangible assets mainly include the value of software. 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 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.

Intangible assets such as computer software is amortised over a period of 3 years based on its estimated useful life.

1.2.14 Investment properties

Investment Properties are properties held to earn rentals and/or capital appreciation and are measured. Upon initial recognition, an investment property is measured at cost, including transaction costs. Subsequent to the initial recognition, investment property is reported at cost less accumulated depreciation.

Depreciation is recognised using written down method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

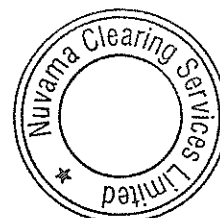
Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

1.2.15 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any 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.

1.2.16 Cash and cash equivalents

Cash at Banks, on hand and short-term deposits with original maturities 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.



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.17 Foreign currency transactions

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

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

1.2.18 Retirement and other employee benefits

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.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. 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 independent actuarial valuation using the Projected Unit Credit Method. 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.

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

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

Compensated Leave 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 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.



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Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.19 Share-based payment arrangements

Equity-settled share-based payments to employees by Nuvama Wealth Management Limited (“the Holding Company”) and by Edelweiss Financial Services Limited (“the erstwhile ultimate parent Group”) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value of Equity-settled share-based payments determined at the grant date is expensed over the vesting period, based on the estimate of equity instruments that will eventually vest, with a corresponding increase in equity. In cases where the share options granted vest in instalments over the vesting period, each instalment is treated as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.2.20 Income tax expenses

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

Current tax

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

Deferred tax

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

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

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

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

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

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



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.20 Income tax expenses (*Continued*)

Deferred tax (*Continued*)

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

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

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

1.2.21 Good and service tax expenses

The entity avails Input Tax credit ('ITC') of GST paid on various expenses incurred. Based on the ratio of exempted turnover v/s taxable turnover of the entity, GST Input Tax credit is being expensed off on a monthly basis to GST Expense a/c. Further, ITC on ineligible expenses (on which ITC is restricted under GST law) is also debited to GST Expense.

1.2.22 Leases

Company as a lessee:

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

Right of use assets

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

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.22 Leases (*Continued*)

Lease Liabilities (*Continued*)

reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

Short term lease and leases of low-value assets

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

Company as a lessor

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

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

1.2.23 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 or loss attributable to the equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

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



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Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.24 Provisions and other contingent liabilities

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

A contingent liability is:

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

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

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

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the 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 statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.2.25 Significant accounting judgements, estimates and assumptions

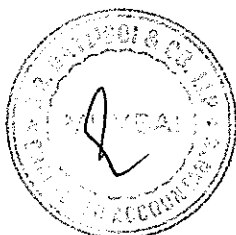
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about 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

(b) Assumptions used in estimating the useful lives of tangible assets reported under property, plant and equipment (refer note 1.2.12).



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.25 Significant accounting judgements, estimates and assumptions (*Continued*)

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Defined benefit plan

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

Leases

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

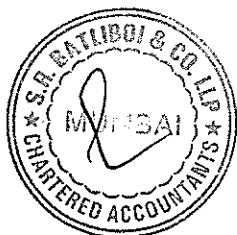
Investment property

Investment property is defined as assets held primarily for rental income, capital appreciation, or both, rather than for operational use or sale, reflecting management's strategic intent. Upon initial recognition, investment properties are recorded at cost, with management making informed decisions regarding direct costs attributable to acquisition. Subsequent measurement at fair value entails management's assessment of various factors, including market conditions and property-specific attributes. Management exercises judgment in determining fair values, often relying on independent valuations or recent transaction prices for similar properties.

Provisions for Income Taxes

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

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



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

Notes to the financial statements (*Continued*)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.25 Significant accounting judgements, estimates and assumptions (*Continued*)

Business model assessment

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

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

1.2.26 Key sources of estimation uncertainty

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

Effective interest rate method

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of financial instruments and recognises the effect of characteristics of the product life cycle

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

Incremental borrowing rate

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



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Notes to the financial statements (Continued)

for the year ended March 31, 2024

(Currency : Indian rupees in million)

1.2.26 Key sources of estimation uncertainty (Continued)

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

1.2.27 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.

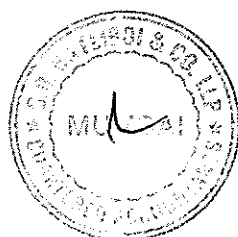
(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

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 previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

1.2.28 Standards notified but not yet effective

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



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

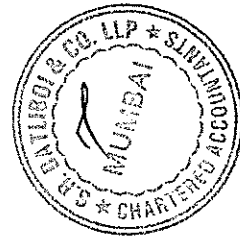
(Currency : Indian rupees in million)

2.1 Property, plant and equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment				Net Block	
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Charge for the year	Disposals during the year	Impairment	As at March 31, 2024
Leasehold improvements	0.94	-	0.94	-	0.93	0.01	0.94	-	-
Furniture and Fixtures	1.36	-	0.84	0.52	0.87	0.10	0.60	-	0.37
Office equipment	1.25	0.08	1.17	0.16	1.14	0.07	1.09	-	0.12
Computers	12.37	-	6.66	5.71	10.97	0.40	6.32	-	5.05
Right of use *	349.65	-	-	349.65	178.42	57.17	-	-	235.59
Total	365.57	0.08	9.61	356.04	192.33	57.75	8.95	-	241.13

* during the year the Company has recovered ROU amortisation amounting to Rs. 47.85 million for usage of Right of use assets from its group companies.

Description of Assets	Gross Block			Accumulated Depreciation and Impairment				Net Block	
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals during the year	Impairment	As at March 31, 2023
Leasehold improvements	0.94	-	-	0.94	0.12	0.81	-	-	0.93
Furniture and Fixtures	1.31	0.05	-	1.36	0.71	0.16	-	-	0.87
Office equipment	1.25	-	-	1.25	1.03	0.11	-	-	1.14
Computers	12.97	-	0.60	12.37	10.55	1.00	0.58	-	10.97
Right of use	668.62	-	318.97	349.65	133.65	132.83	88.06	-	178.42
Total	685.09	0.05	319.57	365.57	146.06	134.91	88.64	-	192.33



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency: Indian rupees in million)

2.2 Investment property

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	Charge for the year	Disposals during the year	As at March 31, 2024
Real estate	158.53	-	-	158.53	7.37	-	114.00
Total	158.53	-	-	158.53	7.37	-	114.00

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	Charge for the year	Disposals during the year	As at March 31, 2023
Real estate	158.53	-	-	158.53	7.75	-	147.35
Total	158.53	-	-	158.53	7.75	-	147.35

The Company has acquired possession of residential property in financial year 2021-22, in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. The said property has been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, residual life of building, supply & demand, local nearby enquiry, market feedback of investigation and ready reckoner rate published by local authorities. These valuations have been performed by external independent valuer, having appropriate recognised professional qualification and experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged at an arm's length transaction.

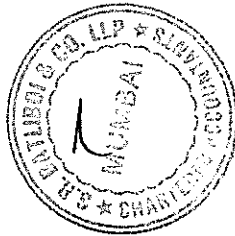
2.3 Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	Charge for the year	Disposals during the year	As at March 31, 2024
Software	49.12	45.71	-	94.83	14.39	-	43.79
Total	49.12	45.71	-	94.83	14.39	-	43.79

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	Charge for the year	Disposals during the year	As at March 31, 2023
Software	38.96	10.16	-	49.12	9.39	-	12.47
Total	38.96	10.16	-	49.12	9.39	-	12.47

2.4 Intangible assets under development

Particulars	As at March 31, 2024						As at March 31, 2023									
	Amount in intangible assets under development for a period of			Amount in intangible assets under development for a period of			Amount in intangible assets under development for a period of			Amount in intangible assets under development for a period of						
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Project in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	17.40	17.40	-	-	-	17.40



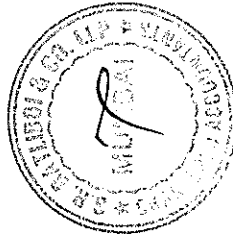
Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024		As at March 31, 2023	
	Face Value	Quantity	Face Value	Quantity
Investments (in India)				
Unquoted				
Preference shares (at amortised at cost)				
7% Cumulative Non-Convertible Redeemable Preference Shares (Includes dividend Rs. Nil million; March 31, 2023 Rs. 5.13 million)	10.00	2,06,95,150	10.00	2,21,45,000
		206.95		226.58
Investments in Alternative Investment Fund (at FVTPL)				
Edelweiss Crossover Yield Opportunities Fund (NAV Rs. Nil; March 31 2023 Rs. 10.06)	-	-	10.00	5,00,000
		-		5.03
Less: Impairment loss allowance			(96.22)	-
			<u>110.73</u>	<u>231.61</u>

Investments Outside India ₹ Nil (March 31, 2023 ₹ Nil)



