

## **Nuvama Wealth Finance Limited**

**(formerly known as Edelweiss Finance & Investments Limited)**

**Corporate Identity Number: U67120MH1994PLC286057**

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**Annual Report for the year ended March 31, 2024**

**Nuvama Wealth Finance Limited**

(formerly known as Edelweiss Finance & Investments Limited)

30<sup>th</sup> Annual Report 2023-24

**Board of Directors**

Mr. Birendra Kumar	-	Chairperson and Independent Director
Mr. Tushar Agrawal	-	Executive Director and Chief Executive Officer
Mr. Ashish Kehair	-	Non-executive Director
Mr. Nikhil Kumar Srivastava	-	Non-executive Director
Mr. Ramesh Abhishek	-	Non-executive Director
Mr. Kamlesh Vikamsey	-	Independent Director
Mr. Sankarson Banerjee	-	Independent Director
Ms. Akshaya Mishra	-	Non-executive Director

**Chief Financial Officer**

Mr. Manishkumar Jain

**Company Secretary**

Ms. Pooja Doshi

**Chief Executive Officer**

Mr. Tushar Agrawal

**Statutory Auditors**

M/s. Chokshi & Chokshi LLP, Chartered Accounts.

**Registered Office**

801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.

**Corporate Identity No.:** U67120MH1994PLC286057

Tel: +91 22 6620 3030

Email: [Secretarial@nuvama.com](mailto:Secretarial@nuvama.com)

**Debenture Trustee**

**Beacon Trusteeship Limited**  
5W, 5<sup>th</sup> Floor, The Metropolitan,  
Bandra Kurla Complex,  
Bandra(East), Mumbai- 400 051.

**Catalyst Trusteeship Limited**  
Windsor, 6<sup>th</sup> Floor, Office No.  
604, C.S.T. Road, Kalina,  
Santacruz (East),  
Mumbai- 400 098.

**SBICap Trustee Company Limited**  
6<sup>th</sup> Floor, Apeejay House, 3, Dinshaw  
Wachha Road, Churchgate, Mumbai -  
400 020

**Registrar and Share Transfer Agent**

**Link Intime India Private Limited**  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai - 400 083.

**KFin Technologies Private Limited**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial  
District, Nanakramguda, Hyderabad - 500 032

## BOARD'S REPORT

To the Members,

The Directors of your Company hereby present their 30<sup>th</sup> Annual Report together with the audited financial statements for the financial year ended March 31, 2024.

### FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the Financial Year 2023-24 as compared to the previous Financial Year 2022-23 is given below:

(Amount Rs. in million)

Particulars	2023-2024	2022-2023
<b>Total Income</b>	5,470.15	4,539.79
Total Expenses	4,314.66	3,566.23
<b>Profit Before Tax</b>	1,155.49	973.56
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	286.07	256.01
<b>Loss/ Profit for the year</b>	869.42	717.55
<b>Other Comprehensive Income</b>	0.58	(4.85)
Total Comprehensive Income( A)	870.00	712.70
<b>Opening Balance of Retained Earnings (B)</b>	1,009.69	437.99
ESOPs cost Reversed during the year (C)	5.52	3.51
Deemed Capital Contribution (Equity) Transfer back to Retained Earnings (D)	15.18	0.00
<b>Profit available for appropriation (A+B+C+D)</b>	<b>1,900.39</b>	<b>1,154.20</b>
<b>Appropriations</b>		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(173.88)	(143.51)
- Transfer to Capital Redemption Reserve	(92.18)	(1.00)
<b>Surplus carried to Balance Sheet</b>	<b>1,634.33</b>	<b>1,009.69</b>

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The Company reported total revenue of Rs 5470.15 million for the Financial Year 2023-24, up 20.49% as compared to the previous Financial Year. The profit after tax was Rs. 869.42 million for the Financial Year 2023-24, is up 21.17% as compared to the previous Financial Year.

Information on the operational and financial performance for the financial year ended March 31, 2024, key highlights, future outlook among others, is given in the Management Discussion and Analysis Report which is annexed as an [Annexure I](#) to this Report and is in accordance with the provisions of the RBI Master Direction No.

DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016.

## **DIVIDEND**

The Company did not declare any dividend till the last Board Meeting held on May 9, 2024.

## **SHARE CAPITAL**

### **Authorized Capital:**

The Authorised Share Capital of the Company as on March 31, 2024, stood at Rs. 31,38,00,000 divided into 3,13,80,000 Preference Shares of Rs. 10 each; and Rs. 41,62,00,000 divided 4,16,20,000 Equity Shares of Rs. 10 each.

During the period under review, there was no change in the Authorised Share Capital of the Company.

### **Issued, Subscribed and Paid up Capital:**

During the year under review, there was no change in the equity share capital of the Company.

During the year under review, 92,18,000 - 14.625% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each were redeemed on July 18, 2023, for cash at a premium of Rs. 5 per CRPS, out of the profits of the Company as per the terms of Issue.

Accordingly, as at March 31, 2024, the total paid-up share capital of the Company stood at Rs. 11,45,91,050 divided into 1,14,59,105 equity shares of Rs. 10 each.

## **BORROWINGS**

During the year under review, the Company had issued Commercial Papers (listed as well as unlisted) and listed Non-convertible Debentures from time to time.

The details of credit rating assigned to the various borrowing programmes forms part of the Corporate Governance Report which forms part of this Annual Report.

## **TRUSTEE DETAILS**

As per Section 62 (1) (b) of the Companies Act, 2013 ("the Act") read with rule 12 (9) of the Companies (Share Capital and Debentures), Rules, 2014, the following act as the Debenture Trustees for the Non-convertible Debentures issued by the Company through Public Issue and Private Placement basis:

<b>Beacon Limited</b>	<b>Trusteeship</b>	<b>Catalyst Limited</b>	<b>Trusteeship</b>	<b>SBI Cap Trustee Company Limited</b>
5W, 5 <sup>th</sup> Floor, The Metropolitan, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051.		Windsor, 6 <sup>th</sup> Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.		6 <sup>th</sup> Floor, Apeejay House, 3, Dinshaw Watcha Road, Churchgate, Mumbai - 400 020.

## LOANS, INVESTMENTS, SECURITY AND GUARANTEES

Particulars of loans given, investments made or guarantees given and the purpose for which the loan or guarantee or security given are given under Notes to Accounts annexed to the Financial Statements for the year ended March 31, 2024 and the same forms part of this Annual Report.

The secured and redeemable debt securities issued by the Company are secured against the property and on present and future receivables, book debts, loans and other financial assets in favour of Debenture Trustees in accordance with the Debenture Trust Deed executed by the Company.

## RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at <https://nuvamafinance.com/Home/InvestorRelation>. This Policy provides a framework to ensure proper identification, approval, and subsequent modification of Related Party Transactions.

All contracts / arrangements / transactions entered by the Company during the financial year with the related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Details of Related Party Transactions, as required to be disclosed by Indian Accounting Standard -24 on "Related Party Disclosures" specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements. Further, there were no transaction requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this Annual Report.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a. Composition of Board

As on March 31, 2024, the Board of Directors of the Company comprised of eight (8) Directors out of which one (1) is an Executive Director, four (4) are Non-executive Non-Independent Directors including one (1) Woman Director, three (3) are Independent Directors. The complete list of Directors of the Company is provided in the Corporate Governance Report which forms part of this Annual Report.

The Board composition is in compliance with the requirements of the Act and Listing Regulations. The Board is of the opinion that the Independent Directors of the Company are persons of integrity with requisite expertise and experience (including the proficiency).

### b. Cessation:

During the year under review, Ms. Anisha Motwani resigned as an Independent Director of the Company with effect from February 1, 2024. The Board places on record its appreciation for the contribution made by her during her tenure on the Board of the Company.

### c. Appointment:

During the year under review, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC') appointed the following Independent Directors on the Board of Directors of the Company:

Sr. No.	Name of the Director		Date of Appointment
1.	Mr. Kamlesh Vikamsey	-	August 1, 2023
2.	Mr. Sankarson Banerjee	-	March 15, 2024

Further, pursuant to the recommendations of the Nomination and Remuneration Committee, Ms. Akshaya Mishra was appointed as a Non-executive Director of the Company w.e.f. February 1, 2024.

### d. Retirement of Director by Rotation

In accordance with Section 152 of the Act and the Articles of Association of the Company, Mr. Ashish Kehair (DIN: 07789972), Non-executive Director, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board recommends his re-appointment for the approval of the Members.

#### **e. Familiarization Program for the Independent Directors**

Details of the Familiarization Programme are provided in the Corporate Governance Report which forms part of this Annual Report and are also available on the website of the Company i.e. <https://nuvamafinance.com/Home/InvestorRelation>.

#### **f. Independent Directors**

The Board took on record the necessary declarations from all the Independent Directors of the Company as required, pursuant to Section 149(7) of the Act and Regulation 25 (8) of the Listing Regulations, stating that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

All the Independent Directors of the Company have registered themselves on the Independent Directors' Databank mandated by the Indian Institute of Corporate Affairs as per the requirements of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board is of the opinion that the Independent Directors of the Company are persons of integrity with requisite expertise and experience (including the proficiency).

#### **Key Managerial Personnel**

As on the date of the report, Mr. Tushar Agrawal - Executive Director and CEO, Mr. Manishkumar Jain - Chief Financial Officer and Ms. Pooja Doshi - Company Secretary are the Key Managerial Personnel pursuant to Section 203 of the Act and Rules framed thereunder.

#### **MEETING OF DIRECTORS**

During the year ended March 31, 2024, the Board met six (6) times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

#### **EVALUATION OF THE PERFORMANCE OF THE BOARD**

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of certain criteria such as the Board composition, effectiveness of Board processes, knowledge, experience, competency etc. of the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the committee

members on the basis certain criteria such as the roles and responsibilities of the Members, composition of committees, effectiveness of committee meetings, etc.

The Board reviewed the performance of individual Directors on the basis certain criteria such as the contribution of the individual Director to the Board and Committee Meetings in the form of participating in the deliberation and providing constructive contribution like preparedness on the issues to be discussed, meaningful and constructive contribution, deliberation and inputs in meetings, etc. The Board noted that the overall evaluation was positive and the Board as a whole comprised of qualified and experienced directors functioning cohesively as a team.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairperson of the Board, taking into account the views of the Executive and Non-Executive Directors. The Board also assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluation was then discussed in the Board Meeting and performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

### **Audit Committee**

In accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Audit Committee of the Company comprises of the following Directors as its members:

- Mr. Kamlesh Vikamsey – Independent Director and Chairperson
- Mr. Birendra Kumar – Independent Director
- Mr. Ramesh Abhishek – Non-executive Director

The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations. During the year ended March 31, 2024, the Committee met six (6) times.

Further details of the Audit Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **Nomination and Remuneration Committee**

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Company comprises of the following Directors as its members:



- Mr. Kamlesh Vikamsey – Independent Director and Chairperson
- Mr. Birendra Kumar – Independent Director
- Mr. Nikhil Kumar Srivastava – Non-executive Director

The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations. During the year ended March 31, 2024, the Committee met two (2) times.

Further details of the Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **Remuneration Policy**

The Board of Directors of the Company have framed a Remuneration Policy pursuant to Section 178 of the Act, the Listing Regulations and the Compensation Guidelines for key managerial personnel and senior management in NBFCs issued by the Reserve Bank of India . The Policy is annexed as an [Annexure II](#) to this Annual Report.

### **Corporate Social Responsibility Committee and Report**

In accordance with the provisions of Section 135 of the Act, the Corporate Social Responsibility Committee of the Company presently comprises of the following Directors as its members:

- Mr. Birendra Kumar – Independent Director and Chairperson
- Mr. Tushar Agrawal – Executive Director & CEO
- Mr. Nikhil Kumar Srivastava – Non-executive Director

The constitution and terms of reference of the Committee are in compliance with the requirements of the Act. During the year ended March 31, 2024, the Committee met one (1) time.

Further details of the Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

## **RISK MANAGEMENT**

Risk Management of the Company establishes the philosophy towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting on the risk environment.

The Company has put in place framework for identification of internal and external risks including financial, operational, sectoral, information, cyber security, people, infra risks and any other risks as may be determined by the Risk Management Committee/Board. The framework details the measures for risk mitigation, including systems and processes for internal control of identified risks and business continuity planning.

Internal audits monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance. The Board and Risk Management Committee are entrusted with the responsibility to review, assess and oversee the implementation of risk management policies and practices.

The Risk Management Committee has not identified any element of risk which in its opinion may threaten the existence of the Company. The Company's internal control systems are commensurate with the nature of its business, size and complexity of its operations.

### **INTERNAL FINANCIAL CONTROLS**

The Company has put in place adequate policies and procedures to ensure that the system of Internal Controls including Internal Financial Controls are commensurate with the nature, size and complexities of the Company's business and operation and the same are adequate and operating effectively.

The Company has system of Internal Financial Controls which provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of errors and frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

### **INTERNAL AUDIT**

The Internal Auditors of the Company follow standards on Internal Audit along with guidelines issued by regulators and ensures compliance with Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, as amended and notified from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board. The Company believes that these systems provide reasonable assurance that the Company's internal controls are adequate and are operating effectively.

The adequacy and effectiveness of internal controls system, compliance to internal and regulatory guidelines and risk management practices followed by the company is regularly tested and reviewed by the internal auditors. Internal Audit Reports and action taken reports thereon are reviewed by the Audit Committee and discussed. The Company believes that these systems provide reasonable assurance that the Company's internal controls, risk management and governance related systems and processes are adequate and are operating effectively as intended.

## STATUTORY AUDITORS

Pursuant to Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at its Annual General Meeting held on July 22, 2022, appointed M/s. Choksi & Choksi LLP, as the Auditors of the Company for a term of two years from till the conclusion of the 30<sup>th</sup> Annual General Meeting to be held in the year 2024.