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.6 Other financial assets (Unsecured considered good, unless stated otherwise)		
Deposits placed with exchange	75.40	36.93
Security deposits - rent	64.43	148.87
Other deposits	1.68	1.48
	<u>141.51</u>	<u>187.28</u>
2.7 Deferred tax assets / (liabilities) (net)		
Deferred tax assets		
i) Trade receivable		
ECL provision on trade receivables	1.35	0.83
ii) Property, plant and equipment and intangibles		
Difference between book and tax depreciation	2.83	4.84
iii) Investment property		
Difference between book and tax depreciation	2.01	-
iv) Investments and other financial instruments		
Fair valuation of investments and stock-in-trade	25.66	-
v) Employee benefit obligations		
Disallowances under section 43B of the Income Tax Act, 1961	8.14	6.91
vi) Others		
Lease liability	35.06	49.21
Sub total A	<u>75.05</u>	<u>61.79</u>
Deferred tax liabilities		
i) Investments and other financial instruments		
Fair valuation of investments and stock-in-trade	-	62.75
ii) Investment property		
Difference between book and tax depreciation	-	2.97
iii) Others		
Right of use	28.71	43.10
Unamortised loan origination costs - EIR on borrowings	1.86	0.64
Sub total B	<u>30.57</u>	<u>109.46</u>
Total (A - B)	<u>44.48</u>	<u>(47.67)</u>
2.8 Securities held for trading		
At fair value through profit and loss		
NSE equity shares - unlisted	2.87	2,608.88
Less : impaired loss allowance	-	-
Total	<u>2.87</u>	<u>2,608.88</u>
(i) Outside India	-	-
(ii) India	2.87	2,608.88
Total	<u>2.87</u>	<u>2,608.88</u>
2.9 Trade receivables		
Secured, considered good *	191.34	417.96
Unsecured, considered good	70.71	104.23
Trade receivable - credit impaired	3.50	1.71
Total (I)	<u>265.55</u>	<u>523.90</u>
Less : Impairment allowance (provision for expected credit loss)		
Unsecured, considered good	1.78	1.54
Trade receivable - credit impaired	3.50	1.71
Total (II)	<u>5.28</u>	<u>3.25</u>
Total (I - II)	<u>260.27</u>	<u>520.65</u>
* Secured by securities		



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.9 Trade receivables (Continued)

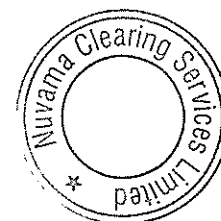
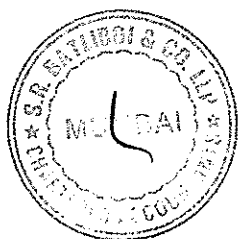
Reconciliation of impairment allowance on trade and lease receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on March 31, 2022	8.54
Add/ (less): asset originated or acquired (net)	(5.29)
Impairment allowance as on March 31, 2023	3.25
Add/ (less): asset originated or acquired (net)	2.03
Impairment allowance as on March 31, 2024	5.28

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2024						
i) Undisputed Trade receivables – considered good	261.96	0.09	-	-	-	262.05
(ii) Undisputed Trade Receivables – credit impaired	-	-	2.02	0.19	1.29	3.50
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	261.96	0.09	2.02	0.19	1.29	265.55
i) Undisputed Trade receivables – considered good	1.73	0.05	-	-	-	1.78
(ii) Undisputed Trade Receivables – credit impaired	-	-	2.02	0.19	1.29	3.50
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL provision on receivables (B)	1.73	0.05	2.02	0.19	1.29	5.28
Total receivables net of provision (A - B)	260.23	0.04	-	-	-	260.27

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023						
i) Undisputed Trade receivables – considered good	522.19	-	-	-	-	522.19
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	0.26	1.45	1.71
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	522.19	-	-	0.26	1.45	523.90
i) Undisputed Trade receivables – considered good	1.54	-	-	-	-	1.54
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	0.26	1.45	1.71
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL provision on receivables (B)	1.54	-	-	0.26	1.45	3.25
Total receivables net of provision (A - B)	520.65	-	-	-	-	520.65

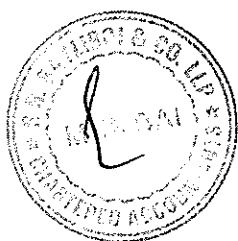


Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.10 Cash and cash equivalents		
Balances with banks	544.55	4,352.86
- in current accounts	<u>544.55</u>	<u>4,352.86</u>
2.11 Bank balances other than cash and cash equivalents		
Fixed deposits with banks	1,471.05	978.89
Fixed deposits with banks to the extent held as margin money or guarantees or lien for bank overdraft (refer below note 2.11A)	1,05,005.53	37,166.11
	<u>1,06,476.58</u>	<u>38,145.00</u>
2.11A Encumbrances on fixed deposits held by the Company		
i) Pledged with exchanges for meeting margin requirements	1,01,477.40	32,728.08
ii) Pledged with banks for obtaining bank guarantees as per sanction terms	3,500.50	4,400.63
iii) Pledged with banks for obtaining bank overdraft	27.63	37.40
Total	<u>1,05,005.53</u>	<u>37,166.11</u>
2.12 Other financial assets (Unsecured Considered good, unless stated otherwise)		
Deposits placed with exchange	2.00	2.20
Receivable from exchange /clearing house (net)	3,056.66	289.13
Other assets	1.51	4.74
	<u>3,060.17</u>	<u>296.07</u>
2.13 Other current assets		
Input tax credit	11.50	50.96
Other deposits	13.28	0.05
Prepaid expenses	48.78	72.14
Vendor Advances	0.71	1.32
Advances to employees	0.03	0.01
	<u>74.30</u>	<u>124.48</u>
2.14 Current tax assets (net)		
Income tax	9.44	61.94
(net of provision for tax Rs. 300.89 million, March 31, 2023 Rs. 239.60 million)	<u>9.44</u>	<u>61.94</u>



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.15 Equity share capital		
Authorised :		
10,000,000 (Previous year: 10,000,000) equity shares of Rs.10 each	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and Paid up:		
6,267,500 (Previous year:6,267,500) equity shares of Rs.10 each, fully paid-up	62.68	62.68
	<u>62.68</u>	<u>62.68</u>

a. Movement in share capital :

	March 31, 2024		March 31, 2023	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	62,67,500	62.68	62,67,500	62.68
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>62,67,500</u>	<u>62.68</u>	<u>62,67,500</u>	<u>62.68</u>

b. Shares held by holding/ultimate holding company and/or their subsidiaries/ associates

	March 31, 2024			March 31, 2023		
	No of shares	Amount	%	No of shares	Amount	%
Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited], the holding company	62,67,500	62.68	100%	62,67,500	62.68	100%
	<u>62,67,500</u>	<u>62.68</u>	<u>100%</u>	<u>62,67,500</u>	<u>62.68</u>	<u>100%</u>

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

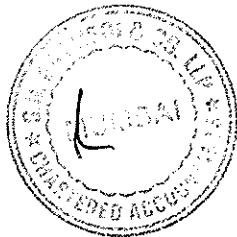
	March 31, 2024		March 31, 2023	
	No of shares	%	No of shares	%
Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited], the holding company	62,67,500	100%	62,67,500	100%
	<u>62,67,500</u>	<u>100%</u>	<u>62,67,500</u>	<u>100%</u>

d. Shares held by promoters at the end of the year

Promoter name	March 31, 2024			March 31, 2023		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited]	62,67,500	100%	-	62,67,500	100%	-
PAGAC Ecstasy Pte Limited - Ultimate Holding Company	-	-	-	-	-	-
	<u>62,67,500</u>	<u>100%</u>	<u>-</u>	<u>62,67,500</u>	<u>100%</u>	<u>-</u>

e. Terms/rights attached to equity shares :

The Company has only one class of equity shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.16 Other equity		
Securities premium reserve	652.10	652.10
Deemed capital contribution	-	8.92
Retained earnings	5,671.18	3,143.86
	6,323.28	3,804.88

A. Nature and purpose of reserves

a. Securities premium reserve

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

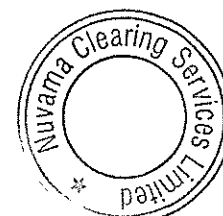
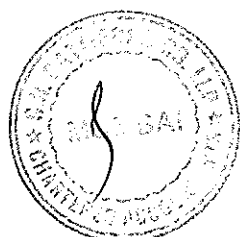
b. Deemed capital contribution

Deemed capital contribution relates to share options granted to eligible employees of the Company by the Edelweiss Financial Services Limited, erstwhile parent company of Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited], under its employee share option plan.