## STATUTORY AUDITORS' REPORT

The Report of the Auditors on the financial statements for the financial year ended March 31, 2024, does not contain any qualification, reservation, adverse remarks or disclaimer. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

## SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act and the Rules made thereunder, M/s. SVVS & Associates, Company Secretaries LLP, Practicing Company Secretaries, were appointed as the Secretarial Auditor to conduct the Secretarial Audit for the financial year ended March 31, 2024. The Report of the Secretarial Auditor is provided as an [Annexure III](#) to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks, or disclaimer.

## FEMA COMPLIANCE

With reference to Master Direction on Foreign Investment in India and circulars issued thereunder by Reserve Bank of India ("RBI"), the Company has complied with the provisions for downstream investment from time to time. Accordingly, the Company has obtained certificate from statutory auditors in this regard pursuant to applicable guidelines issued by RBI.

## CORPORATE GOVERNANCE REPORT

The Corporate Governance Report as stipulated under Regulation 24 the Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the M/s. SVVS & Associates Company Secretaries LLP, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to the Corporate Governance Report provided as an [Annexure IV](#) which forms part of this Annual Report.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

## ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2024 is available on the Company's website and can be accessed at <https://nuvamafinance.com/Home/InvestorRelation>.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to establishing and maintaining a congenial, safe and fair work environment that is free from discrimination, intimidation and sexual harassment of women at workplace.

Focused efforts have been put to be fully compliant with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and creating a culture of Zero Tolerance towards any untoward act or behaviour which is in violation to the provisions of the POSH Act.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee pursuant to POSH Act.

The Company has established a detailed framework for adherence of the POSH Act, which includes formulating a detailed Policy, Investigation & Redressal mechanism, constitution of Internal Committees and training of all Internal Committee members and other Senior Leaders.

All employees are also required to undergo a detailed e-learning module followed by quiz on the key aspects of Prevention of Sexual Harassment Policy.

The details of complaints pursuant to Section 22 of the POSH Act is as under:

- a) Number of complaints received during the year: 1
- b) Number of complaints disposed of during the year: 1
- c) Number of cases pending as on end of the year: 0
- d) Nature of action taken by the employer or district officer: Not Applicable

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has formulated a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees of the Company to facilitate responsible and secure reporting of genuine concerns providing adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases:.

The Vigil Mechanism is overseen by the Audit Committee and the same is available on the website of the company i.e. [www.nuvamafinance.com](http://www.nuvamafinance.com)

## PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in [Annexure V](#) to this Annual Report.

In terms of first proviso to Section 136 of the Act, this Annual Report is being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information will be available for inspection by Members in electronic mode. Members can inspect the same by sending an e-mail to the Company at [secretarial@nuvama.com](mailto:secretarial@nuvama.com).

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

### A. Conservation of energy

- i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) the steps taken by the Company for utilising alternate sources of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipment's - Nil

## B. Technology absorption

- (i) the efforts made towards technology absorption; The minimum technology required for the business has been absorbed.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); Not Applicable
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: Not Applicable

## C. Foreign exchange earnings and outgo

The details of foreign exchange outgo during the year under review are as below:

Nature	Amount Rs. in million
Purchase of Securities	1589.75
Director Sitting Fees	0.10

## CORPORATE SOCIAL RESPONSIBILITY ('CSR') INITIATIVES

The Company strongly believes in doing the right thing for all our stakeholders.

The Company's CSR focus areas are economic empowerment of women, education of children and community resilience and climate action. Through the CSR partners, the Company emphasizes on the following objectives:

- Promoting gender equality, empowering women and building measures to reduce inequalities faced by socially and economically backward groups.
- Creating income-generation opportunities.
- Promoting education and enhancing vocational skills, especially among children.
- Ensuring environmental sustainability, ecological balance and conservation of natural resources.

The Company believes in creating a positive impact through the CSR space and it is our endeavour to deepen the same in the years to come.

The CSR Committee comprises of three directors viz., Mr. Birendra Kumar, as the Chairperson, Mr. Nikhil Kumar Srivastava and Mr. Tushar Agrawal, as Members.

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the CSR activities which can be undertaken by the Company and the same is available on the website of the Company i.e. [www.nuvamafinance.com](http://www.nuvamafinance.com)

The Annual Report on CSR Activities of the Company pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, outlining the CSR policy, the initiatives undertaken by the Company during the year is given as an [Annexure VI](#) to this Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act the Board of Directors of the Company to the best of their knowledge, belief, ability and according to the information and explanation obtained by them hereby confirm that:

- a) in the preparation of the annual financial statement for the Financial Year 2023-24, the applicable accounting standards had been followed and there were no material departures from prescribed accounting standards;
- b) your Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statement has been prepared on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## OTHER DISCLOSURES

Your Director's state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- a) details relating to the deposits covered under Chapter V of the Act, issue of equity shares with differential rights as to dividend, voting or otherwise, sweat equity shares;
- b) provisions relating to maintenance of cost records as specified by the Central Government under section 148 of the Act;
- c) proceeding pending with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016;
- d) significant or material orders by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- e) instance of one-time settlement with any Bank or Financial Institution;
- f) change in nature of business of the Company during the year;
- g) transfer of any amount to Investor Education and Protection Fund; and
- h) defaulted in repayment of loans from banks and financial institutions.

## ACKNOWLEDGEMENTS

The Board of Directors wishes to place on record their appreciation for the continued support and co-operation extended by the Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, Ministry of Corporate Affairs, government authorities, banks, and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

**For and on behalf of the Board of Directors  
Nuvama Wealth Finance Limited  
(formerly known as Edelweiss Finance & Investments Limited)**

**Tushar Agrawal**  
Executive Director and CEO  
DIN: 08285408

**Ashish Kehair**  
Non-executive Director  
DIN: 07789972

**Mumbai, May 9, 2024**



## Annexure I

### Management Discussion & Analysis Report of Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) (NWFL) for the Financial Year 2023-24 (FY 24)

#### MACRO ECONOMY: REVIEW AND OUTLOOK

##### Global Economy: Stabilisation at weak levels

With regards to global economy, FY24 panned out quite differently from consensus forecast of US recession at the start of the year. One of the main reasons for the same was the normalization of supply situation, especially oil after the disruption owing to Russia-Ukraine war in FY23. As a result, inflation fell amid strong US labor market (a historical anomaly), boosting US household real incomes and consumption. This also resulted in markets pivoting focus from rate hikes to rate cuts. However the rate hikes done in FY23, did have a toll on the cyclical sectors of the western economy with their manufacturing PMIs being in contraction for most part of the year and also real estate remained weak. With regards to Asia, China continued to witness slowdown that started with the Evergrande crisis in late 2021. The result of this was exports across the world (including India) remained weak.

##### Indian Economy: An oasis of growth

With regards to India, economy fared much better than its global peers on both macro-economic stability as well as growth. With regards to macro-economic stability, inflation remained around RBI's target range of 2-6%. Further, India's current account deficit reduced from 2% of GDP in FY23 to 1% of GDP in FY24. Also, government continued on the path of fiscal consolidation while focusing on infrastructure spending.

The improved macro-stability was accompanied by strong growth. India has reported FY24 real GDP growth of 7.6% YoY – one of the highest in the world. Not only that, the GDP growth is much higher than what was predicted at the start of the year. Finally, the growth is driven by cyclical sectors in India – government capex, real estate and autos. This is in sharp contrast to rest of the world. The sour point of the year was consumption, especially at the low end. This could be to some extent attributable to weak monsoon and lower government transfers. But, eventually the cyclical tailwinds if sustained should trickle down to all segments of the economy.

In a nutshell, FY24 was an excellent year for economy with high, consistent and quality growth.

##### Capital markets: Equities rule the roost

Indian economies' goldilocks was reflected in asset prices as well with Nifty delivering 28% and midcaps delivering more than 60%. The Indian midcap returns are highest in the world as globally midcaps have been weak and at best stabilized at low levels. The strong equity returns are backed by very strong earnings growth of 16% for Nifty and more than 20% for midcaps. The strong earnings resulted in healthy domestic flows, with nearly INR2tn of inflows (+25% yoy) into equity/growth schemes with most of the flows coming in through less volatile monthly SIPs.

The trend in domestic flows has been on the rise for a decade now. The current macro backdrop of strong reforms, low inflation, strong domestic growth, opening up of capital markets and young demography has large similarities with the US of 1980s and 1990s. There as well these reforms spurred an equity cult resulting in equity AUMs rising 100x in 20 years. In India, the AUMs are up 10-12x in last decade. Thus, if US template is to go by, then there is still a huge growth runway for Indian equities.

The buoyancy in equity markets paved way for fund raising. A record amount of INR1.5tn was raised via primary markets during the year. This is quite welcome as the fund raising should help kickstart a virtuous cycle in the economy.

##### FY25 Outlook: Normalisation post FY24 sugar high

With regards to FY25, global outlook remains uncertain at this point given that excess savings of US households is largely exhausted, while growth in other parts is still subdued. However central banks are likely to start lowering rates which should cushion the impact to an extent.

Indian economy is likely to continue its growth momentum. Combination of normal monsoon, continued government capex, strong private sector balance sheets and ending exports drag should continue to support growth going ahead. Expect RBI rate cuts to occur at the later part of the year.

Finally, with regards to capital markets, after such a stellar FY24, one should moderate return

expectations. But nonetheless, Indian capital markets' fundamentals remain on a very firm footing with strong balance sheets, large market opportunity and strong capital allocation and profitability focus

### The Company

The Company is registered as a Non-Banking Financial Institution not accepting public deposits with the Reserve Bank of India. The Company is engaged in the business of investments and lending. Over a period of time the Company has acquired the status of Systemically Important Non-Banking Financial Company not accepting public deposits (NBFC-ND-SI).

The Company offers a wide range of products and services for retail clients of Nuvama Wealth Management (NWM) business with a clear focus on offering bespoke products and strategies to our clients to meet their investment requirements. Our loan products include ESOP & Margin Funding, Loans against Securities and IPO Financing.

We are part of the Nuvama Wealth Management Group which is one of India's prominent names in Wealth Management business sector.

### FINANCIAL PERFORMANCE HIGHLIGHTS

#### FINANCIAL HIGHLIGHTS FOR FY24

A summary of our FY24 financial highlights together with FY23 financials as per Ind AS is as under:

- **Total Revenue Rs. 5,470 million** (Rs. 4,540 million for FY23), Increase by 20 %
- **Profit after Tax Rs. 869 million** (Rs. 718 million for FY23), Increase by 21 %.
- **Networth Rs. 8,556 million** (Rs. 7,680 million at the end of FY23)

#### Fund Based Revenue

Our fund-based businesses earned revenue of Rs. 5,173 million for FY24 (Rs. 4,341 million for FY22). Out of this, interest income was at Rs. 3,398 million (Rs. 2,800 million for FY23 and the Company has treasury management activities on which it has earned net gain of Rs. 1,776 million (Rs. 1,541 million for FY 23)

### Fee & Commission

Our Advisory Fee revenue was Rs. 290 million for the year (Rs. 185 million in FY23).

### EXPENSES

Our total costs for FY24 was Rs. 4,315 million (Rs. 3,566 million in FY23), increase by 21%. Within our total costs, operating expenses were Rs. 657 million in FY24 (Rs. 673 million in FY23), decrease of 2%. Our employee expenses were Rs. 881 million in FY24 (Rs. 686 million in FY23), increase by 28%. The interest expense were Rs. 2,733 million (Rs. 2,190 million in FY23), up by 25 %.

### PROFIT AFTER TAX

Our Profit for FY24 was Rs.870 million compared to Profit after Tax of Rs.718 million for FY23.

Our Profit before Tax for FY24 was 21% same as FY23. Our Profit after Tax margin for FY24 was 16% same as FY 23.

### Balance Sheet Gearing

NWFL 's net worth has increased to Rs. 8,556 million as at the end of FY24 compared to Rs.7,680 million at the end of FY23 largely on account of profit for the year. Debt on March 31, 2024 was Rs. 31,885 million (Rs. 27,465 million as on March 31, 2023), with a Gearing Ratio of 3.73 times. The gross Balance Sheet size at the end of FY24 was Rs. 42,686 million (Rs. 39,773 million at the end of FY23).

### ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per the recent amendments to the SEBI Listing Obligations and Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

1. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

- a. Debt Equity Ratio 3.73 at the end of FY24 compared to 3.58 at the end of FY23. This was due to increase in Debt.
  - b. Operating Profit Margin of 21% remain Steady in FY24 compared to FY23.
  - c. Net Profit Margin of 16% remain Steady at the end of FY24 compared to FY23.
2. Return on Average Equity for FY24 is 10.7% as compared to 9.8% for FY23.

### BUSINESS PERFORMANCE HIGHLIGHTS

Our Company is presently engaged in the business of granting loans against securities, ESOP & margin trade financing and IPO financing. The loan book has grown at 36% in last one year.

As on March 31, 2024, outstanding loan against securities in the Company stands at Rs.30,612 million as compared to Rs. 22,443 million at March 31, 2023.

### BALANCE SHEET MANAGEMENT

The Company recognizes the need for a strong and liquid balance sheet which enables us easier access to market borrowings on the back of a strong credit rating. A liquid balance sheet simultaneously enables us to redeploy capital efficiently towards business opportunities that appear at short notice.

During the year, the Company has raised borrowings from market linked debentures and commercial papers

We continue to diversify our sources of borrowings across MLDs, NCDs and CPs etc. as well as add liabilities commensurate with our assets profile.

### Capital Adequacy Ratio

As per the Non-Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15%. NWFL’s total CRAR as on March 31, 2024 was 21.94% with a Tier I Ratio of 21.63% and Tier II ratio of 0.31% compared to 24.03%, 23.33 % and 0.70% respectively as on March 31, 2023.

### OPPORTUNITIES

Lending against ESOPs and shares offers opportunities for both borrowers seeking liquidity and lenders such as us looking to provide a comprehensive suite of products for their investment needs.

Careful assessment of risks, compliance with regulations, and accurate valuation are essential for successful implementation in these specialized lending areas. After moderate growth post COVID 19 pandemic, lending is back on track with an expected credit growth of 14-14.5% during the FY25.

Capital Market continues to perform extremely well, coupled with increase in demat accounts, shift towards non-traditional products, growth of middle class income, increase in companies looking to come out with an IPO and provide liquidity to its shareholders provides immense opportunity for us to grow.

### THREATS

While the economy is gradually coming out of the shadows of the pandemic, following threats cannot be ruled out and these, if they materialize, could reverse the current revival of the economy including NBFC sector in India:

- Heightened cost of funds: US Federal Reserve have signaled that they expect to cut interest rates just once this year, taking a hawkish stance on inflation as they held borrowing costs at a 23-year high. The cascading effect of this is likely to sustain on India. No rate cut would mean elevated cost of funds and profits to remain impacted.
- Dynamic Regulatory changes: Like any other evolving specifically industries managing public money including Banks, mutual funds, insurance companies, wealth management outfits etc., the regulatory supervision is always heightened and rightfully so, the frequent changes in regulatory framework may lead to temporary disruption but in the long run its always expected to be beneficial.

## OUTLOOK & STRATEGY

With regards to FY25, global outlook remains uncertain at this point given that excess savings of US households is largely exhausted, while growth in other parts is still subdued. However, central banks are likely to start lowering rates which should cushion the impact to an extent.

Indian economy is likely to continue its growth momentum. Combination of normal monsoon, continued government capex, strong private sector balance sheets and ending exports drag should continue to support growth going ahead. Expect RBI rate cuts to occur in the later part of the year.

Finally, with regards to capital markets, after such a stellar FY24, one should moderate return expectations. But nonetheless, Indian capital markets' fundamentals remain on a very firm footing with strong balance sheets, large market opportunity & strong capital allocation & profitability focus.

## ENTERPRISE GROUPS

The business of the Company is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigor to key process functions. While NWFL itself is responsible and equipped with management of enterprise functions, it also draws upon the support from and expertise available at the Nuvama Group level. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.

## GOVERNANCE

Governance is at the heart of everything we do and it transcends beyond compliance extending to ethics and values as well because we believe that well governed organisations tend to last longer. Governance to us means **Trust** covering Ethics & Integrity, **Legitimacy** encompassing Transparency, Authenticity and Fairness, **Accountability** including Decision making, responsiveness, **Competence** highlighting Simplicity, and above all **Respect** for letter and spirit of law.

Our Board plays vital role in ensuring highest Governance level within the company by setting tone from top throughout the fabric of our organisation. They set higher standards on ethics, integrity, transparency and fairness leading us to

build good framework for conduct, behaviour and process oversights at all levels.

In order to promote good governance culture, we have self-defined rules for good behaviour and conduct at individual as well as at entity levels covering issues of Conflict of Interest, Insider Trading, dealing with sensitive information etc.

Learning from the recent past, we are refining some of practices to facilitate smooth functioning while working from home through use of technology ensuring that best in class compliance standards are met always.

## RISK MANAGEMENT

Risk management is integral part of business at Nuvama. The good risk management practices have facilitated navigating through environmentally turbulent times. Respect for Risk is central to every business decision at Nuvama. Simple questions are to be answered before every decision, i.e., "**Is it worth it?**" and "**Can we afford it?**". This principle-based approach has stood well in protecting the organisation from vagaries of external world.

Risk Management is a discipline that forms its core and encompasses all the activities that affect the Company's risk profile. It includes risk identification, risk assessment, risk measurement, and risk mitigation with its main objective to minimise the negative impact on profitability and capital.

We believe that Risk Management is collective responsibility. The elaborate risk governance structure includes Board of Directors, Risk Management Committee, Investment Committee, & Risk team.

The Company's risk management enumerates the key risks in the business, to ensure consistency, uniformity, zero errors and transparency, and ensuring higher customer satisfaction and higher revenues

We have a strong risk team within our company which ensures implementation of risk philosophy and practices at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

## Key Risks

The Company deals in multiple asset classes and client segments and is thus exposed to various risks.

### Credit Risk

The credit risk framework of the Company ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client limit. Effective credit risk management has enabled us to steer through the current environmental stress conditions without any major impact.

### Market Risk

The Company faces the usual market risks on the liabilities as well as assets side. In order to monitor such market risk, a comprehensive set of reports and limits has been put in place that track positions and various risk parameters. The risk framework ensures that the risks are monitored and necessary timely action is taken for every single instance of breach, in case they occur.

### Operational Risk

Operational risk framework of the Company is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

### Fraud Risk

The Company has set fraud risk framework to providing insight into fraud prevention, detection and response. Risk assessment done frequently in the changing risk environment. The process of assessing fraud risk vulnerabilities within organization and then developing an anti-fraud program that stops any potentially fraudulent activity before it happens. It involves identifying potential and inherent fraud risks and developing a program that works to detect and prevent suspected fraud, both internal and external to the business.

Fraud Risk covers Employee Fraud, Customer Fraud and Third-Party Fraud as its principal categories. Company uses different types of tools and techniques for mitigating risk viz Governing Controls, Preventive Controls & Detective Controls.

### Business Risk

The Company is primarily a Capital Market Based Wealth NBFC, where we largely do funding against liquid collateral.

Given the high quality liquid collaterals, we have advantage of ability to scale up and down the business based on market condition.

Business strategy is formed and continuously monitored and updated, keeping in mind the changing business environment.

### Liquidity Risk

The Company maintains sufficient liquidity cushion to meet our borrowing obligation and borrower side funding requirement.

Additionally, the asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

### Regulatory Risk

Being RBI registered NBFC engaged into lending and investment, the Company is subject to various regulatory requirements.

Governance and Compliance Team ensures that every regulation, which are applicable to us are being complied with in letter and spirit.

### Reputation Risk

The Company understands that reputation is key to manage the brand image and it is very important to keep the reputation high. There are several other risks, with which our Reputation is related, and any other risk event can lead to Reputation Risk. We are

cognizant of this risk and work towards ensuring that our reputation remains that of high quality.

### Technology Risk

Tech Team ensures that all systems are updated and working as envisaged.

IT Steering Committee monitors the developments and keep a tab to see that IT infrastructure is being built keeping in mind futuristic requirement.

Systems are assessed and updated regularly to ward off risk of outdated systems, breach of confidential data and hacking attempts.

### People Risk

#### Focus on Conducive Work environment:

Enhanced awareness of the Prevention of Sexual Harassment, Whistleblower Mechanism, and employee grievance platforms. Senior Leaders have participated in workshops designed towards increasing sensitization towards Safe Workspace.

Comprehensive onboarding program to acclimate new hires to their roles and the organization. Onboarding process ensures minimum hiring risk, rigorous BGV process ensures timely flagging of negative checks.

### Physical and Infrastructure Risk

Physical and Infrastructure risk is defined as the risk of loss due to failures and/ or disruption of basic services, infrastructure, and facilities on account of natural calamity or manmade disaster, including safety of employees. It includes Safety of Employees and Damage to Physical Assets as its principal categories. The Company has adequate Business Continuity plan in place so as to ensure that there are sufficient back-ups to continue with business in case of disruption.

All of the above will also help us in ensuring our compliance with the Companies Act, 2013, requirement of “adequate internal financial controls system and operating effectiveness of such controls”.

### INTERNAL CONTROL POLICIES AND THEIR ADEQUACY

Nuvama Group has institutionalised a strong compliance culture across all the business entities

recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We believe Compliance is the cornerstone of good corporate citizenship.

The internal controls of Nuvama are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure assurance with regard to maintaining proper accounting controls, substantiation of financial statement and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act, 2013.

### Internal Audit

Internal Auditors at the Company follow Standards on Internal Audit along with guidelines issued by regulators and ensures compliance with section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, as amended and notified from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board. The adequacy and effectiveness of internal controls system, compliance to internal and regulatory guidelines and risk management practices followed by the company is regularly tested and reviewed by the internal auditors. Internal Audit Reports and action taken reports thereon are reviewed by the Audit Committee and discussed. The Company believes that these systems provide reasonable assurance that the Company’s internal controls, risk management and governance related systems and processes are adequate and are operating effectively as intended.

### HUMAN RESOURCES

At Nuvama, we recognise that our greatest asset lies in our “Talent capital”. Our commitment to excellence begins with having the right talent across the diverse spectrum of business groups we operate in. Through rigorous recruitment processes and a keen eye for potential, we ensure that each member of our team embodies the values and vision of Nuvama. Our approach to talent management is dynamic and responsive, evolving alongside the ever-changing landscape of our industry.

We are governed by the philosophy of "LetsDoitRight" in every walk of life and our people practices are also designed keeping this philosophy in mind.

As we reflect on FY 23 – 24, we have continued to further strengthen our culture of meritocracy where innovation and excellence in execution is recognised.

At Nuvama, we cultivate an entrepreneurial culture that empowers individuals to think and act like owners, promoting accountability and responsible behaviour. Our environment nurtures creativity, innovation, agility, and calculated risk-taking, encouraging employees to explore new ideas, seize opportunities, and drive meaningful change.

We have a very strong leadership team with balanced mix of home-grown leaders who understand the DNA of the organization and experts from the industry who bring outside in perspective. This blend provides a comprehensive view for our long-term strategy and guides our short-term tactics to achieve it.

Key Highlights of HR in FY'24 are summarized below:

- We ended FY24 with a higher headcount of 355 permanent employees from 305 as of March 31, 2023.

#### **Growth through Acquisition of Right Talent:**

Strategic acquisition of Wealth Relationship Managers across India designed in line with the business strategy of Growth through wider market presence and better client experience.

#### **Inclusive & Transparent Culture:**

Introduced "Voice it Right," an employee engagement survey, aimed at garnering inputs on our strengths & areas of focus for Nuvama's people practices. We are proud to announce a participation rate of 90.9% rate with an Employee Pulse score of 83.

#### **Capability Building & Upskilling:**

In line with our vision of growth, we are dedicated to upskill & upscale our employees. Trained across levels employees on functional and behavioral

skills. Additionally, our LEAP educational assistance program enables employees to enhance their technical skills. Committed to creating a future ready organization through specially curated programs for employees across groups.

#### **Focus on Employee Well-Being:**

We understand the importance of employee well-being in today's time. With this in mind, we have launched Nuvama Cares – a comprehensive platform focussing on Emotional Well-Being & Physical fitness.

These initiatives highlight our unwavering commitment to our employees' growth, well-being & success. Together, we will continue to build a dynamic, inclusive & future ready organization.

#### **Leadership**

##### **Platforms for Top Leadership:**

Invested in growth of our Leaders through sponsored Leadership Programs at Tier-1 institutes.

##### **Preferred Employer for Senior Leaders:**

We take pride in being a Preferred Employer for Senior Leaders, with an average tenure of more than 11 years. This reflects the strong & supportive environment that we have cultivated together.

#### **TALENT MANAGEMENT OF CRITICAL ROLES:**

- Through Identification of critical senior roles mapped the Hi Potential employees analysed the internal and lateral bench strength, leading to minimum risk of business loss due to high people risk of critical roles.
- By nurturing talent with care and foresight, we continue to uphold our reputation for excellence and innovation in every aspect of our business.

#### **TECHNOLOGY**

The Company follows practice of continuous advancements in Information Technology which empowers us with strong technology backbone. The Company has planned the business continuity to provide seamless experience to our customers through the digital channels. The Company have always emphasized on digital initiatives which

caters to the need of the organization and play a crucial role in its success.

### **Technology resiliency**

The key pillars of the Company's technology resiliency have been:

- **Cloud adoption:** Migrating to the cloud ensured high availability, scalability and resiliency of our business applications with employees being able to securely access from anywhere, using any device and at any time
- **Enterprise API gateway:** This enabled us to leverage the partner ecosystem and accelerate the turnaround time for new product launches
- **Unified collaboration suite:** Deployment of a unified collaboration suite helped improve the employee productivity
- **Intelligent Automation:** This enabled us to develop new experiences and deliver process changes rapidly through low code software development tools

### **Information Security and Governance**

The Technology function emphasizes on data security through a robust IT infrastructure featuring Data Loss Prevention (DLP) and regular vulnerability assessments. Multi-layered network security are employed to safeguard critical and sensitive information. Endpoint Detection & Response (EDR) further strengthens device security. Continual enhancement of the Cloud security framework and governance has been a priority area. Further we have been able to maintain 100% regulatory and policy compliance to all our IT security controls with zero downtime.

With respect to IT Governance, we have the IT Strategy Committee and IT Steering Committee in place in conformity with the requirements of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the RBI. We intend to continue our focus on process standardization and strengthen our governance practices to ensure the right balance of efficiency, risk and compliance.

### **CUSTOMER EXPERIENCE**

At Company level, Customer Experience (CX) is regarded as a key pillar of business success in true spirit.

With this motto in sight, we have continued to build a culture of customer-centric business. To drive this agenda, we have also implemented various measures including digital upgrade. Through these efforts, we are responding to evolving customer needs, and institutionalizing these processes across the organisation, to ensure a superlative experience for all our customers, throughout the value chain.

Sources:

[India Bank Credit Growth In FY25: How will India's credit growth fare in FY25, ET BFSI \(indiatimes.com\)](https://www.indiatimes.com/finance/story/india-bank-credit-growth-fy25-how-will-india-s-credit-growth-fare-in-fy25-et-bfsi-1262931)  
[Fed officials signal just one interest rate cut before end of 2024 \(ft.com\)](https://www.ft.com/content/2024-12-19/fed-officials-signal-just-one-interest-rate-cut-before-end-of-2024)



## Remuneration Policy

### Objective

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, the Nomination and Remuneration Committee, considers qualification, positive attributes, areas of expertise and number of Directorships in other companies and such other factors as it may deem fit. The Board considers the Committee's recommendation, and takes appropriate action.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other senior level employees of the Company.

The objective of this Policy is to ensure that:-

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### Remuneration of the Independent Directors & Non- executive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

### **Remuneration of the Managing Director & Executive Directors**

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

### **Remuneration of the KMP (other than Executive Directors) and Senior level employees**

- The key components of remuneration package of the KMP (other than Executive Directors) and senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for stock options.