c. Retained earnings

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

	As at March 31, 2024	As at March 31, 2023
B. Movement in other equity		
(a) Securities premium reserve	652.10	652.10
Add : Additions during the year	-	-
	652.10	652.10
(b) Deemed capital contribution - ESOP	8.92	8.92
Less : Transfer to retained earnings	(8.92)	-
	-	8.92
(c) Retained earnings		
Opening Balance	3,143.86	2,230.54
Adjustment of share based payments on lapsed /cancelled	2.16	1.52
Transfer from Deemed capital contribution - ESOP	8.92	-
Add: Profit for the year	2,516.81	978.58
Add: Other comprehensive income for the year	(0.57)	(0.97)
	5,671.18	3,209.67
Amount available for appropriation	5,671.18	3,209.67
Appropriations:		
Less : Interim dividend	-	(65.81)
	5,671.18	3,143.86
	6,323.28	3,804.88



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

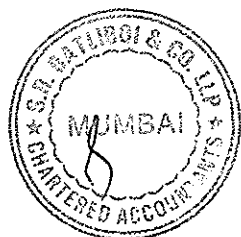
(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.17 Other financial liabilities		
Lease liability (refer note 2.39)	64.85	56.22
	64.85	56.22
2.18 Provisions - non-current		
Provision for employee benefits		
Gratuity (refer note 2.46)	21.92	18.98
Compensated leave absences	3.24	2.44
	25.16	21.42
2.19 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.50	0.51
Total outstanding dues to creditors other than micro enterprises and small enterprises	82.51	196.66
	83.01	197.17

Trade payables aging schedule

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2024						
(i) MSME	0.47	0.03	-	-	-	0.50
(ii) Others	35.06	45.88	-	-	1.57	82.51
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	35.53	45.91	-	-	1.57	83.01
Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023						
(i) MSME	0.39	0.12	-	-	-	0.51
(ii) Others	155.58	39.24	0.01	1.29	0.54	196.66
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	155.97	39.36	0.01	1.29	0.54	197.17

Trade Payables includes Rs. 0.50 million (Previous year: Rs. 0.51 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The above mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

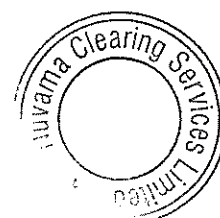


Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
2.20 Debt securities		
<u>Unsecured</u>		
Commercial paper		
Opening	-	-
Addition during the year	50.00	-
Less : Unamortised discount	(1.03)	-
(Discounting rate @ 8.50% maturity on July'2024; March 2023 : Nil)		
	<u>48.97</u>	<u>-</u>
2.21 Borrowings (other than debt securities)		
At amortised cost		
Interest accrued but not due on borrowings	1.44	-
(Interest rate payable @ 10.90%; March 2023 : Nil)		
	<u>1.44</u>	<u>-</u>
2.21A Unsecured - At amortised cost		
(i) Borrowing outside India	-	-
(ii) Borrowing in India	1.44	-
	<u>1.44</u>	<u>-</u>
2.22 Other financial liabilities		
Margin money payable to client (net) (refer note 2.49)	1,03,640.53	39,805.70
(Deployed in the form of bank balances and fixed deposits)		
Accrued salaries and benefits	116.47	79.90
Payable to exchange / clearing house (net)	19.94	1.69
Retention money payable	0.03	0.03
Outstanding expenses payable	374.88	142.23
Advances from customers	0.03	2,440.99
Lease liability (refer note 2.39)	74.37	139.22
Other	2.84	5.34
	<u>1,04,229.09</u>	<u>42,615.10</u>
2.23 Other current liabilities		
Income received in advance	-	0.03
Statutory liabilities*	97.28	35.90
Others	0.01	0.01
	<u>97.29</u>	<u>35.94</u>
* Includes withholding taxes, other taxes payable		
2.24 Provisions		
Provision for employee benefits		
Gratuity (refer note 2.46)	6.33	5.41
Compensated leave absences	0.95	0.72
	<u>7.28</u>	<u>6.13</u>
2.25 Current tax liabilities (net)		
Provision for taxation	54.55	32.02
(net of advance tax and TDS assets Rs. 2,554.20 million; March 31, 2023 Rs. 1,648.06 million)		
	<u>54.55</u>	<u>32.02</u>

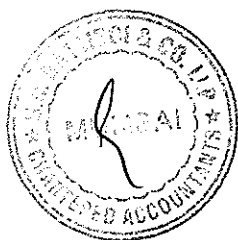


Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
2.26 Fee and commission income		
Clearing fees	716.74	325.61
Advisory and other fees	146.96	101.34
	<u>863.70</u>	<u>426.95</u>
2.26A Service transferred at a point in time	833.70	388.62
Service transferred over time	30.00	38.33
	<u>863.70</u>	<u>426.95</u>
2.27 Interest income		
Interest income on deposits	4,587.25	2,036.21
Other interest income	0.02	0.03
Interest income - Preference shares	15.50	15.81
	<u>4,602.77</u>	<u>2,052.05</u>
2.28 Rental income		
Rental Income (refer note 2.40)	-	182.76
	<u>-</u>	<u>182.76</u>
<p>During year ended March 31, 2023 the Company incurred expenses shared premises cost, these costs expended plus markup are recovered from its group companies represented in rental income. For the year ended March 31, 2024, these costs expended are recovered as a cost reimbursement without mark-up & thus such costs so expended are presented net of recoveries in notes 2.1 and 2.32.</p>		
2.29 Net (loss)/ gain on fair value changes		
(Loss) / gain on securities	(3.68)	261.56
(Loss) / gain on investment	(0.03)	0.03
	<u>(3.71)</u>	<u>261.59</u>
Net gain on fair value changes		
Fair Value changes:		
Realised	246.22	54.80
Unrealised	(249.93)	206.79
	<u>(3.71)</u>	<u>261.59</u>
2.30 Other Income		
Dividend on securities held for trading	1.93	0.04
Fund accounting fees	48.28	35.49
Gain on termination of leases	-	31.97
Interest on income tax refund	3.61	-
Miscellaneous income	0.47	0.09
	<u>54.29</u>	<u>67.59</u>



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
2.31 Employee benefit expenses (refer note 2.40)		
Salaries and wages	296.11	252.96
Contribution to provident and other funds (refer note 2.46)	13.57	13.44
Expense on share based payments - refer note below	2.60	1.54
Staff welfare expenses	24.15	9.90
	336.43	277.84

Note:

- 1) Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited] has granted Employee Stock Option Plans ("ESOP") to the Group's employees on an equity-settled basis. Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited] charged to the Company and the Company has recognised share based payment expenses of Rs. 1.86 million (previous year: Rs. 1.26 million) for the year ended March 31, 2024 based on fair value as on the grant date calculated as per option pricing model.
- 2) Edelweiss Financial Services Limited ("EFSL") the entity exercising significant influence over the Company (till March 30, 2023), has granted ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

2.32 Finance costs

Financial liabilities measured at amortised cost

Interest on Margin	1,167.28	602.47
Interest on borrowing	25.64	-
Discount on commercial paper	0.99	-
Financial and bank charges	140.01	93.94
Interest on lease liability *	2.26	42.45
Interest - others	0.20	0.29
	1,336.38	739.15

*Net of cost reimbursement recoveries from its group companies amounting to Rs. 11.60 million for the year ended March 31, 2024. (Previous Year: Nil)

2.33 Impairment on financial instruments

Bad- debts and advances written off	-	0.05
Diminution in value of investments	101.34	-
Provision for expected credit loss	2.03	(5.29)
	103.37	(5.24)

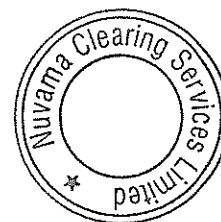


Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
2.34 Other expenses		
Advertisement and business promotion (refer note 2.40)	6.25	25.52
Auditors' remuneration (refer note below)	3.45	2.50
Commission and brokerage	78.31	177.92
Communication	4.66	4.32
Director's sitting fees	0.20	-
Insurance	0.24	0.32
Legal and professional fees	25.38	59.20
Printing and stationery (refer note 2.40)	0.06	0.13
Rates and taxes	0.02	-
Rent (refer note 2.40)	18.99	36.83
Repairs and maintenance	1.24	1.16
Electricity charges (refer note 2.40)	1.65	14.10
Foreign exchange loss (net)	0.10	0.57
Computer expenses (refer note 2.40)	74.38	61.70
Computer software	19.40	15.01
Corporate social responsibility (refer note 2.48)	22.08	27.88
Dematerialisation charges	0.15	0.08
Rating support fees	2.89	0.84
Loss on sale of fixed assets	0.62	(0.02)
Membership and subscription	13.30	12.00
Office expenses (refer note 2.40)	35.62	56.06
Postage & courier	-	0.05
ROC expenses	0.05	0.01
Goods & Service tax expenses	1.21	2.19
Stamp duty	0.85	1.46
Stock exchange expenses	2.91	2.54
Travelling and conveyance	10.17	8.85
Warehousing charges	0.02	0.04
Miscellaneous expenses	0.01	0.40
Outside services cost	4.29	9.21
	328.50	520.87
Note: Auditor's remuneration		
For statutory audit fee	1.35	0.95
For limited review fee	1.28	1.05
Others (includes certification fees)	0.67	0.42
Towards reimbursement of expenses	0.15	0.08
Net total	3.45	2.50