The Remuneration Policy enclosed as **Annexure** for key managerial personnel and senior management in accordance with the compensation guidelines for Key Managerial Personnel and Senior Management in NBFCs issued by the Reserve Bank of India shall form part of this policy.

### **Policy Review**

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures etc. as it may deem fit.

## **NUVAMA WEALTH FINANCE LIMITED**

### **REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL & SENIOR MANAGEMENT**

#### **BACKGROUND**

The Reserve Bank of India (RBI) has issued compensation guidelines for Key Managerial Personnel and Senior Management in NBFCs and the same are to be effective from 1 April 2023 ("the Guidelines"); attached as **Annexure 1**.

The Guidelines envisage the Board of Directors of NBFCs to put in place a compensation policy "to address issues arising out of excessive risk taking caused by misaligned compensation packages". The guideline expects the organisation to cover (a) constitution of a Remuneration Committee, (b) principles for fixed/ variable pay structures, and (c) malus/ clawback provisions.

#### **OBJECTIVE**

The objective of this policy is to define the compensation philosophy applicable to the Key Management Personnel (KMP) and Senior Management employees (SM) of Nuvama Wealth Finance Limited (hereafter referred to as the NWFL)

NWFL thrives to create a transparent, fair, meritocratic, and equitable reward system that will help attract, motivate, and retain key talent through its effective and competitive compensation & benefits practices.

The key objectives of the reward strategy are as follows:

- 1) Drive business goals and objectives
- 2) Recognize individual performance and contribution
- 3) Ensure internal equity and external parity
- 4) Acknowledge regulatory and statutory guidance
- 5) Strike balance between Risk and aligned reward

#### **SCOPE**

The Compensation and Benefits policy is applicable to the Key Management Personnel (KMP) and Senior Management employees (SM) of Nuvama Wealth Finance Limited (hereafter referred to as the NWFL).

KMPs as defined in Section 2 (51) of Companies Act, 2013, and for the purpose of this policy, include:

- (i) the Chief Executive Officer or the Managing Director;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

**Senior Management'** for this policy, will include all Functional Heads. Senior Management defined in 'Explanation' to Section 178 of the Companies Act, 2013 is as follows:

*The expression "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.*

The Remuneration Policy covers the following aspects as per the requirement of RBI:

- Constitution of Nomination & Remuneration Committee
- Principles for fixed/ variable pay structures, and
- Malus/ Clawback provisions

## **NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The NRC has been constituted in accordance with the provisions of the Companies Act, 2013. The terms of reference of the NRC shall also include "overseeing framing, review and implementation of the compensation policy of the NBFC, with the approval of the Board, as envisaged by the RBI Guidelines.

### **Role of NRC:**

- Review the appointment of individuals in identified KMP and Senior Management roles.
- Ensure Fit & Proper status and no conflict of interest in the appointment of KMPs and Senior Management roles.
- Review the compensation for KMPs and Senior Management and while doing so, take into account the need for retention of earnings & maintenance of adequate capital in adherence to the statutory requirements and industry practices.
- Work in close coordination with Risk Management Committee (RMC) of the company to achieve effective alignment between compensation and risks.

## **PRINCIPLES OF REMUNERATION POLICY**

The remuneration for the KMP and Senior Management is based on various factors mentioned below:

- **Role:** The role & responsibilities of the individual, expected deliverables from their KRAs – (fiscal, risks taken and adherence to the compliance framework)
- **Performance:** The performance exhibited by the individual against the expected Goals & Deliverables and contribution to the overall goals of the organisation.
- **Industry standards:** Parity with Market best practices, wherever feasible.
- **Balance between Risk and Aligned reward:** The policy aims to address the importance of balance between risks and the rewards associated thereto, without encouraging incentivization for taking undue high levels of risk.

## **RISK VECTOR**

Key Managerial Personnel and Senior Management in their respective roles take decisions that have an impact on the risk exposure of the organisation.

The categories of Risk impacted by Key Managerial Personnel and Senior Management are following:

1. **Credit Risk** - Credit risk is defined as the risk of loss arising due to current/potential inability or unwillingness of a customer or counterparty to meet financial / contractual obligations. It includes Credit Quality, Collateral Quality and Cash Flow risks as its principal categories. Key parameters to assess performance on Credit risk will be Non-Performing assets and Expected Credit loss numbers.

2. **Market Risk** - Market risk is defined as the risk of loss on Investments resulting from adverse movements in market variables and instruments. It includes Underlying Price risk and Volatility risk as its principal categories. Key parameters to assess performance on market risk will be actual profit and loss numbers, Value at Risk and Scenario analysis numbers.
3. **Operational Risk** - Operational Risk is defined as the risk of loss resulting from inadequate or failed processes, system controls or human negligence. It includes process risk, human error and system error as its principal categories. Key parameters to assess performance on Operational risk will be level of process automation, IT controls and number of errors/process lapses
4. **Fraud Risk** - Fraud risk is defined as the activities undertaken by an external/internal individual or entity that are done in a dishonest or illegal manner and is designed to give an advantage to the perpetrating internal/external individual or entity. It includes Employee Fraud, Customer Fraud and Third-Party Fraud as its principal categories. Key parameters to assess performance on Fraud risk will include Fraud Vulnerability assessment and number of actual Frauds incidents.
5. **Liquidity Risk** - Liquidity risk is defined as the risk of not being able to meet financial obligations and it includes Asset Liquidity risk and Liability refinancing risk as its principal categories. Key parameters to assess performance on Liquidity risk will include Debt to Equity ratio, Asset-Liability statement and Borrowings of the company.
6. **Regulatory Risk** - Regulatory risk is defined as the risk of not adhering to the letter and spirit of laws and regulations leading to fines or other penal action. It includes Legal, Governance, Vigilance, Fiduciary and data integrity as its principal categories. Key parameter to assess performance on regulatory will include No negative regulatory observation by auditors and/or regulators.
7. **Technology Risk** - Technology risk is defined as the risk of loss due to technology failures such as information security incidents or service outages that can disrupt business. It includes Cyber Security Risk, Business Continuity Planning (BCP), Resilience and Scalability risks as its principal categories. Key parameters to assess performance on Technology risk will be strength of Cyber security and BCP processes.

The KRAs/KPIs for the KMPS and SM will factor:-

- Linkage of the aforesaid risk parameters and prudent risk taking to ensure that performance outcomes are adjusted for all types of risks;
- the compensation outcomes are symmetric with risk outcomes

## **COMPONENTS OF REMUNERATION**

As per the Compensation Policy, the total remuneration of KMP and SM personnel shall comprise of Fixed Pay, Performance Linked Variable Pay, ESOPs, (if eligible) and Retirement & other Benefits.

The policy attempts to ensure that total compensation is commensurate with the role and prudent risk-taking profile of KMPs/ SM. The proportion of variable pay is aligned to the level of responsibility. It also attempts to ensure a balance between cash and share-linked instruments to ensure that compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

**A. Fixed Compensation:** This component defines the Annual Fixed Compensation for the role and includes components like Basic, HRA, Special Allowance, other statutory components, and other perquisites.

The fixed compensation to be paid to every individual is based on attributes like requirements of the role, educational background, total experience level, skill set and industry benchmarks, if any.

**B. Performance linked Variable Pay:** This component is a yearly pay-out designed to reward eligible employees based on the achievement of specific performance parameters that have been drawn out inline with the business strategy. It is designed to recognize and encourage the right actions/behaviour and reward an employee based on achievement of goals. KMPs and Senior Management engaged in financial control, risk management, compliance and internal audit will be compensated as commensurate with their key role and independent of the business areas overseen by them. The mix of fixed compensation and variable pay will be suitably aligned to ensure that the employees in the above category are remunerated in a fair manner in accordance with their enterprise functions and industry practices.

Annual performance bonus pool will be determined post the review of the Quantitative & Qualitative parameters. Annual Performance linked Variable Pay is determined by factors such as:

- Organisation Performance
- Business Performance
- Individual Performance

The quantum of the Performance linked Variable Pay may vary each year basis the above-mentioned factors and can be NIL in case of non-performance.

The performance linked variable pay for the KMP and Senior Management will be based on a detailed performance review against the defined deliverables (KRA/KPIs) which include the risk vector as detailed above and is a balanced alignment between risk and rewards for the short-term & long-term.

The Risk Management Committee shall review the performance of the company against risk parameters and submit its findings to NRC for its consideration and further deliberation as required.

No guaranteed bonus shall be payable to any KMP/ Senior Management.

**Eligibility:** KMPs & Senior Management that have joined on or prior to 30th September of the respective financial year will be eligible for performance evaluation for the financial year. All performance bonus pay-outs are prorated for the tenure in the given financial year.

Any Senior Management employee serving notice period on the bonus pay-out date, will not be eligible for Performance bonus.

The organisation provides for joining/sign-in bonus on case-to-case basis. In case of termination of services within 12 months of the date of joining, any joining/sign-in bonus paid is fully recoverable.

**C. Stock Options/SARs:** The Senior Management can also participate in the Employee Stock Option Scheme/SAR of the organisation and may be granted Options/ securities of similar nature by whatever name called. The quantum of grant shall be based on the individual's performance & contribution to the organisation's goals.

This component aims to address the importance of balance between risks and the rewards associated thereto, thus ensuring alignment to long-term growth.

In the event of termination due to proven commission of felony, fraud, misappropriation, breach of trust, or any offence involving moral turpitude or breach of integrity, gross or wilful insubordination, or any other act determined to be detrimental to the interest of the company including and not restricted to violation of Code of Conduct, all Options granted under the Employee Stock Option Scheme – vested & unvested, shall lapse with effect from the date of such termination.

#### **D. Retirement & other benefits**

Senior Management is also entitled to Retirement & Health benefits. These benefits are designed to provide for long term sustainability for Senior Management post retirement.

These benefits include Provident Fund, Gratuity and National Pension scheme and are governed by the respective regulatory guidelines.

#### **E. Healthcare & Insurance benefits**

To safeguard Senior Management against any unfortunate incidents in the future, NWFL provides benefits which include Group Medclaim policy, Group Term life insurance and Group Personal Accident cover. These benefits are designed to provide adequate comfort in cases of hospitalization or any untoward incident like demise, accident, disability arising out of accident etc.

### **COMPENSATION REVISION**

Revision in Fixed Pay is done on an annual basis through a detailed Performance Assessment process. During this process, performance of Senior Management is appraised against their pre-defined deliverables and are given a Performance rating basis the organisation rating scale.

Increment percentage is based on factors such as performance assessment rating, role, internal equity & external parity, and overall organization's performance for the year.

Employees joining the organisation prior to 30th September would be eligible for performance-based increment. Increment pay-outs are prorated effective from date of joining.

### **DEFERRED PAY**

Deferred pay is a component of Variable Pay applicable to Senior management personnel that may be deferred depending on the time horizon of the risks undertaken.

Basis the performance of the organisation, 10-15% of the variable pay may be deferred and such deferral period shall not exceed 12 months as majority of the loan book churns within a period of 12 months. Further, the governance structure does not allow the KMP or SMP to take undue risks as there are stringent parameters defined for the loan book.

The portion of deferral arrangement may be made applicable for cash or non-cash components of the variable pay.

## **CLAWBACK CLAUSE**

This will be applicable to the **Deferred Pay** in the event of proven commission of felony, fraud, misappropriation, breach of trust, or any offence involving moral turpitude or breach of integrity, gross or wilful insubordination, or any other act determined to be detrimental to the interest of the company including adverse development on company's performance or capital and not restricted to violation of Code of Conduct.

In event of occurrence of any such incidence as listed above, a detailed investigation process under the Disciplinary Mechanism will be initiated and basis the findings by the Disciplinary Committee, if the incumbent is found guilty, the clawback clause will be applicable.

Our component of the compensation program will be governed by the above and will be applicable for a period of 1 year after each pay-out date. It will be fully recoverable in case of resignation/termination of the employee's services before completion of 1 year from the date of payment, in the event of happening of any of the events mentioned in the foregoing paragraph.

This Policy shall form part of the Remuneration Policy framed under the provisions of the Companies Act, 2013.

## **EFFECTIVE DATE**

This Compensation & Remuneration policy, as recommended by the NRC and approved by the Board is effective 1<sup>st</sup> April 2023 for the performance of FY 23 – 24 onwards.

## **POLICY REVIEW**

This Policy will be reviewed on an annual basis and may be amended as necessary basis modifications of guidelines & procedures. The policy changes will be subject to approval by the NRC and the Board.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members,  
**Nuvama Wealth Finance Limited**  
801 to 804, Wing A, Building No. 3,  
Inspire BKC G Block, Bandra (East),  
Mumbai – 400 051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nuvama Wealth Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011<sup>1</sup>;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018<sup>2</sup>;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>3</sup>;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021<sup>4</sup>;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018<sup>5</sup>;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (j) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2009
- (vi) Other laws as may be applicable specifically to the Company, namely:
- (a) Securities and Exchange Board of India Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures 2021.
  - (b) All Master Directions, Master Circulars, Directives and Guidelines issued by Reserve Bank of India from time to time as applicable to the Company.
  - (c) Prevention of Money Laundering Act, 2002, and the rules regulations made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the period under review the Company had complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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<sup>1</sup> Not applicable to the Company during the Audit period

<sup>2</sup> ibid

<sup>3</sup> ibid

<sup>4</sup> ibid

<sup>5</sup> ibid

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes<sup>6</sup>.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (Please see **Annexure B**).

We further report that during the audit period, the Company has not accomplished/encountered any specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

**May 9, 2024**  
**Mumbai**

**For SVVS & Associates Company Secretaries LLP**

**CS. Suresh Viswanathan**  
**Designated Partner**  
**UDIN : F004453F000326731**  
**FCS : 4453**  
**CP No : 11745**

**Note:** This report is to be read with the list of Applicable Laws and our letter of even date which are attached as **Annexure A** and **Annexure B** respectively and form an integral part of this report.