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
2.35 Income tax		
The components of income tax expenses for the year ended March 31, 2024, March 31, 2023 are :		
Current tax	939.12	266.84
Adjustment in respect of income tax of prior years	(9.24)	3.49
Deferred tax relating to origination and reversal of temporary differences	(92.15)	57.03
Total tax charge	837.73	327.36
Current tax	929.88	270.33
Deferred tax	(92.15)	57.03
	837.73	327.36
2.35a Reconciliation of total tax charge		
Accounting profit before tax as per financial statements	3,354.73	1,306.27
Tax rate (in percentage)	25.168%	25.168%
Income tax expenses for current period as per above rate	844.32	328.76
Adjustment in respect of current income tax of prior years	(9.24)	3.49
Effect of income not subject to tax: Loss / (Profit) on property, plant and equipment #	(0.00)	(1.23)
Effect of income not subject to tax: Loss / (Profit) on ROU assets and lease liability #	(0.00)	(0.37)
Effect of non-deductible expenses: Penalties #	0.00	0.05
Effect of non-deductible expenses: Corporate social responsibility	5.56	7.02
Effect of non-deductible expenses: Others	(0.01)	0.01
Effect of deductible expenses: Bonus PY	(2.90)	(6.22)
Effect of deductible expenses: Dividend	-	(4.15)
Total	837.73	327.36
# Amount is less than Rs. 0.01 million		



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.35b The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Movement for the year ended March 31, 2024								
	Opening deferred tax asset / (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others	Total movement	Closing deferred tax asset / (liability)
Deferred taxes in relation to:								
Property, plant and equipment	4.84	(2.01)	-	-	-	-	(2.01)	2.83
Investment property	(2.97)	4.98	-	-	-	-	4.98	2.01
Securities held for trading	(62.90)	62.90	-	-	-	-	62.90	-
Employee benefits obligations	6.91	1.04	0.19	-	-	-	1.23	8.14
Provision on expected credit loss	0.83	0.52	-	-	-	-	0.52	1.35
Right of use & lease liability	6.11	0.24	-	-	-	-	0.24	6.35
Unamortised processing fees	(0.64)	(1.22)	-	-	-	-	(1.22)	(1.86)
Interest income on preference shares	0.15	25.51	-	-	-	-	25.51	25.66
Total	(47.67)	91.96	0.19	-	-	-	92.15	44.48

Movement for the year ended March 31, 2023								
	Opening deferred tax asset / (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others	Total movement	Closing deferred tax asset / (liability)
Deferred taxes in relation to:								
Property, plant and equipment	3.94	0.90	-	-	-	-	0.90	4.84
Investment property	(1.13)	(1.84)	-	-	-	-	(1.84)	(2.97)
Securities held for trading	(10.86)	(52.04)	-	-	-	-	(52.04)	(62.90)
Employee benefits obligations	6.45	0.12	0.33	-	-	-	0.45	6.91
Provision on expected credit loss	2.15	(1.33)	-	-	-	-	(1.32)	0.83
Right of use & lease liability	8.79	(2.68)	-	-	-	-	(2.68)	6.11
Unamortised processing fees	-	(0.64)	-	-	-	-	(0.64)	(0.64)
Interest income on preference shares	-	0.15	-	-	-	-	0.15	0.15
Total	9.35	(57.36)	0.33	-	-	-	(57.02)	(47.67)



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.36 Segment reporting

During the year ended March 31, 2023, the underlying businesses of the reportable segments, namely 'Agency business' was reclassified into 2 new reportable segments, namely 'Wealth Management', 'Capital Markets'. The said reclassification of business segments was based on internal review of businesses carried out by the Chief Operating Decision Maker (CODM) post the internal restructuring exercise carried out by the Company. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the CODM. The Company has now 2 reportable segments, namely: -

Segment	Activities covered
Capital market business	Includes clearing services
Wealth management business	Includes dealing in financial products

Income for each segment has been specifically identified, expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Revenue contributed by any single customer in any of the operating segment, whether reportable or otherwise, does not exceed for percent of the Company's total revenue

Reportable segments

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

Accordingly the Company is considered to operate in 'Capital Market' and 'Wealth Management' segments.

Secondary segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	Segment revenue		
	Capital market	5,517.48	2,636.96
	Wealth management	(0.76)	339.31
	Unallocated	0.33	14.67
	Total income	5,517.05	2,990.94
II.	Segment result		
	Capital market	3,436.67	1,137.80
	Wealth management	(73.77)	179.71
	Unallocated	(8.17)	(11.24)
	Total	3,354.73	1,306.27
III.	Segment assets		
	Capital market	1,10,990.63	44,185.88
	Wealth management	6.97	2,693.35
	Unallocated	-	-
	Total	1,10,997.60	46,879.23
IV.	Segment liabilities		
	Capital market	1,04,611.20	40,570.68
	Wealth management	0.44	2,440.99
	Unallocated	-	-
	Total	1,04,611.64	43,011.67



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.37 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

PAGAC Ecstasy Pte Limited - Ultimate Holding Company

Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited] - Holding company

(B) Names of related parties who exercise significant influence

Edelweiss Financial Services Limited (Upto March 30, 2023)

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

Nuvama Wealth & Investment Limited [Formerly known as Edelweiss Broking Limited]

Nuvama Financial Services (UK) Limited [Formerly known as Edelweiss Financial Services (UK) Limited]

Nuvama Investment Advisors Private Limited [Formerly known as Edelweiss Investment Advisors Private Limited]

Nuvama Investment Advisors (Hong Kong) Private Limited [Formerly known as Edelweiss Securities (Hong Kong) Pvt Limited]

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

Nuvama Asset Management Limited [Formerly known as ESL Securities Limited]

Nuvama Wealth Finance Limited [Formerly known as Edelweiss Finance & Investments Limited]

Nuvama Investment Advisors LLC (Formerly known as EAAA LLC) (w.e.f. September 06, 2023)

(D) Subsidiaries of entities exercising significant influence with whom the Company has transactions (Upto March 30, 2023)

ECL Finance Limited

Edel Investment Limited

Edel Land Limited

Edelcap Securities Limited

EdelGive Foundation

Edelweiss Comtrade Limited

ZUNO General Insurance Limited [Formerly known as Edelweiss General Insurance Company Limited]

Nido Home Finance Limited [Formerly known as Edelweiss Housing Finance Limited]

Edelweiss Investment Advisors Limited

Edelweiss Retail Finance Limited

Edelweiss Rural & Corporate Services Limited

Edelweiss Securities And Investments Private Limited

Edelweiss Tokio Life Insurance Company Limited

(E) Key managerial personnel

Mr. Sandesh Sawant (till November 01, 2022)

Mr. Udit Sureka (w.e.f. April 04, 2022)

Mr. Arbinda Ghimire (w.e.f. May 08, 2023)

Mr. Shiv Sehgal

Mr. Birendra Kumar (w.e.f. November 13, 2023)

Mr. Manoj Sharma (w.e.f. January 1, 2024)

Ms. Girija Joshi (w.e.f. January 1, 2024)

Chief Financial Officer

Executive Director

Executive Director

Non-Executive Director

Independent Director

Chief Financial Officer

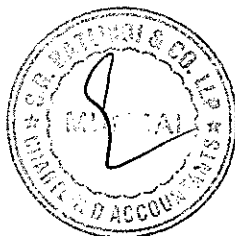
Company Secretary

(F) Associate of Holding Company with whom transactions have taken place

Nuvama Custodial Services Limited (formerly Edelweiss Capital Services Limited)

(G) Fellow entities of the ultimate holding company

Asia Pragati Strategic Investment Fund



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

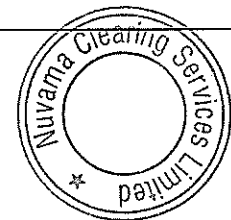
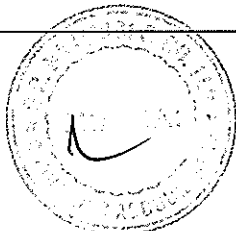
Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.37 Transactions with related parties during the year ended March 31, 2024