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<sup>6</sup> All resolutions were carried unanimously

## ANNEXURE A

The Members,  
**Nuvama Wealth Finance Limited**  
801 to 804, Wing A, Building No. 3,  
Inspire BKC G Block, Bandra (East),  
Mumbai - 400 051.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance with the provisions of Corporate and other applicable laws rules, regulations the responsibility of management, our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. Audit of the compliance with Other Laws has been undertaken based on scope of audit and the applicability of such Laws as ascertained by the Company and informed to us.
9. We have relied on reports of Internal Audit, Regulatory Inspection/Audit to the extent made available to us and the observations, if any, contained in such reports shall hold good for the purpose of this audit report.

10. With regard to compliance with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('Regulations'), we have been informed that, compliance with the said Regulations is carried out at a group level, more specifically with respect to structured digital database as per Reg. 3 (5) and 3 (6) of the Regulations. However, we were not provided with the relevant documents and access to the structured digital database software that has been said to be installed at group level for compliance with the Regulations.

**May 9, 2024**  
**Mumbai**

**For SVVS & Associates Company Secretaries LLP**

**CS. Suresh Viswanathan**  
**Designated Partner**  
**UDIN : F004453F000326731**  
**FCS : 4453**  
**CP No : 11745**

## ANNEXURE B

### No. Laws applicable to the Company

The following laws have been taken into account to verify if that there are adequate systems and processes to monitor and ensure compliance with, in the Company, commensurate with its with the size and operations:

1. The Maternity Benefit Act, 1961
2. Payment of Wages Act, 1936
3. Minimum wages act-regional
4. The Payment of Bonus Act, 1965
5. Equal Remuneration Act, 1976
6. The Maharashtra Labour Welfare Fund Act, 1953
7. The Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
8. Employee's Provident Fund & Miscellaneous Provisions Act, 1952
9. The Payment of Gratuity Act, 1972
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
11. Employee Compensation Act, 1923
12. Contract Labour (Regulation and Abolition) Act, 1970
13. The Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 & Maharashtra Private Security Agencies, 2005
14. Employees' State Insurance Act, 1948
15. The Bombay Shops and Establishments Act, 1948
16. Other applicable laws namely Industrial and Labour Laws, Commercial laws, Business related laws etc.

## Corporate Governance Report

Corporate Governance is about promoting fairness, transparency, accountability, integrity and commitment to ethical business conduct while considering all stakeholders' interests.

The report is compiled in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the financial year ended March 31, 2024, on compliance, governance practices, disclosures and policies adopted by the Company.

### Company's Philosophy on Corporate Governance

At Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited), we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been articulated and these forms integral part of Company's corporate governance practices. Processes have been designed to run the businesses responsibly and harmonize diversified interests of various stakeholders thereby enhancing stakeholder value.

### Board of Directors

#### **Composition, Meeting and Attendance**

The Board of Directors (the Board) of the Company are in conformity with the Listing Regulations and the Companies Act, 2013 (the Act).

The annual calendar of the Board Meetings is agreed in advance with the Board of Directors. The agenda for the Board Meetings is circulated in advance and is backed by comprehensive background information to enable the Board to take informed decisions. During the Financial Year 2023-24, the Board met six (6) times i.e. on: May 22, 2023, July 14, 2023, August 1, 2023, October 26, 2023, February 1, 2024 and March 27, 2024.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the Financial Year 2023-24 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies and the name of the other listed entities where he/she is a Director and category of directorships as on March 31, 2024, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings attended	Attendance at the AGM held on July 31, 2023	No. of Directorships held in other Public Companies \$	Name of other listed entity where person is Director and category of Directorship ^	Committee Position*	
						Member	Chairman
Mr. Birendra Kumar DIN: 00163054	Independent Chairperson	6	No	3	1- Independent Director and Chairperson of Nuvama Wealth Management Limited	1	0
Mr. Tushar Agrawal DIN: 08285408	Executive Director and Chief Executive Officer	6	Yes	0	0	0	0
Mr. Nikhil Kumar Srivastava DIN: 07308617	Non-executive, Non-independent	6	Yes	1	1- Non-executive Director of Nuvama Wealth Management Limited	2	1
Mr. Ashish Kehair DIN: 07789972	Non-executive, Non-independent	6	Yes	2	1- Managing Director and CEO of Nuvama Wealth Management Limited	0	0

Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)

Corporate Identity Number: U67120MH1994PLC286057

Registered Office: 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East,

Mumbai – 400 051 • Tel No. +91 22 6620 3030 • [nuvamafinance.com](http://nuvamafinance.com)

Mr. Ramesh Abhishek DIN: 07452293	Non-executive, Non-independent	6	No	6	4 - <u>Independent Director</u> : a. Cyient Limited; b. Aditya Birla Sun Life AMC Limited; c. Ravindra Energy Limited; d. Indus Towers Limited. 1- <u>Non-executive Director</u> : Nuvama Wealth Management Limited	6	1
Mr. Kamlesh Vikamsey DIN: 00059620 (appointed w.e.f. August 1, 2023)	Non-executive, Independent	3	NA	5	3 - <u>Independent Director</u> : a. AU Small Finance Bank Limited b. Apcotex Industries Limited c. Nuvama Wealth Management Limited 1- <u>Non-executive Director</u> : Navneet Education Limited	4	3
Ms. Akshaya Mishra DIN: 10118262 (appointed w.e.f. February 1, 2024)	Non-executive, Non-independent	0	NA	0	0	0	0
Mr. Sankarson Banerjee DIN: 07407346 (appointed w.e.f. March 15, 2024)	Non-executive, Independent	1	NA	0	0	0	0

\$ Only Directorships of public limited companies incorporated in India have been considered and excludes private limited companies, section 8 companies and foreign companies.

^ the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

\*Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position and as per Regulation 26(1)(a), High Value Debt Listed entities are not counted for the purpose of the above calculations.

Ms. Anisha Motwani resigned as the Independent Director of the Company w.e.f February 1, 2024, due to other professional commitments.

None of the Directors are related to each other. None of the Directors hold any shares or convertible instruments of the Company. Web link where familiarisation program for Independent Directors is been disclosed: <https://nuvamafinance.com/Home/InvestorRelation>

None of the Directors hold office in more than 10 public companies as prescribed under the Act and the Listing Regulations. No Director holds directorships in more than 7 listed companies. Further, none of the Non-executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director

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under the Listing Regulations. Independent Directors are Non-executive Directors as defined under the Listing Regulations and the Act, along with Rules framed thereunder. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as prescribed under the Listing Regulations and the Act and that they are independent of the management. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

M/s. SVVS & Associates, Company Secretaries LLP, have issued a certificate certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs and any such statutory authority.

#### Board skills/expertise/competence matrix

The Board have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Directors	Industry Knowledge Experience			Technical Skills/ Experience						Behavioural Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	International experience	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Mr. Birendra Kumar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nikhil Kumar Srivastava	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ashish Kehair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ramesh Abhishek	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tushar Agrawal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kamlesh Vikamsey	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Akshaya Mishra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sankarson Banerjee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Committees of the Board:**

**A) Audit Committee (AC):**

During the Financial Year 2023-24, the Committee met six (6) times on May 22, 2023; August 1, 2023; October 26, 2023, January 22, 2024, February 1, 2024 and March 20, 2024.

The composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as follows:

Name	Position	No. of Meetings Attended
Mr. Kamlesh Vikamsey*	Independent Director- Chairperson	4
Mr. Birendra Kumar	Independent Director- Member	6
Mr. Ramesh Abhishek	Non-executive Director- Member	6

\*Appointed as member w.e.f. August 1, 2023.

Note: Ms. Anisha Motwani resigned as member w.e.f. February 1, 2024.

All the members have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations.

**Terms of Reference**

The terms of reference of the AC are in accordance with the Act and Listing Regulations which broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review statement of deviations, if any, review management letters/letters of internal control weaknesses issued by the statutory auditors, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The detailed terms of reference of the Committee is available on the website of the Company i.e. <https://nuvamafinance.com/Home/InvestorRelation>.

Audit Committee Meetings were also attended by the senior management personnel of the Company wherever required along with the Chief Financial Officer, as invitees. Further, the Audit Committee invites representatives of the Statutory Auditors and Internal Auditors whenever their respective reports are proposed to be discussed at the Meeting.

During the year under review, the Audit Committee reviewed the internal control systems put in place to ensure that the accounts of the Company are properly maintained and are in accordance with the prevailing Laws and Regulations. In conducting such reviews, the Audit Committee found no material discrepancy or weakness in the Internal Control system of the Company

**B) Nomination and Remuneration Committee (NRC):**

During the Financial Year 2023-24, the Committee met two (2) times on May 22, 2023 and August 1, 2023.

The composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as follows:

Name	Position	No. of Meetings Attended
Mr. Kamlesh Vikamsey*	Independent Director- Chairperson	NA
Mr. Birendra Kumar	Independent Director- Member	2
Mr. Nikhil Kumar Srivastava	Non-executive Director- Member	1

\*appointed as member w.e.f August 1, 2023.

Note: Ms. Anisha Motwani resigned as member w.e.f. February 1, 2024.

#### Terms of Reference

The terms of reference of the NRC are in accordance with the Act and Listing Regulations. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a Director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of Independent Directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by the Act and the Listing Regulations. Detailed terms of reference of the Committee is available on the website of the Company i.e. <https://nuvamafinance.com/Home/InvestorRelation>.

#### C) Stakeholder Relationship Committee (SRC):

During the Financial Year 2023-24, the Committee met one (1) time on February 1, 2024.

The composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as follows:

Name	Position	No. of Meetings Attended
Mr. Ramesh Abhishek	Non-executive Director- Chairperson	1
Mr. Birendra Kumar*	Independent Director- Member	NA
Mr. Ashish Kehair	Non-executive Director- Member	1

\*appointed as member w.e.f August 1, 2024.

Note: Ms. Anisha Motwani resigned as member w.e.f. February 1, 2024.

#### Terms of Reference

SRC specifically looks into the grievances of equity shareholders of the Company. The terms of reference of the Committee which broadly include review of measures taken for effective exercise of voting rights by shareholders and review of adherence to the service standards in respect of various services rendered by the Registrar and Share Transfer Agent ('RTA'). The terms of reference of the Committee are available on the website of the Company i.e. <https://nuvamafinance.com/Home/InvestorRelation>.

Ms. Pooja Doshi is the Compliance Officer of the Company under the Listing Regulations.

During the year under review, 1 complaint was received and redressed to the satisfaction of the security holder. There were no outstanding complaints as on March 31, 2024.

#### D) Risk Management Committee (RMC):

During the Financial Year 2023-24, the Committee met four (4) times on May 19, 2023; July 31, 2023; October 26, 2023 and January 31, 2024.

The composition as on March 31, 2024 and attendance during the year ended March 31, 2024 is as follows:

Name	Position	No. of Meetings Attended
Mr. Nikhil Kumar Srivastava	Non-executive Director - Chairperson	4
Mr. Birendra Kumar	Independent Director- Member	4
Mr. Tushar Agrawal	Chief Executive Officer- Member	4
Mr. Manishkumar Jain	Chief Financial Officer - Member	4
Mr. Keyur Ajmera	Chief Risk Officer - Member	4

## Terms of Reference

The terms of reference of RMC which broadly include formulation of a detailed Risk Management Policy, reviewing and guiding the Management on reputational and market (investment) risk, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems, appointment, removal and terms of remuneration of the Chief Risk Officer. The detailed terms of reference of the RMC is available on the website of the Company i.e <https://nuvamafinance.com/Home/InvestorRelation>.

### Board Evaluation

Pursuant to Regulation 17(10) of the Listing Regulations and Section 178 and Schedule IV of the Act and Governance Guidelines on Board Effectiveness issued by the Reserve Bank of India, an annual Board effectiveness evaluation was conducted on May 9, 2024, for the Financial Year 2023-24. Accordingly, the Board has conducted the annual performance evaluation of all the Directors individually, of its Committees and the Board, as a whole.

The Board has framed a Board Evaluation Policy ('the Policy') for evaluating the performance of the Chairperson, Board, Executive Directors, Independent Directors, Non-executive Directors and its Committees.

The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas. The Board of Directors discussed the feedback and expressed its satisfaction with the evaluation process.

The evaluation included criteria such as composition and structure, fulfillment of key responsibilities, effectiveness of process, information and functioning, efficacy of communication with stakeholder, dynamics, inputs received from all the Directors, etc. The Nomination and Remuneration Committee has also reviewed the performance of the individual Directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as Directors, etc.

### Familiarisation Programme

The Company has a Familiarization Programme for Independent Directors in compliance with the Listing Regulations. Presentations are made to Board on Information Technology, Audit, Strategy, business & operations and performance of the Company, material developments in the Company's subsidiaries, relevant statutory and regulatory amendments applicable to the Company on a regular basis.

On an ongoing basis, the Company endeavours to keep the Board updated with matters relating to the industry in which Company operates, its business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.

The Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement

The details of such familiarization programmes of the Company may be accessed on the website of the Company i.e.: <https://nuvamafinance.com/Home/InvestorRelation>.

### Remuneration to the Directors

The Company pays sitting fees to the Non-executive Directors for attending the meetings of the Board and the Committees thereof.

The details of the remuneration paid and shareholding of the Directors during the financial year ended March 31, 2024 are as under:

Name of the Director	Salary	Perquisites	Sitting Fees	Commission / Bonus	Total	(Amount in Rs.)
						No. of Equity Shares held \$
Mr. Tushar Agrawal DIN: 07789972	55,80,844	1,20,43,203	NA	1,15,00,000 (Bonus)	2,91,24,047	NIL
Mr. Birendra Kumar DIN: 00163054	----	----	16,75,000	----	16,75,000	NIL
Mr. Nikhil Kumar Srivastava DIN: 07308617	----	----	NA	----	----	NIL
Mr. Ashish Kehair DIN: 07789972	----	----	NA	----	----	NIL
Mr. Ramesh Abhishek DIN: 07452293	----	----	12,25,000	----	12,25,000	NIL
Ms. Anisha Motwani DIN: 06943493 (resigned w.e.f February 1, 2024)	----	----	11,75,000	----	11,75,000	NIL
Mr. Kamlesh Vikamsey DIN: 00059620	----	----	7,00,000	----	7,00,000	NIL
Mr. Sankarson Banerjee DIN: 07407346 (appointed w.e.f March 15, 2024)	----	----	1,25,000	----	1,25,000	NIL
Ms. Akshaya Mishra DIN: 10118262 (appointed w.e.f February 1, 2024)	----	----	NA	----	----	NIL

\$ Shareholding as on March 31, 2024.