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2024	March 31, 2023
<u>Capital account transaction</u>				
1	Sale of securities	Nuvama Wealth Management Limited [Formerly Edelweiss Securities Limited]	5.00	-
<u>Current account transaction</u>				
2	Margin received aggregate from	ECL Finance Limited	-	2,057.82
		Edel Investments Limited	-	5,555.90
		Edel Land Limited	-	54,614.21
		Edelcap Securities Limited	-	7,701.52
		Nuvama Wealth and Investment Limited [Formerly Edelweiss Broking Limited]	5,42,118.46	1,46,484.76
		Nuvama Wealth Finance Limited [Formerly Edelweiss Finance & Investments Limited]	36,628.96	53,229.96
		Nuvama Wealth Management Limited [Formerly Edelweiss Securities Limited]	15,27,042.69	13,01,063.29
		Edelweiss Comtrade Limited	-	0.10
		Edelweiss Financial Services Limited #	-	0.00
		Edelweiss Investment Advisors Limited	-	1,720.53
		Edelweiss Securities And Investments Private Limited	-	0.81
		Edelweiss Rural & Corporate Services Limited	-	0.55
		Edelweiss Retail Finance Limited #	-	0.00
3	Margin repaid aggregate to	ECL Finance Limited	-	2,415.26
		Edel Investments Limited	-	6,250.48
		Edel Land Limited	-	53,859.86
		Edelcap Securities Limited	-	7,792.35
		Nuvama Wealth and Investment Limited [Formerly Edelweiss Broking Limited]	5,34,449.73	1,41,214.29
		Nuvama Wealth Finance Limited [Formerly Edelweiss Finance & Investments Limited]	36,367.02	52,682.37
		Edelweiss Financial Services Limited #	-	0.00
		Nuvama Wealth Management Limited [Formerly Edelweiss Securities Limited]	15,08,540.89	13,00,246.51
		Edelweiss Comtrade Limited	-	0.17
		Edelweiss Investment Advisors Limited	-	1,724.35
		Edelweiss Securities And Investments Private Limited	-	0.81
		Edelweiss Rural & Corporate Services Limited	-	2.05
		Edelweiss Retail Finance Limited #	-	0.00
4	Business Service Charges Income from	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	-	2.81
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	-	1.95
		Edelweiss Financial Services Limited	-	1.58
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	5.96
		Nuvama Asset Management Limited (Formerly ESL Securities Limited)	-	0.70
		Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	-	0.39
5	Clearing charges income received from	Edel Land Limited	-	39.47
		ECL Finance Limited	-	0.91
		Edel Investments Limited	-	58.24
		Edelcap Securities Limited	-	6.63
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	10.23	11.98
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	130.67	83.05
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	504.37	85.44
		Edelweiss Investment Advisors Limited	-	2.04



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

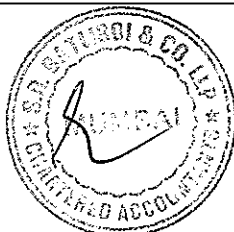
Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.37 Transactions with related parties during the year ended March 31, 2024

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2024	March 31, 2023
6	Chaperoning fees paid to	Nuvama Investment Advisors Private Limited [Formerly known as Edelweiss Investment Advisors Private Limited]	-	24.32
		Nuvama Financial Services (UK) Limited [Formerly known as Edelweiss Financial Services (UK) Limited]	-	12.81
		Nuvama Investment Advisors (Hong Kong) Private Limited [Formerly known as Edelweiss Securities (Hong Kong) Pvt Limited]	-	19.34
7	Infrastructure service charges received from	Edel Investments Limited	-	8.33
		Edelcap Securities Limited	-	10.00
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	10.00
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	-	10.00
8	Cost reimbursement received from	Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	38.67	77.94
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	12.38	25.63
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	13.14	37.13
		Edelweiss Financial Services Limited	-	151.12
		Nuvama Asset Management Limited (Formerly ESL Securities Limited)	2.49	9.38
		Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	4.54	5.13
9	Cost reimbursement paid to	Edel Land Limited	-	12.19
		Edelweiss Financial Services Limited	-	0.55
		Edelweiss Rural & Corporate Services Limited	-	107.54
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	104.00	118.08
		Nido Home Finance Limited [Formerly known as Edelweiss Housing Finance Limited]	-	0.10
		ECL Finance Limited	-	0.10
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.03	3.28
		Edel Land Limited	-	66.75
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	0.01	0.01
		Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	13.50	-
10	Fund Accounting Fee Income received from	Edelweiss Asset Management Limited	-	0.32
11	Interest expenses on margin placed by	Edel Land Limited	-	2.98
		ECL Finance Limited	-	6.14
		Edel Investments Limited	-	1.07
		Edelcap Securities Limited	-	0.49
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	802.21	513.05
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	0.85	1.08
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	183.71	23.78
12	Referral & Other Fees Income from	Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	87.02	26.51
13	Referral & Other Fees expenses to	Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	43.91
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	60.98	107.03
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	-	25.00
		Nuvama Investment Advisors LLC (Formerly known as EAAA LLC)	9.08	-



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

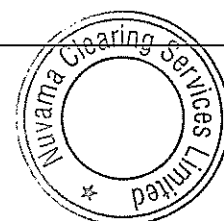
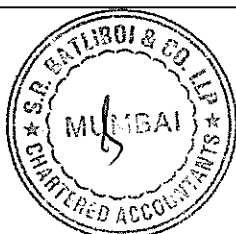
Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.37 Transactions with related parties during the year ended March 31, 2024

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2024	March 31, 2023
14	Research Service Fees paid to	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	12.00	12.00
15	Property, plant and equipment sold to	Edel Investments Limited Edelcap Securities Limited	- -	0.01 0.00
16	Gratuity liability transferred to	Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited) Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	- -	0.15 0.75
17	Gratuity liability transferred from	Edelweiss Rural & Corporate Services Limited Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited) Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	- - -	0.10 0.01 0.09
18	Interim dividend paid to	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	-	65.81
19	Expenses for employee stock option plans	Edelweiss Financial Services Limited Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	- 1.86	-0.15 1.26
20	Expenses for employee Stock Appreciation Rights	Edelweiss Financial Services Limited	-	0.43
21	Insurance premium paid to	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited) Edelweiss Tokio Life Insurance Company Limited	0.17 -	0.20 0.02
22	Mediclaime expenses paid to	ZUNO General Insurance Limited (Formerly known as Edelweiss General Insurance Company Limited)	-	4.44
23	CSR expenses	EdelGive Foundation	-	27.88
24	Branding fee paid to	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	(0.07)	4.47
25	ESOP charge Reversal recovered (through Reserves & Surplus)	Edelweiss Financial Services Limited	-	1.47
26	Short term loan taken from	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	12,497.60	-
27	Short term loan repaid to	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	12,497.60	-
28	Interest expenses on borrowing	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	1.60	-
29	Managerial remuneration (refer note 1)	Key managerial personnel	21.39	15.76
30	Director sitting fees	Key managerial personnel	0.20	-
Balances with related parties				
31	Accrued interest expenses on margin placed by	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited) Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited) Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	0.06 263.36 82.57	0.17 126.21 7.08
32	Accrued interest expenses on borrowing	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	1.44	-



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.37 Transactions with related parties during the year ended March 31, 2024

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2024	March 31, 2023		
33	Trade Payables to	Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	-	2.44		
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.58	6.06		
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	36.36	32.05		
		Asia Pragati Strategic Investment Fund	-	90.00		
		Nuvama Asset Management Limited (Formerly ESL Securities Limited)	-	1.65		
		Nuvama Investment Advisors LLC (Formerly known as EAAA LLC)	2.83	-		
		Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	14.58	-		
		34	Trade receivables from	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	1.45	-
				Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	1.26	-
Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	4.32			-		
Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	5.50			-		
Nuvama Asset Management Limited (Formerly ESL Securities Limited)	0.25			-		
35	Advances recoverable in cash or kind			Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	0.54	0.01
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.09	0.09		
		36	Others payable	Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.07	0.75
Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	1.07			0.07		
Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited) #	-			(0.00)		
37	Margins payable to clients			Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	330.90	68.96
		Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	19,433.53	931.73		
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	21,978.44	14,309.71		
		Off Balance Sheet Items				
38	Corporate guarantee received from	Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited)	12,500.00	10,500.00		
39	Liquidity support availed from	Asia Pragati Strategic Investment Fund	-	9,000.00		

Amount is less than Rs. 0.01 million

Note 1 Information relating to remuneration paid to key managerial personnel mentioned above excludes provision made for gratuity and leave encashment which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

Note 2 Edelweiss Financial Services Limited (the "Company" or "EFSL") along with its subsidiaries holds 43.74% in the equity shares of Nuvama Wealth Management Limited ("NWML") till March 30, 2023, EFSL had significant influence over NWML.

With effect from March 31, 2023, pursuant to the amendment agreement dated March 9, 2023 made to the amended and restated shareholders' agreement dated March 18, 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML, EFSL has lost its significant influence as per Ind AS 28 on NWML.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.38 Earnings per Share

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

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
(a) Profit after tax (as per Statement of Profit and Loss)	2,516.81	978.58
Less: dividend on preference share including dividend distribution tax	Nil	Nil
Net profit for the year attributable to equity shareholders	2,516.81	978.58
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	62,67,500	62,67,500
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	62,67,500	62,67,500
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	62,67,500	62,67,500
(c) Weighted average number of dilutive potential equity shares	-	-
(d) Basic and diluted earnings per share (in rupees) (a)/(b+c)	401.57	156.14

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

2.39 Contingent liabilities, Capital commitments and lease arrangements

A. Contingent liabilities (to the extent not provided for)

a) The Company has provided bank guarantees aggregating to ₹ 12,500.00 million (March'23: ₹ 14,500.00 million) as on March 31, 2024 to The National Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹ 3,500.50 million (March'23: ₹ 4,400.64 million) as on March 31, 2024 for obtaining the above bank guarantees as per sanction terms.

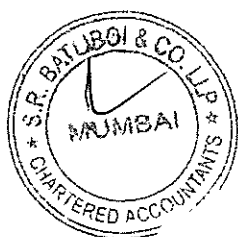
There are no obligations as on 31st March 2024 other than those disclosed above and in note 2.11A.

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

B. a) Trading member V-rise

V-Rise Securities Private Limited ('Vrise'), a trading member and client of NCSL, defaulted in its obligation to maintain required margin with NCSL as prescribed under SEBI Circular No.: MRD/DoP/SE/Cir-07/2005 dated Feb 23, 2005 on Comprehensive Risk Management Framework and guidelines/regulations of Clearing Corporation, resulting in margin shortfalls between November 2019 to January 2020. To make good such shortfall NCSL liquidated the available collateral securities amounting Rs. 222.67 million during the aforesaid period. NCL, subsequently on January 8, 2020, while inspecting the above matter, noted that liquidation of securities by NCSL was not in compliance with its instructions and NCSL failed to perform adequate due diligence of the collaterals of the end clients for ensuring that collaterals were liquidated only in respect of those with a margin shortfall as against liquidation of overall collaterals placed by Vrise. Consequently, Membership and Core Settlement Guarantee Fund Committee ("MCSGFC") of NCL passed an order on February 13, 2020 against NCSL for its failure to adhere to the NCL instructions which resulted in a violation of securities laws and directed NCSL to reinstate the securities of the end clients of Vrise which were wrongly liquidated. Thereafter, NCSL filed an appeal against the above order with Securities Appellate Tribunal ("SAT") on February 17, 2020 and was able to secure a stay on the matter on February 26, 2020. However, on December 15, 2023, SAT passed an order dismissing the appeal of NCSL and upheld the NCL's order for reinstatement of securities. On February 12, 2024, NCSL filed an appeal before the Hon'ble Supreme Court of India ('Supreme Court'), inter-alia, seeking a stay against the impugned order of the SAT, which is currently pending hearing for admission.

Based on its assessment and legal advice obtained, NCSL is confident that it is in compliance with applicable laws and regulations in this regard and therefore of the favourable outcome at the Supreme Court. Accordingly, the Company believes that no adjustment in respect of the above matter is required to be made in the financial statements for the financial year ended March 31, 2024.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.39 Contingent liabilities, Capital commitments and lease arrangements (Continued)

b) Trading member Anugrah

1) Nuvama Clearing Services Limited ("NCSL" or "the Company") is registered as a clearing member with NSE Clearing Limited ("NCL") and provides clearing services to various trading members/custodial participant in derivatives segment. NCSL client namely Anugrah Stock & Broking Private Limited ("Anugrah"), a trading member, defaulted in its obligation to maintain required margin with NCSL as prescribed under SEBI Circular No.: MRD/DoP/SE/Cir-07/2005 dated Feb 23, 2005 on Comprehensive Risk Management Framework and guidelines/regulations of Clearing Corporation, resulting in margin shortfalls between January 2020 to June 2020. To make good such shortfall NCSL liquidated the available collateral securities which were received from Anugrah's demat account amounting Rs. 4,603.20 million during the aforesaid period. In July 2020, Anugrah transferred its clearing account from NCSL to a different professional clearing member. As a part of said transfer, Anugrah had given confirmation to NCSL that there are no dues and no client complaints against Anugrah on July 13, 2020. NCL, subsequently on September 19, 2020, while inspecting the above matter, noted that liquidation of securities by NCSL was not in compliance with the relevant NCL rules as NCSL failed to perform adequate due diligence of the collaterals of the end clients for ensuring that collaterals were liquidated only in respect of those with a margin shortfall as against liquidation of overall collaterals placed by Anugrah. Consequently, Membership and Core Settlement Guarantee Fund Committee ("MCSGFC") of NCL passed an order on October 20, 2020 against NCSL for its failure to adhere to the NCL instructions which resulted in a violation of securities laws and directed NCSL to reinstate the securities of the end clients of Anugrah which were wrongly liquidated. Thereafter, NCSL filed an appeal against the above order with Securities Appellate Tribunal ("SAT") on October 28, 2020 on the grounds, inter-alia, that end client level debit obligations were only available with the trading members and NCSL had no basis to assess the liability of end client and was able to secure a stay on the matter on November 5, 2020. Further, the collateral posted by a trading member (Anugrah) comes from the demat account of the trading member (Anugrah) and not from the end clients of the trading member (Anugrah). However, on December 15, 2023, SAT passed an order dismissing the appeal of NCSL and upheld the NCL's order for reinstatement of securities. On December 22, 2023, NCSL filed an appeal before the Hon'ble Supreme Court of India ("Supreme Court"), inter-alia, seeking a stay against the impugned order of the SAT, which is currently pending hearing for admission.

Based on its assessment and legal opinion obtained, NCSL is confident that it is in compliance with applicable laws and regulations in this regard and therefore of the favourable outcome at the Supreme Court. Accordingly, the management of the Company believes that no adjustment in respect of the above matter is required to be made in the financial statements for the financial year ended March 31, 2024.

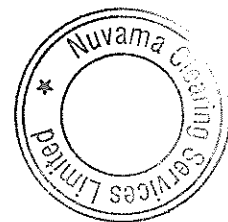
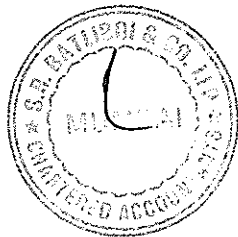
2) On a complaint made by certain end-clients of Anugrah Stock and Broking Private Limited ("Anugrah"), the Economic Offence Wing ("EOW") registered first information report against Anugrah and its affiliates/promoters for defrauding customers under Ponzi scheme. Although NCSL is not an accused in that matter, EOW passed a direction marking a debit lien on NCSL's clearing account to the tune of Rs. 4,603.20 million. NCSL challenged this direction before the 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai and Court temporarily lifted the lien on NCSL's Clearing Account by passing a stay order. NCSL has since provided undertaking to keep sufficient assets amounting to Rs. 4,603.20 million unencumbered. Due to business exigencies, NCSL filed a miscellaneous application in the Sessions Court inter alia to permit NCSL to substitute securities given in the undertaking. The Hon'ble Court allowed the Application for substituting the securities. The Misc. Application filed by NCSL before 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai has now been transferred to the City Civil & Sessions Court under M.P.I.D. Act. The matter is under hearing stage.

3) Further, various FIR/Complaints have been filed before EOW at Mumbai/Amravati/Hyderabad /Cyberabad by various end clients of Anugrah against Anugrah and its associates. NCSL has been made party to the same. The investigations are under process and NCSL is providing relevant documents/ clarifications to the investigating authorities as and when called for. Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of Anugrah against Anugrah and its associates. NCSL has been made party to the same. Some of the Writ Petitions have been tagged together and common orders have been passed to be heard together. Some of the matters has been listed for further hearing.

NCSL believes that it has acted in accordance with the agreement entered with the trading member i.e. Anugrah and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial statements for the financial year ended March 31, 2024.

C. Capital commitment (to the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2.61 million (March'23: Rs. 4.96 million).



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.39 Contingent liabilities, Capital commitments and lease arrangements (Continued)

D. Operating Leases

The Company has entered into commercial leases for premises. This lease has a life of five years. There are no restrictions placed upon by the lessor by entering into these leases.