The criteria for making payments to Non-executive Directors of the Company is published on the website at: <https://nuvamafinance.com/Home/InvestorRelation>

### General Body Meetings

The date, time and venue of the last three AGMs are given below:

Financial Year	Date	Time	Venue	No. of Special Resolutions passed
2023-2024	July 31, 2023	11:00 a.m.	801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	1
2022-2023	July 22, 2022	11.00 a.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	1
2021-2022	August 13, 2021	11.00 a.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	0

### Means of Communication

The financial results, corporate announcements, policies and codes adopted by the Company are submitted on the stock exchange and also uploaded on the website of the Company at <https://nuvamafinance.com/Home/InvestorRelation>. The financial results are also published in the newspapers.

### Particulars of Senior Management Personnel

Details of Senior Management Personnel as on March 31, 2024, are as follows:

Sr. No	Name	Designation
1.	Mr. Tushar Agrawal	Executive Director and Chief Executive Officer
2.	Mr. Manishkumar Jain	Chief Financial Officer
3.	Ms. Pooja Doshi	Company Secretary
4.	Mr. Parth Kanakia	Chief Technology Officer
5.	Mr. Keyur Ajmera	Chief Risk Officer
6.	Ms. Reena Sharda	Chief Compliance Officer

### General Shareholder Information:

#### **I. Date, Time, Venue of AGM:**

- i. AGM: Date, time and venue/mode: Thursday, August 1, 2024 at 12:00 noon at the Registered Office of the Company at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.
- ii. Financial Year: April 1, 2023 to March 31, 2024
- iii. Book Closure dates: NA
- iv. Dividend payment date: NA

#### **II. Listing of Securities on Stock Exchanges:**

##### **a. Equity Shares**

The Equity Shares of the Company are not listed on any Stock Exchange.

##### **a. Non-convertible Debentures**

The Company has issued secured Non-convertible Debentures (NCDs) on private placement and through public issuances. Some of the NCDs are listed on BSE.

The Company has paid the listing fees to BSE for the Financial Year 2024-25.

##### **Debenture Trustee:**

The details of the Debenture Trustees for the NCDs issued by the Company are given below:

##### **1. Beacon Trusteeship Limited**

5W, 5<sup>th</sup> Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

##### **2. Catalyst Trusteeship Limited**

Windsor, 6<sup>th</sup> Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098.

##### **3. SBICap Trustee Company Limited**

6<sup>th</sup> Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020

##### **Registrar & Share Transfer Agent:**

##### **1. Link Intime India Private Limited**

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

**2. KFin Technologies Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

**III. Shareholding Pattern as on March 31, 2024:**

Sr. No.	Name of Shareholders	No. of Shares	% Shares
<b>Equity Shares</b>			
1.	Nuvama Wealth Management Limited (NWML)*	1,14,59,105	100
	<b>Total</b>	<b>1,14,59,105</b>	<b>100</b>

\*Includes 6 shares held by the Nominees of NWML

**IV. Dematerialisation of shares:**

As on March 31, 2024, 1,14,59,105 equity shares representing 100% of the outstanding equity shares capital of the Company were held in dematerialised form.

**V. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

**VI. Details of equity shares lying in the suspense account pursuant to the Listing Regulations:**  
 NA

**VII. Plant locations:** Not Applicable

**VIII. Credit ratings:**

The credit ratings obtained by the Company during the Financial Year 2023-24 are as under:

Rating Agency	Rating	Instruments	Date of revision (if any)	Revised Rating
BWR	BWR AA-/Stable	NCD LT, Bank Facilities	NA	NA
BWR	BWRPP-MLD AA-/Stable	SP LT	NA	NA
CRISIL	CRISIL A1+	CP	NA	NA
CRISIL	CRISIL AA-/Stable	Bank Facilities	NA	NA
CRISIL	CRISIL AA-/Stable	NCD LT, Pref Share	NA	NA
CRISIL	CRISIL PPMLD A1+	SP ST	NA	NA
CRISIL	CRISIL PPMLD AA-/Stable	SP LT	NA	NA
CARE	CARE A1+	CP, NCD ST	NA	NA
CARE	CARE AA-; Stable	NCD LT, SP LT, Bank Facilities	NA	NA
CARE	CARE PP-MLD AA-; Stable	SP LT	NA	NA
CARE	CARE PP-MLD A1+	SP ST	NA	NA

### Other Disclosures

- i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements.
- ii. There were no non-compliances by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. The financial statements have been prepared in accordance with the applicable Accounting Standards.
- iv. The Company has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.
- v. Policy on Related Party Transactions are available at: <https://nuvamafinance.com/Home/InvestorRelation>
- vi. A Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of this Report as an [Annexure A](#).
- vii. There have been no instances where the Board has not accepted recommendation of any Committee of the Board, during the financial year.
- viii. M/s. Chokshi & Chokshi LLP, the Auditors were paid a consolidated amount of Rs. 3.22 million by the Company for all the services provided by them.
- ix. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a) Number of complaints filed during the Financial Year: One
  - b) Number of complaints disposed of during the Financial Year: One
  - c) Number of complaints pending as on end of the Financial Year: Nil.
- x. The Company is in compliance with the corporate governance requirements as prescribed in Regulations 17 to 27 of the Listing Regulations.
- xi. **CEO/CFO Certification**

The CEO and the CFO have certified to the Board, the requirements of the Listing Regulations with regard to financial statements.
- xii. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management forms part of this Report as an [Annexure B](#).
- xiii. **Compliance Certificate**

Pursuant to the Listing Regulations, a certificate issued by M/s. SVVS & Associates, Company Secretaries LLP, certifying the compliance by the Company with the provisions of the Corporate Governance forms part of this Report as an [Annexure C](#).



**Address for correspondence:**

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Company, the investors may write to:

<b><u>The Company Secretary</u></b>	<b><u>Registrar and Share Transfer Agent</u></b>	
Nuvama Wealth Finance Limited	Link Intime India Private Limited	KFin Technologies Private Limited
801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.	C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083.	Selenium Tower B, Plot 31-32, Financial District, Hyderabad-500 032
+91 22 6620 3030	Tel: +91 22 4918 6270	Tel: +91 40 6716 2222
Email: Secretarial@nuvama.com	Email: rnt.helpdesk@linkintime.co.in	Email: einward.ris@kfintech.com

**SVVS/CERT/05/05/2024-25****May 09, 2024**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
***(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

The Members,  
**Nuvama Wealth Finance Limited**  
801 to 804, Wing A, Building No 3,  
Inspire BKC G Block, Bandra (East),  
Mumbai - 400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nuvama Wealth Finance Limited** having CIN U67120MH1994PLC286057 and having registered office at 801 to 804 Wing A Building No 3, Inspire BKC G Block, Bandra (East), Mumbai, Maharashtra, India, 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI letter dated September 23, 2021.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1	ASHISH KEHAIR	07789972	21/10/2021
2	BIRENDRA KUMAR	00163054	21/01/2022
3	RAMESH ABHISHEK	07452293	26/03/2021
4	TUSHAR PRAVIN AGRAWAL	08285408	19/05/2022
5	NIKHILKUMAR SRIVASTAVA	07308617	26/03/2021
6	AKSHAYA RANJAN MISHRA	10118262	01/02/2024
7	SANKARSON BANERJEE	07407346	15/03/2024
8	KAMLESH SHIVJI VIKAMSEY	00059620	01/08/2023

Ensuring the eligibility of the appointment / continuity of every Director on the Board, is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is valid as on the date of issue, and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SVVS & Associates Company Secretaries LLP**

**May 09, 2024**  
**Mumbai**

**CS. Suresh Viswanathan**  
**Designated Partner**  
**UDIN :**  
**FCS : 4453**  
**CP No : 11745**

**Declaration by the Chief Executive Officer under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding adherence to the Code of Conduct.**

In accordance with the Listing Regulations, it is hereby confirmed that for the financial year ended March 31, 2024, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct.

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

**Tushar Agrawal  
Executive Director & Chief Executive Officer  
DIN: 08285408  
Mumbai, May 9, 2024**

**SVVS/CERT/06/05/2024-25**  
**May 09, 2024**

**Compliance Certificate on Corporate Governance**

(Pursuant to Regulations 17 to 27, 62(1A), and Para C, D and E  
of **Schedule V** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members,  
**Nuvama Wealth Finance Limited**  
801 to 804 Wing A Building No 3, Inspire BKC G Block,  
Bandra (East), Mumbai,  
Maharashtra, India, 400051

We have examined the compliance with the conditions of Corporate Governance of **Nuvama Wealth Finance Limited** ("the Company") for the year ended on 31st March, 2024, as prescribed in the Regulations 17 to 27, 62(1A), and Para C, D and E of **Schedule V** of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as mandatorily applicable, as specified in **the aforesaid provisions** of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For SVVS & Associates Company Secretaries LLP**

**May 09, 2024**  
**Mumbai**

**CS. Suresh Viswanathan**  
**Designated Partner**  
**UDIN : F004453F000326808**  
**FCS : 4453 CP No: 11745**

**Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended is as under.

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Tushar Agrawal	Executive Director and Chief Executive Officer	18.36
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors/KMP's</b>	<b>Title</b>	<b>% increase in remuneration</b>
		Mr. Tushar Agrawal	Chief Executive Officer	45.96
		Ms. Pooja Doshi	Company Secretary	9.76
		Mr. Manishkumar Jain	Chief Financial Officer	16.62
3	Percentage increase in the median remuneration of employees in the financial year	(-9.60)%		
4	Number of permanent employees on the rolls of Company at the end of the year	355 permanent employees were on the rolls of the Company as on March 31, 2024.		

5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase for employees other than the managerial personnel who were in the employment during the financial year 2022-23 and 2023-24 the average increase is (-15.4)%  The average increase for managerial personnel is (-53.5)%
6	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

*Explanation.- For the purposes of this rule.- (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;*

*(ii) if there is an even number of observations, the median shall be the average of the two middle values.*

**For and on behalf of the Board of Directors  
Nuvama Wealth Finance Limited  
(formerly known as Edelweiss Finance & Investments Limited)**

**Tushar Agrawal**  
Executive Director and CEO  
DIN: 08285408

**Ashish Kehair**  
Non-executive Director  
DIN: 07789972

**Mumbai, May 9, 2024**

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2023-24**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. Brief outline on CSR Policy of the Company:**

CSR Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of the society.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation Nature Directorship	/ of	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Birendra Kumar	Chairperson- Independent Director		1	1
2.	Mr. Nikhil Kumar Srivastava	Non-executive Director		1	1
3.	Mr. Tushar Agrawal	Executive Director and Chief Executive Officer		1	1



3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	nuvamafinance.com
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Not Applicable
6.	Average net profit of the company as per section 135(5)	Rs. 55,73,56,365/-
7.	(a) Two percent of average net profit of the company as per section 135(5); (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years; (c) Amount required to be set off for the financial year, if any; (d) Total CSR obligation for the financial year (a+b-c).	Rs. 1,11,47,127/-  Not Applicable  Not Applicable Rs. 1,11,47,127/-

- 8.
- a. CSR amount spent or unspent for the financial year: Rs. 1,11,47,500
- b. Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
				State	District						Name	CSR registration no.
S . N o .	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of project		Project duration	Amount allocated for the project (INR)	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
1	The Collaborators for Transforming Education	Education - Schedule VII(ii)	No	Maharashtra	All District of Maharashtra	1	11,98,956	11,98,956	-	Yes	EdelGive Foundation	CSR00000514
2	The Collaborators for Transforming Education	Education - Schedule VII(ii)	No	Maharashtra	All District of Maharashtra	1	6,87,820	6,87,820	-	No	EdelGive Foundation	CSR00000514

	ng Education											
3	Learning Orbit for Village Excellence	Education - Schedule VII(ii)	No	Rajasthan	Udaipur	3	14,64,344	14,64,344	-	No	EdelGive Foundation	CSR00000514
4	Initiative for the Education of underprivileged children during & post COVID-19 pandemic period	Education - Schedule VII(ii)	No	West Bengal	Howrah	3	29,08,700	29,08,700	-	No	EdelGive Foundation	CSR00000514
5	Grassroots Resilience Ownership and Wellness(GROW)	Reducing Inequalities - Schedule VII(iii)	No	All states	All Districts of India	2	37,72,595	37,72,595		No	EdelGive Foundation	CSR00000514
6	Project Monitoring and						11,15,085	11,15,085		Yes	EdelGive Foundation	CSR00000514

	Evaluation Cost											
	<b>TOTAL</b>							<b>1,11,47,500</b>	<b>1,11,47,500</b>			

- c. Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable  
d. Amount spent in Administrative Overheads : NIL  
e. Amount spent on Impact Assessment, if applicable: Not Applicable  
f. Total amount spent for the Financial Year (11b+11c+11d+11e) : Rs. 1,11,47,500/-  
g. Excess amount for set off, if any: Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1,11,47,127/-
(ii)	Total amount spent for the Financial Year	Rs. 1,11,47,500/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9.