The statement of profit and loss shows the following amounts relating to leases

	FY 2023-24	FY 2022-23
Depreciation on ROU of building	57.17	132.83
Interest cost	13.86	42.45
Expenses related to short term lease	-	-
Expenses related to low value lease	-	-

Measurement of lease liability

Particulars	March 31, 2024	March 31, 2023
Opening balance	195.44	569.84
Transition impact to Ind AS 116	-	-
Addition / (disposal) during the year	-	(262.69)
Add : Accretion of Interest	13.86	42.45
Less : Payments	(70.08)	(153.96)
Closing balance	139.22	195.44

Set out below are the carrying amounts of right-to-use assets and the movements during the period:

Particulars	March 31, 2024	March 31, 2023
Opening (Transition to Ind AS)	171.23	534.97
Transition impact to Ind AS 116	-	-
Addition / (disposal) during the year	-	(230.91)
Amortisation	(57.17)	(132.83)
Closing balance	114.06	171.23

Minimum lease payments under non-cancellable operating leases are as follows :

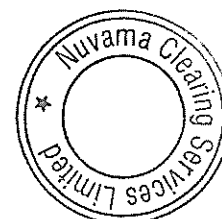
Particulars	March 31, 2024	March 31, 2023
Within one year	73.59	70.09
After one year but not more than five years	77.27	150.86
Total	150.86	220.95

E. Sponsor capital commitments (net of investments) Rs. Nil million (previous year Rs. 5 million)

2.40 Cost sharing

Nuvama Wealth Management Limited [Formerly known as Edelweiss Securities Limited] being the Holding company incurred expenditure like branding fee, senior management cost, technology and administrative cost etc. which is for the common benefit of itself and its subsidiaries and associate. 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 associate are recovered by the Holding company. Accordingly, and as identified by the management, the expenditure heads in note 2.28, 2.31 and 2.34 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

Edelweiss Financial Services Limited, being the erstwhile entity having significant influence over the Holding company (till March 30, 2023) along with fellow subsidiaries incurs expenditure like Group Medclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its subsidiaries including the Company. 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 Company for the benefit of fellow subsidiaries and associate are recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.28, 2.31 and 2.34 include reimbursements paid during financial year 2022-23 and are net of reimbursements received based on the management's best estimate.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

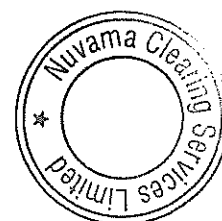
(Currency : Indian rupees in million)

2.41 Fair Values of Financial Instruments

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

Particulars	March 31, 2024			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Securities held for trading	-	2.87	-	2.87
Total securities held for trading	-	2.87	-	2.87
Investments	-	-	-	-
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	-	2.87	-	2.87

Particulars	March 31, 2023			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Securities held for trading	-	2,608.88	-	2,608.88
Total securities held for trading	-	2,608.88	-	2,608.88
Investments	-	5.03	-	5.03
Total investments measured at fair value	-	5.03	-	5.03
Total financial assets measured at fair value on a recurring basis	-	2,613.91	-	2,613.91



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024
(Currency : Indian rupees in million)

2.42A. Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at March 31, 2024	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	83.01	-	-	-	-	-	-	-	83.01
Debt securities	-	-	-	-	48.97	-	-	-	-	-	48.97
Borrowings (other than debt securities)	-	-	1.44	-	-	-	-	-	-	-	1.44
Other financial liabilities	1,04,015.41	19.94	-	-	135.05	16.05	33.11	74.37	0.01	-	1,04,283.94
Total undiscounted non-derivative financial liabilities	1,04,015.41	19.94	84.45	-	135.05	65.02	33.11	74.37	0.01	-	1,04,427.36

As at March 31, 2023

On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	197.17	-	-	-	-	-	-	197.17
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	39,947.93	1.69	-	-	93.81	28.70	139.22	1.77	-	42,671.32
Total undiscounted non-derivative financial liabilities	39,947.93	1.69	197.17	-	93.81	28.70	139.22	1.77	-	42,868.49

2.42B. Analysis of non-derivative financial assets by remaining contractual maturities

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

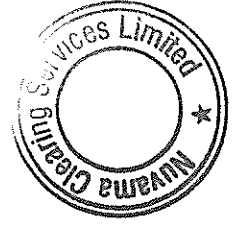
As at March 31, 2024	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	1,07,021.13	-	-	-	-	-	-	-	-	-	1,07,021.13
Securities held for trading	-	-	-	-	2.87	-	-	-	-	-	2.87
Trade receivables	260.27	-	-	-	-	-	-	-	-	-	260.27
Investments at amortised cost	-	-	-	-	-	15.51	34.36	36.77	24.09	-	110.73
Other financial assets	-	3,056.66	-	-	-	2.51	64.43	78.08	-	-	3,201.68
Total	1,07,281.40	3,056.66	-	-	2.87	2.51	15.51	98.79	114.85	24.09	1,10,596.68

As at March 31, 2023

On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	42,497.86	-	-	-	-	-	-	-	-	42,497.86
Securities held for trading	-	-	-	2,608.88	-	-	-	-	-	2,608.88
Trade receivables	520.65	-	-	-	-	-	-	-	-	520.65
Investments at amortised cost	-	-	-	-	-	19.62	32.11	36.77	138.08	226.58
Investments at fair value through profit or loss pledged as collateral	-	-	-	-	-	-	-	-	5.03	5.03
Other financial assets	-	289.13	-	84.44	5.75	-	104.03	-	-	483.35
Total	43,018.51	289.13	-	2,693.32	5.75	19.62	32.11	140.80	143.11	46,342.35

2.43. Financial instruments not measured at fair value

Carrying amount of cash and cash equivalent, trade receivables and other trade payables as on March 31, 2024 approximate the fair value because of their short term nature. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowing subsequently measured at amortised cost is not significant in each of the years presented.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.44 Risk management framework:-

a) Regulatory controls

Introduction and risk profile

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

The Company is regulated by SEBI & respective exchanges with special focus on trade clearing, client fund/security management, exchange & client reporting etc. The Company strives for continual improvement through efforts to enhance systemic & manual controls, ongoing employee training and development and other measures.

Risk Management Structure

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

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

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. They are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Risk mitigation and risk culture

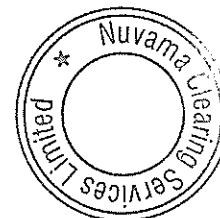
The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Client introduction, client on-boarding, credit control processes, centralised operations unit, independent internal auditors for checking compliance with the prescribed policies/processes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

b) Approach to capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements.

The Company is regulated by Securities and Exchange Board of India ("SEBI") and various Exchanges. It complies with the rules laid down by the regulator and the Exchanges.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Share holders fund + Reserve (net-worth)	6,385.96	3,867.56



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.45 Credit risk

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

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

The Company's financial assets are subject to the expected credit loss model are only short-term trade and other receivables. All trade receivables are expected to be collected in less than twelve months. Company applies the expected credit loss model for all financial assets and simplified approach for trade receivables for recognition of impairment loss. Expected credit loss allowance based on simplified approach in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

Market risks

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

The Company is a professional clearing member. The client trades as executed by broker (trading member) are settled by the Company. The client & its broker keeps sufficient margin in the form of cash, fixed deposits, bank guarantees, etc. as per the prescribed norms of the exchanges. The same is onwards kept on the respective exchanges. Margin calls are made daily in the normal course of trading hours so as to adequately cover client positions. All trades are confirmed to automated straight through process to the client and/or its custodian. Default if any devolves on either client or the custodian. Hence, there is no market risk to the Company as a professional clearing member.

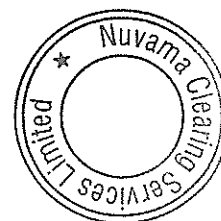
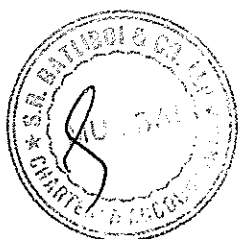
Price risk (refer note 2.52)

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

Liquidity Risk:

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

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



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.46 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

A) Defined contribution plan - Provident fund and national pension scheme

Amount of Rs. 9.13 million (March'23: Rs. 9.38 million) is recognised as expenses in "Employee benefit expenses" – note 2.31 in the statement of profit and loss.

B) Defined benefit plan - Gratuity

The following tables summarize the components of the net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Statement of Profit and Loss account

Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	2.69	2.82
Interest on defined benefit obligation	1.76	1.23
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gains) / losses	-	-
Total included in 'Employee Benefit Expense'	4.45	4.05

Balance Sheet

Changes in the present value of the defined benefit obligation are as follows:

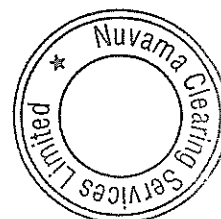
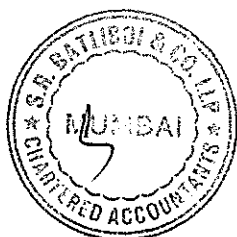
Particulars	As at March 31, 2024	As at March 31, 2023
Liability at the beginning of the year	24.38	23.41
Interest cost	1.76	1.23
Current service cost	2.69	2.82
Transfer In / (Out)	0.38	(0.72)
Past service cost (vested benefit)	-	-
Benefit paid	(1.72)	(3.66)
Actuarial (gain)/loss on obligations	0.76	1.30
Liability at the end of the year	28.25	24.38

Reconciliation of fair value of plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the start of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	1.72	3.66
Benefits paid	(1.72)	(3.66)
Actuarial (loss)/gain on plan assets	-	-
Actual return on plan assets	-	-
Fair value of plan assets at the end of the year	-	-

Experience Adjustment:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation	28.25	24.38	23.41	23.06	16.49
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(28.25)	(24.38)	(23.41)	(23.06)	(16.49)
Experience Adjustment on Plan Liabilities: (Gain) /Loss	0.76	1.30	1.86	(0.79)	(1.07)
Experience Adjustment on Plan Assets: Gain/ (Loss)	NA	NA	NA	NA	NA