- (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Financial Year 2022-23:

1 S. N o.	2 Name of CSR project	3 Item from List of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of project		6 Project duration	7 Amount allocated for the project (INR)	8 Amount spent in the current financial year	9 Amount transferred to unspent CSR account for the project as per Section 135(6)	10 Mode of implementat ion - Direct (Yes/No)	11 Mode of implementation through implementation agency	
				State	District						Name	CSR registration no.
1	Learning Orbit for Village Excellence	Education- Schedule VII(ii)	No	Rajasthan	Udaipur	3 years	43,41,990	43,41,990	-	No	EdelGive Foundation	CSR00000514
	<b>TOTAL</b>						<b>43,41,990</b>	<b>43,41,990</b>				

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**) Laptop

(a) Date of creation or acquisition of the capital asset(s). 30-08-2023

(b) Amount of CSR spent for creation or acquisition of capital asset. ₹72,779/-

- |  |  |
|--|--|
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Samaritan Help Mission                                 |
| (e) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).    | 127 Noor Md. Munshi Lane, Howrah, West Bengal - 711101 |
| 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).        | Not Applicable   |

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

**Tushar Agrawal**  
Executive Director and CEO  
DIN: 08285408

**Birendra Kumar**  
Independent Director and Chairperson of Corporate Social Responsibility Committee  
DIN: 00163054

**Mumbai, May 9, 2024**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Nuvama Wealth Finance Limited  
(Formerly Known as Edelweiss Finance & Investments Limited)**

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

We have audited the accompanying financial statements of Nuvama Wealth Finance Limited (Formerly Known as Edelweiss Finance & Investments Limited) ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statement's section of our report, including in relation to these matters. Accordingly, our audit include the performance of procedures designed to respond to our assessment of the risk of material misstatements of the

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financial statements. The result of our audit procedure, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>1) Impairment of financial instruments (expected credit losses) (as described in Note 2.8,7,8 &amp; 8.A of the financial statements):</b></p>	
<p>Ind AS 109 – ‘Financial Instruments’ requires the Company to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company’s financial assets (loan portfolio).</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"><li>Staging of financial assets (i.e. classification in ‘significant increase in credit risk’ (“SICR”) and ‘default’ categories);</li><li>Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</li><li>Assigning rating grades to customers for which external rating is not available;</li><li>Calibrating external ratings-linked probability of default to align with past default rates;</li><li>Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the loans.</li></ol> <p>In view of such high degree of management’s judgement involved in estimation of ECL, it is considered as a key audit matter.</p>	<p>The audit procedures included but were not limited to the following:</p> <ol style="list-style-type: none"><li>Read and assessed the Company’s accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.</li><li>Tested the design and operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.</li><li>We performed procedures to test the inputs used in the ECL computation, on a sample basis.</li><li>Tested assumptions used by the management in determining the overlay for macro-economic factors.</li><li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li><li>Assessed disclosures included in the Financial Statements in respect of expected credit losses.</li></ol>
<p><b>2) Information technology (IT) systems and controls:</b></p>	
<p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process of the Company. Since large volume of transactions are</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by our IT specialists:</p>



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Key audit matters	How our audit addressed the key audit matter
<p>processed daily. The IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatements of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<ol style="list-style-type: none"><li>a. The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCS - to understand the design and test the operating effectiveness of such controls;</li><li>b. Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting;</li><li>c. Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</li><li>d. Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.</li><li>e. Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li></ol>

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance 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 Statement changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

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(IND AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

Those Charged with Governance 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;

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Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

- (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 as referred to in Note 36 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any. On long term contracts including derivatives contracts – Refer note 45.04 to the financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.

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- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which, along with access management tools, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For CHOKSHI & CHOKSHI LLP  
Chartered Accountants  
FRN: 101872W/W100045**

**Anish Shah  
Partner  
M.No.048462  
UDIN: 24048462BKAFQA3781**

**Place: Mumbai**

**Date: 09.05.2024**

**“Annexure A” to Independent Auditor’s Report on the financial statements of Nuvama Wealth Finance Limited (Formerly Known as Edelweiss Finance & Investments Limited)****(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- 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) All Property, Plant and Equipment were not physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancy were noticed on such verification.
- (c) According to the information and explanation given by the management, the title deed of immovable properties included in property, plant and equipment 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) According to the information and explanations given to us, the Company is not holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a) The verification of securities held for trading have been conducted on the basis of statement of holding received from Depository Participants and Clearing Corporation holding statement at reasonable intervals by the management during the year.
- b) According to the information and explanations given to us, no working capital limits has been sanctioned to the Company from banks or financial institutions and clause (ii) (b) of paragraph of 3 of the Order is not applicable to the Company.
- iii. a) Being an NBFC, the principal business of the Company is to give loans, hence clause (iii) (a) of paragraph of 3 of the Order is not applicable to the Company.
- b) The company has granted loans to 1 party covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us the terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
- c) The company has granted loans to 1 party covered in the register maintained under section 189 of the Act. The schedule of repayments of principal and payment of interest has been stipulated for the loans granted and repayments/receipts are regular.

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- d) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- e) Being an NBFC, the principal business of the Company is to give loans, hence clause (iii) (e) of paragraph of 3 of the Order is not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment, this sub-clause (f) of clause (iii) of paragraph of 3 of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investment, guarantee and securities given in respect of which provision of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii. In respect of Statutory dues: -
- a. According to the records of the Company, undisputed statutory dues including provident fund, income tax, goods and service tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. As informed, the provisions relating to employee's state insurance, service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- b. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable except in case of Provident fund.

Name of the Statute	Nature of the Dues	Amount in Million	Period to which the amount relates	Due date	Date of Payment	Remark if any
Employees Provident Fund Organisation (EPFO)	Provident Fund	0.04	April 2022 to August 2022	15 <sup>th</sup> of subsequent month	--	Refer note below

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**Note:** As represented by the Company, the delay in the deposit of provident fund for the period April, 2022 to August, 2022 of an employee was due to his Aadhaar number could not be linked to his UAN as required by the notification from EPFO. The said employee has resigned and necessary follow-ups have been made to resolve the issue of linking of UAN with Aadhaar.

- c. According to the information and explanations given to us, the disputed dues on account of income tax, service tax and cess on account of any dispute, are given below. As informed, the provisions relating to employee's state insurance, service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

Name of Statute	Nature of Dues	Amounts # (in Million)	Period to which the amount relates (Assessment year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	26.82	2008-09	High Court
		37.75	2009-10	
		11.87	2010-11	
		29.88	2011-12	
		90.58	2013-14	The Commissioner of Income Tax (Appeals)
		74.08	2016-17	
		0.77	2018-19	

**(#) Tax impact of amounts under dispute.**

- viii. According to the information and explanations given to us, there are no unrecorded transactions in the books of account, surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) In our opinion and according to the information and explanations given to us by the management, the Company was not declared a willful defaulter by any bank or financial institution or other lender.
- (c) Since the company has not taken any term loan, the clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us by the management, the Company has not used funds raised on short term basis for long term purposes.
- (e) Since the company has no Subsidiaries, Associates and Joint Ventures, the clause (ix)(e) of paragraph 3 of the Order is not applicable to the Company.
- (f) Since the company has no Subsidiaries, Associates and Joint Ventures, the clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.



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- x. a. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause (x) (a) of paragraph 3 of the Order is not applicable.
- b. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (x) (b) of paragraph 3 of the Order is not applicable.
- xi. a. Based on the audit procedures performed for the purpose of reporting true and fair view of financial statements and as per information and explanation given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- b. Since no fraud has been reported during the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by us as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not received any whistle-blower complaints, during the year.
- xii. In our opinion, the Company is not a Nidhi Company, hence, Clause (xii)(a) to (c) of paragraph 3 of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and after considering the internal auditor's report of the Company, we are of the opinion that the Company has an internal audit system commensurate with the current size and nature of its business.
- xv. According to the information and explanations given to us by the management, the Company has not entered into non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.
- (xvi) a. According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the company has conducted all Non- Banking activities with valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of

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India Act, 1934.

- c. According to the information and explanations given to us and based on our examination of the records of the Company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - d. According to the information and explanations given to us, the Group is not having any Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (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, 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) According to the information and explanations given to us, there is no unspent amount in respect of CSR as on the balance sheet date which is required to be transferred to the specified fund as per Schedule VII to the Act.
- (xxi) According to the information and explanations given to us, the Company does not have any subsidiary company / associate company / joint venture company. Hence, clause (xxi) of paragraph 3 of the Order is not applicable.

**For CHOKSHI & CHOKSHI LLP**  
**Chartered Accountants**  
**FRN: 101872W/W100045**

**Anish Shah**  
**Partner**  
**M.No. 048462**  
**UDIN: 24048462BKAFQA3781**

**Place: Mumbai**

**Date: 09.05.2024**

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**“Annexure B” to Independent Auditor’s Report on the financial statements of Nuvama Wealth Finance Limited (Formerly Known as Edelweiss Finance & Investments Limited)**

**(Referred to in Paragraph 2 (f) under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

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

We have audited the internal financial controls with reference to financial statements of Nuvama Wealth Finance Limited (Formerly Known as Edelweiss Finance & Investments 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 (the “Guidance Note”) 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 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 statement included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

Because of the inherent limitations of internal financial controls with reference to these 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 ICAI.

**For Chokshi & Chokshi LLP**  
**Chartered Accountants**  
**FRN: 101872W/W100045**

**Anish Shah**  
**Partner**  
**M.No. 048462**  
**UDIN: 24048462BKAFQA3781**

**Place: Mumbai**

**Date: 09.05.2024**

**Nuvama Wealth Finance Limited**  
(Formerly known as Edelweiss Finance & Investments Limited)

**Balance Sheet as at March 31, 2024**

(Currency : Indian rupees in million)

	Note	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	3	1,374.43	1,597.79
(b) Bank balances other than cash and cash equivalents	4	22.21	20.10
(c) Derivative financial instruments	5	2,179.88	3,003.03
(d) Securities held for trading	6	6,113.86	8,802.01
(e) Receivables			
(i) Trade receivables	7	197.19	2,512.28
(ii) Other receivables		0.39	2.58
(f) Loans	8	30,611.69	22,443.03
(g) Investments	9	984.92	975.64
(h) Other financial assets	10	1,015.84	251.46
		<u>42,500.41</u>	<u>39,607.92</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	11	138.61	137.69
(b) Deferred tax assets (net)	12	16.57	-
(c) Property, Plant and Equipment	13	2.51	2.62
(d) Other Intangible assets	13	0.29	1.17
(e) Other non- financial assets	14	27.34	23.57
		<u>185.32</u>	<u>165.05</u>
<b>Total Assets</b>		<u><u>42,685.73</u></u>	<u><u>39,772.97</u></u>
<b>Liabilities and Equity</b>			
<b>Financial liabilities</b>			
(a) Derivative financial instruments	5	1,073.19	709.73
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	15	3.35	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		141.78	2,841.19
(c) Debt securities	16	31,224.38	23,104.93
(d) Borrowings (other than debt securities)	17	660.38	4,208.57
(e) Subordinated Liabilities	18	-	151.75
(f) Other financial liabilities	19	890.85	871.97
		<u>33,993.93</u>	<u>31,890.54</u>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)	20	42.67	131.03
(b) Provisions	21	27.92	22.41
(c) Deferred tax liabilities (net)	12	-	28.10
(d) Other non-financial liabilities	22	65.45	20.65
		<u>136.04</u>	<u>202.19</u>
<b>Equity</b>			
(a) Equity share capital	23	114.59	114.59
(b) Other equity	24	8,441.17	7,565.65
		<u>8,555.76</u>	<u>7,680.24</u>
<b>Total Liabilities And Equity</b>		<u><u>42,685.73</u></u>	<u><u>39,772.97</u></u>

The accompanying notes are an integral part of the Financial Statements

1 to 49

As per our report of even date attached.

**For Chokshi & Chokshi LLP**

Chartered Accountants

ICAI Firms Registration Number: 101872W/W100045

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

**Anish Shah**

Partner

Membership No: 048462

**Tushar Agrawal**

Executive Director & Chief

Executive Officer

DIN: 08285408

**Ashish Kehair**

Non-Executive Director

DIN: 07789972

**Nikhil Kumar Srivastava**

Non-Executive Director

DIN: 7308617

**Manishkumar Jain**

Chief Financial Officer

PAN: AHCPJ7436Q

**Pooja Doshi**

Company Secretary

PAN: AMLPD8022C

**Mumbai**

May 09, 2024

**Mumbai**

May 09, 2024

**Nuvama Wealth Finance Limited**  
(Formerly known as Edelweiss Finance & Investments 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
<b>Revenue from operations</b>			
Interest income	25	3,397.64	2,800.10
Dividend income	26	6.86	8.22
Fee and commission income	27	290.00	184.87
Net gain on fair value changes	28	1,775.51	1,541.18
<b>Other income</b>	29	0.14	5.42
<b>Total Revenue</b>		<b>5,470.15</b>	<b>4,539.79</b>
<b>Expenses</b>			
Finance costs	30	2,732.51	2,190.40
Impairment on financial instruments	31	42.88	15.62
Employee benefits expense	32	880.79	685.70
Depreciation and amortisation expense	13	1.42	1.66
Other expenses	33	657.06	672.85
<b>Total expenses</b>		<b>4,314.66</b>	<b>3,566.23</b>
<b>Profit before tax</b>		<b>1,155.49</b>	<b>973.56</b>
Tax expenses			
(1) Net Current Tax	34	330.74	250.99
(2) Deferred tax (net)	34	(44.67)	5.02
<b>Profit for the year</b>		<b>869.42</b>	<b>717.55</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
a) Remeasurement gain on defined benefit plans (OCI)		0.77	(6.48)
b) Income Tax - OCI - that will not be reclassified		(0.19)	1.63
<b>Total</b>		<b>0.58</b>	<b>(4.85)</b>
<b>Total Comprehensive Income</b>		<b>870.00</b>	<b>712.70</b>
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
Basic	35	75.87	62.62
Diluted	35	75.87	62.62

The accompanying notes are an integral part of the Financial Statement: 1 to 49

As per our report of even date attached.