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.46 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (Continued)

Defined benefit plan – Gratuity (Continued)

Principle actuarial assumptions at the balance sheet date:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate current	6.90%	7.10%
Salary escalation current	7.00%	7.00%
Employees attrition rate (based on categories)	0-25%	0-25%
Mortality Rate	IALM 2012- 14 (Ult.)	IALM 2012- 14 (Ult.)
Expected average remaining working lives of employees	3 years	3 years

Movement on Other Comprehensive Income

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at start of year (Loss)/ Gain	(3.19)	(1.88)
Re-measurement on DBO	-	-
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	(0.20)
b. Actuarial (Loss)/Gain from changes in financial assumptions	(0.23)	1.81
c. Actuarial (Loss)/Gain from experience over the past years	(0.54)	(2.92)
Re-measurement on Plan Assets	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at the end of period / year (Loss)/ Gain	(3.96)	(3.19)

Sensitivity Analysis

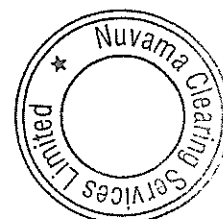
DOB Increases / (decreases) by	As at March 31, 2024	As at 31 March 2023
1 % Increase in Salary Growth Rate	0.97	0.87
1 % Decrease in Salary Growth Rate	(0.91)	(0.82)
1 % Increase in Discount Rate	(0.91)	(0.81)
1 % Decrease in Discount Rate	0.98	0.88
1 % Increase in Withdrawal Rate	(0.05)	(0.04)
1 % Decrease in Withdrawal Rate	0.05	0.04
Mortality (Increase in expected lifetime by 1 year) #	-	-
Mortality (Increase in expected lifetime by 3 year) #	-	-

Movement in Surplus/(Deficit)

Particulars	As at March 31, 2024	As at 31 March 2023
Surplus/ (Deficit) at start of year	(24.40)	(23.43)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	(0.38)	0.72
<i>Movement during the year</i>	-	-
Current Service Cost	(2.69)	(2.82)
Past Service Cost	-	-
Net interest on net DBO	(1.76)	(1.23)
Changes in Foreign Exchange Rates	-	-
Re-measurement	(0.76)	(1.30)
Contributions/ Benefits	1.72	3.66
Surplus / (Deficit) at end of period / year	(28.27)	(24.40)

Amount is less than Rs. 0.01 million

2.47 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.48 Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gross amount required to be spent by the Company as per the provisions of section 135 of Companies Act, 2013	22.08	27.88
Amount spent (paid in cash)		
i) Construction / acquisition of any assets	Nil	Nil
ii) On purpose other than (i) above *	22.08	27.88
Amount spent (yet to be paid in cash)	-	-
ii) On purpose other than (i) above	-	-
Amount paid to EdelGive Foundation	22.08	27.88

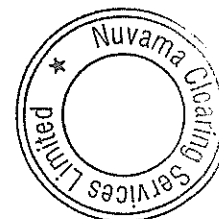
* The amount spent towards corporate social responsibility as mentioned above has been incurred towards various project in the area of Women Empowerment and Education.

2.49 Margin received from clients

Particulars	As at March 31, 2024	As at March 31, 2023
Cash margin	1,03,640.53	39,805.70
Non-cash margin		
- Securities*	2,80,526.87	94,789.02
- Fixed Deposits	-	-
- Bank guarantees	-	-
Total non-cash margin	2,80,526.87	94,789.02
Total margin received	3,84,167.40	1,34,594.72

*Includes the following:

a) Securities assigned under the "margin pledge" created in favour of the Company as non-cash margin from the clients in accordance with the SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 "Margin obligations to be given by way of Pledge/Re-pledge in the Depository System" applicable effectively from September 01, 2020.



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.50 Ratio Analysis and its elements

Particulars	As at / for the year ended March 31, 2024	As at / for the year ended March 31, 2023	Represent in terms of	% change	Reasons for variance (> 25% <)
Current ratio (refer note 1)	1.06	1.08	%	(2%)	
Return on equity ratio (refer note 2)	0.49	0.29	%	71%	On account of increase in interest income on fixed deposits
Return on capital employed (refer note 3)	0.73	0.53	%	37%	On account of increase in interest income on fixed deposits
Net profit ratio (refer note 4)	0.46	0.33	%	39%	On account of increase in income and decrease in expenses
Return on investment (refer note 5)	0.14	0.07	%	105%	On account of impairment provision on investment
Debt-equity Ratio (refer note 6)	0.01	-	times	-	
Net-worth (refer note 7)	6,385.96	3,867.56	Rs. in million	65%	On account of increase in income and decrease in expenses
Debt service coverage Ratio (refer note 8)	3.39	2.87	times	18%	
Interest service coverage Ratio (refer note 9)	3.51	2.87	times	22%	
Net profit after tax	2,516.81	978.58	Rs. in million	157%	On account of increase in income and decrease in expenses
Total debt to Total assets (refer note 10)	0.00	-	times	-	

Note

1 Current ratio = Current assets / Current liabilities

2 Return on equity ratio = Net profit after tax - preference dividend / Average shareholder's equity

3 Return on capital employed = Earning before interest and taxes / Capital employed = Tangible network (net-worth - intangible assets) + Total debt + Deferred tax liability

4 Net profit - Exceptional items / Total income

5 Return on investment = Interest income / Investment

6 Debt-equity Ratio = Total debt (Debt securities + Borrowings (other than debt securities)) / Net worth

7 Net worth = Equity share capital + Other Equity

8 Debt Service Coverage Ratio = (Profit before Tax and Finance cost excluding IND AS 116 impact) / (Finance cost excluding IND AS 116 impact + Total debt)

9 Interest service coverage Ratio = (Profit before Tax and Finance cost excluding IND AS 116 impact) / (Finance cost excluding IND AS 116 impact)

10 Total debt to Total assets = Total debt / Total assets

2.51 Transactions with Struck off Companies

March 31, 2024

Name of the struck off company	Nature of transactions with struck off company	Transaction value	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
Nil	Nil	Nil	Nil	Nil

March 31, 2023

Name of the struck off company	Nature of transactions with struck off company	Transaction value	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
Moneyflow Securities Pvt. Ltd.	Clearing services	Nil	(0.20)	Client

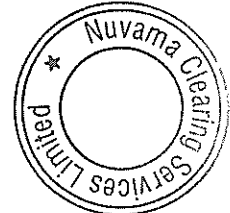
2.52 Price risk:

Index price risk is the risk that the value of a financial instrument will fluctuate due to changes in index rates / security value.

The table below indicates the Alternative Investment Fund (AIF) to which the Company had exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the Alternative Investment Fund (AIF) price (all other variables being constant) on the statement of profit and loss and equity.

March 31, 2024						
Alternative Investment Fund	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
INR	5	-	-	5	-	-

March 31, 2023						
Alternative Investment Fund	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
INR	5	0.25	-	5	(0.25)	-



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.53 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency during the year ended.

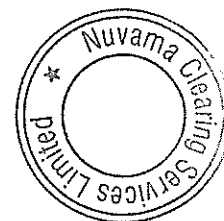
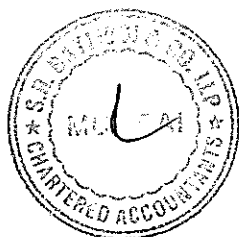
	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure incurred in foreign currency (on accrual basis)		
Legal and professional fees	14.95	88.52
Membership and subscription	0.74	1.81
Advertisement and business promotion	1.08	0.56
Staff welfare expenses	-	0.30
Computer expenses	1.03	-
Travelling and conveyance	0.44	0.28
Total expenditure	18.24	91.47
Income earned in foreign currency (on accrual basis)	-	-
Total income	-	-

2.54 Others statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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.
- (v) 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 on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have 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).

2.55 Rounding off

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



Nuvama Clearing Services Limited [Formerly known as Edelweiss Custodial Services Limited]

Notes to the financial statements (Continued)

For the year ended March 31, 2024

(Currency : Indian rupees in million)

2.56 (a) 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.

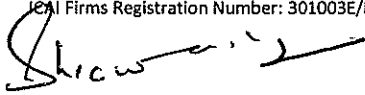
(b) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

ICAI Firms Registration Number: 301003E/E300005




per Shrawan Jalan

Partner

Membership No:102102

For and on behalf of the Board of Directors



Udit Sureka

Executive Director & CEO

DIN : 02190342



Arbinda Ghimire

Executive Director

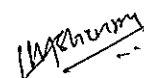
DIN : 10097420



Shiv Sehgal

Non-Executive Director

DIN : 07112524



Manoj Sharma

Chief Financial Officer



Girija Joshi

Company Secretary

Mumbai

May 06, 2024

Mumbai

May 06, 2024