**For Chokshi & Chokshi LLP**  
Chartered Accountants  
ICAI Firms Registration Number: 101872W/W100045

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

**Anish Shah**  
Partner  
Membership No: 048462

**Tushar Agrawal**  
Executive Director & Chief  
Executive Officer  
DIN: 08285408

**Ashish Kehair**  
Non-Executive Director  
DIN: 07789972

**Nikhil Kumar Srivastava**  
Non-Executive Director  
DIN: 7308617

**Manishkumar Jain**  
Chief Financial Officer  
PAN: AHCPJ7436Q

**Pooja Doshi**  
Company Secretary  
PAN: AMLPD8022C

**Mumbai**  
May 09, 2024

**Mumbai**  
May 09, 2024

**Nuvama Wealth Finance Limited**  
(Formerly known as Edelweiss Finance & Investments Limited)

(Currency : Indian rupees in million)

**Statement of Changes in Equity for the year ended March 31, 2024**

**A. Equity Share Capital**

**Rs. In Millions**

<b>Equity share Capital as at April 01,2022</b>	<b>114.59</b>
Changes in Equity Share Capital due to prior period errors	-
balance at the beginning of the current reporting year	114.59
Shares Issued during the year	-
<b>Equity share Capital as at March 31,2023</b>	<b>114.59</b>
<b>Equity share Capital as at April 01,2023</b>	<b>114.59</b>
Changes in Equity Share Capital due to prior period errors	-
balance at the beginning of the current reporting year	114.59
Shares Issued during the year	-
<b>Equity share Capital as at March 31,2024</b>	<b>114.59</b>

**B. Other Equity**

Particulars	Reserves & Surplus					Deemed Capital Contribution - Equity	Total Attributable to equity holders
	Capital redemption reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2022</b>	230.33	5,086.37	1,079.57	-	437.99	15.18	6,849.44
Profit for the year	-	-	-	-	717.55	-	717.55
Other Comprehensive Income	-	-	-	-	(4.85)	-	(4.85)
	<b>230.33</b>	<b>5,086.37</b>	<b>1,079.57</b>	<b>-</b>	<b>1,150.69</b>	<b>15.18</b>	<b>7,562.14</b>
ESOPs cost reversal	-	-	-	-	3.51	-	3.51
Transfer to Statutory Reserve	-	-	143.51	-	(143.51)	-	-
Transfer to Capital redemption Reserve	1.00	-	-	-	(1.00)	-	-
<b>Balance as at March 31, 2023</b>	<b>231.33</b>	<b>5,086.37</b>	<b>1,223.08</b>	<b>-</b>	<b>1,009.69</b>	<b>15.18</b>	<b>7,565.65</b>
<b>Balance as at April 01, 2023</b>	<b>231.33</b>	<b>5,086.37</b>	<b>1,223.08</b>	<b>-</b>	<b>1,009.69</b>	<b>15.18</b>	<b>7,565.65</b>
Profit for the year	-	-	-	-	869.42	-	869.42
Other Comprehensive Income	-	-	-	-	0.58	-	0.58
	<b>231.33</b>	<b>5,086.37</b>	<b>1,223.08</b>	<b>-</b>	<b>1,879.69</b>	<b>15.18</b>	<b>8,435.65</b>
ESOPs cost reversal	-	-	-	-	5.52	-	5.52
Transfer to Statutory Reserve	-	-	173.88	-	(173.88)	-	-
Transfer to Retained Earning	-	-	-	-	15.18	(15.18)	-
Transfer to Capital redemption Reserve	92.18	-	-	-	(92.18)	-	(0.00)
<b>Balance as at March 31, 2024</b>	<b>323.51</b>	<b>5,086.37</b>	<b>1,396.96</b>	<b>-</b>	<b>1,634.33</b>	<b>-</b>	<b>8,441.17</b>

The accompanying notes are an integral part of these financial statements.

1 to 49

As per our report of even date attached.

**For Chokshi & Chokshi LLP**

Chartered Accountants

ICAI Firms Registration Number: 101872W/W100045

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

**Anish Shah**

Partner

Membership No: 048462

**Tushar Agrawal**

Executive Director & Chief Executive Officer

DIN: 08285408

**Ashish Kehair**

Non-Executive Director

DIN: 07789972

**Nikhil Kumar Srivastava**

Non-Executive Director

DIN: 7308617

**Manishkumar Jain**

Chief Financial Officer

PAN: AHCPJ7436Q

**Pooja Doshi**

Company Secretary

PAN: AMLPD8022C

**Mumbai**

May 09, 2024

**Mumbai**

May 09, 2024

**Nuvama Wealth Finance Limited**  
**(Formerly known as Edelweiss Finance & Investments Limited)**

**Statement of Cash Flows for year ended March 31, 2024**

(Currency : Indian rupees in million)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	1,155.49	973.56
<i>Adjustments for</i>		
Depreciation and amortisation expense	1.42	1.66
Fair value loss /(gain) of financial instruments	71.60	(19.27)
Provision for compensated absences and gratuity	5.51	(2.68)
Income from Investments	(76.73)	(24.06)
Impairment on financial assets	42.88	15.62
Loss/(Profit) on sale of of Property, Plant and Equipment	0.18	(1.88)
<b>Operating cash flow before working capital changes</b>	<b>1,200.35</b>	<b>942.95</b>
Add / (Less): Adjustments for working capital changes		
(Increase) in Loans	(8,201.48)	(2,803.83)
Decrease/(Increase) in Trade and other receivables	2,311.37	(1,156.24)
Decrease/(Increase) in Securities held for trading	2,643.48	(2,219.05)
(Increase)/ Decrease in Bank balances other than cash and cash equivalents	(2.11)	63.35
Decrease in Other financial assets	27.68	1,177.45
(Increase)/ Decrease in non financial assets	(3.77)	1.01
(Decrease)/ Increase in Trade payables	(2,698.46)	2,343.80
Increase/ (Decrease) in Non-financial liabilities and Provisions	45.38	(2.57)
Increase/ (Decrease) in Other financial liabilities	387.86	(387.94)
<b>Cash (used ) in operations</b>	<b>(4,289.70)</b>	<b>(2,041.07)</b>
Income taxes paid	(420.01)	(128.06)
<b>Net cash (used) in operating activities - A</b>	<b>(4,709.71)</b>	<b>(2,169.13)</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(0.61)	(0.20)
Sale of Property, Plant and Equipment	-	2.37
Sale /(Purchase) of Investments	0.66	(966.28)
Interest Income from Investments	66.79	14.70
<b>Net cash generated from / (used in) investing activities - B</b>	<b>66.84</b>	<b>(949.41)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of Debt Securities	8,119.45	143.02
(Decrease)/Increase in Borrowings other than Debt Securities (Refer Note-2)	(3,548.19)	3,148.94
Repayment of Subordinated Liabilities	(151.75)	(1.65)
<b>Net cash generated from financing activities - C</b>	<b>4,419.51</b>	<b>3,290.31</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(223.36)</b>	<b>171.77</b>
Cash and cash equivalent as at the beginning of the year	1,597.79	1,426.02
Cash and cash equivalent as at the end of the year	1,374.43	1,597.79
<b>Operational cash flows from interest and dividends</b>		
Interest paid	2,426.04	1,412.59
Interest received	3,142.65	2,601.26
Dividend received	6.86	8.22



**Statement of Cash Flows for year ended March 31, 2024**

**(Currency : Indian rupees in millions)**

**Notes:**

- 1** Cash Flow Statement has been prepared under the Indirect Method as set out in Ind As 7 (Statement of Cash Flows) prescribed under the Companies Act (Indian Accounting Standards)Rules, 2015 under the Companies Act 2013.
- 2** Cash receipts and payments for transactions with group companies in which the turnover is quick, the amounts are large and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.

**As per our report of even date attached.**

**For Chokshi & Chokshi LLP**

Chartered Accountants

ICAI Firms Registration Number: 101872W/W100045

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

**Anish Shah**

Partner

**Membership No: 048462**

**Tushar Agrawal**

Executive Director & Chief

Executive Officer

DIN: 08285408

**Ashish Kehair**

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DIN: 7308617

**Manishkumar Jain**

Chief Financial Officer

PAN: AHCPJ7436Q

**Pooja Doshi**

Company Secretary

PAN: AMLPD8022C

**Mumbai**

May 09, 2024

**Mumbai**

May 09, 2024

**1. Corporate information:**

Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited) ('the Company') with CIN U67120MH1994PLC286057 a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is wholly owned subsidiary of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited). The Ultimate Holding company of the company is PAGAC Ecstasy Pte. Ltd ('PAG'). The Registered office of the company is located at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

The Company was incorporated on October 27, 1994 and is registered with the Reserve Bank of India ('RBI') with Registration No. B-13.02144 as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) and company has classified as Middle layer (NBFC-ML) pursuant to RBI Scale Based regulation

The Company is engaged in the business of advancing of loans against securities, advisory services and fund based activities being investment and trading in capital market and other securities.

**2. Material accounting policy Information**

**2.1 Basis of preparation:**

The financial statements of the Company 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 notified under section 133 of the Companies Act, 2013 (referred to as "the Act") along with other relevant provisions of the Act, the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, guidelines issued by Reserve Bank of India (RBI) as applicable and other accounting principles generally accepted in India. The accounting policies have been consistently applied, except in cases where a newly issued Ind AS is initially adopted or when a revision to an existing Ind AS required a change in the accounting policy previously in use. These financial statements have been approved for issue by the Board of Directors of the Company on May 09, 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 instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

**2.2 Presentation of financial statements:**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013 including Ministry of Corporate Affairs (MCA) Notification Dated 24<sup>th</sup> March 2021. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

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:

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

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

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

**2.3 Recognition of interest income and dividend income**

**2.3.1 Interest Income:**

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments / non- payment of contractual cashflows is recognised on accrual basis.

**2.3.2 Dividend income:**

The Company recognised Dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**2.3.3 Fee Income:**

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered into between the Company and the counterparty.

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

**2.3.4 Foreign currency translation**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion at the Reporting date**

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**Exchange differences**

All exchange differences are accounted in the Statement of Profit and Loss or other comprehensive income as permitted under the relevant Ind AS.

**2.4 Financial instruments:**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

**Net gain on fair value changes**

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

**2.4.1 Date of recognition:**

Financial Assets and financial liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date 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. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

**2.4.2 Initial measurement of financial instruments:**

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

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

**2.4.3 Day 1 profit and 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 / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

**2.4.4 Classification & measurement categories of financial assets and liabilities:**

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 Statement Profit and loss.

**2.5 Financial assets and liabilities:**

**2.5.1 Amortized cost and effective interest method**

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

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

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

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.

**2.5.2 Financial assets held for trading:**

The Company classifies financial assets as held for trading when they have been purchased 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 is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain / loss on fair value changes.

**2.5.3 Investment in equity instruments:**

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

**2.5.4 Financial liabilities:**

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

**2.5.5 Derivative financial instruments:**

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

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

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

**2.5.6 Debt securities and other borrowed funds:**

The Company measures debt issued and other borrowed funds at amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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

**2.5.7 Financial assets and financial liabilities at fair value through profit or loss:**

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

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

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

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

**2.5.8 Loan commitment**

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

**2.5.9 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.

**2.6 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**2.7 Derecognition of financial Instruments:**

**2.7.1 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.

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.



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

**2.7.2 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, including modified contractual cash flow recognised as new financial liability, is recognised in statement of profit or loss.

**2.8 Impairment of financial assets:**

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

**Simplified approach**

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

**General approach**

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

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

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

Company categories its financial assets as follows:

**Stage 1 assets:**

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

**Stage 2 assets:**

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

**Stage 3 assets:**

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

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

The Company's product offering includes a facilities with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**2.9 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a monthly/quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the company uses active market data for valuing financial assets held as collateral.

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

**2.10 Write-offs:**

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

**2.11 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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.

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

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

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

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

**2.12 Operating leases:**

**Company as a lessee:**

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

**Right of use assets**

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

**Lease liabilities**

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

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

**Short term lease**

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

**2.13 Earnings per share:**

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

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

**2.14 Retirement and other employee benefit:**

**2.14.1 Provident fund and national pension scheme:**

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

**2.14.2 Gratuity:**

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance Group approved by Insurance Regulatory and Development Authority (IRDA).

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.

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

**2.14.3 Compensated absences:**

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

**2.14.4 Share-based payment arrangements:**

Equity-settled share-based payments to employees by the parent Company and by 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. These include Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share-based transaction.

In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

**2.15 Property, plant and equipment:**

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

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

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

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

<b>Nature of assets</b>	<b>Estimated useful lives</b>
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Furniture and fixtures	10 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible asset recognised as of 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.

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.

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.

**2.16 Intangible assets:**

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

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

<b>Class of asset</b>	<b>Useful life</b>
Computers and data processing units – Servers and networks	6 years
Computer software	3-5 years

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

**2.17 Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

**2.18 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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.



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

**2.19 Income tax expenses:**

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

**2.19.1 Current tax:**

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

**2.19.2 Deferred tax:**

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

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

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

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

**2.19.3 Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.20 Cash and cash equivalents:**

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

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

**2.21 Significant accounting judgements, estimates and assumptions :**

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**2.21.1 Business model assessment:**

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's 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 is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the 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

**2.21.2 Significant increase in credit risk:**

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

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

**Key sources of estimation uncertainty:**

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

**2.21.3 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.

**2.21.4 Effective Interest Rate (EIR) 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 behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

**2.22 Impairment of Financial assets:**

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

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

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

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

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

**2.23 Impairment of Non-Financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**2.24 Provisions and contingent liabilities:**

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

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

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**2.25 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.

**2.26 Cash flow statement:**

The Statement of Cash Flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

**2.27 Segment Reporting:**

Identification of Segments -

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Company.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

**Segment Policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

**2.28 Standards issued but not yet effective along with Other statutory amendments:**

For the year ended March 31, 2024, Ministry Of Corporate Affairs (“MCA”) has not notified any new Standards or amendments to the existing standards applicable to the company.

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>3. Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	1,374.43	1,597.79
	<b>1,374.43</b>	<b>1,597.79</b>

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>4. Bank balances other than cash and cash equivalents</b>		
Long term bank deposits with banks*	22.00	19.90
Accrued interest on fixed deposits	0.21	0.20
	<b>22.21</b>	<b>20.10</b>

**4.A Encumbrances on fixed deposits held by the Company:**

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Fixed deposit pledged against overdraft facility</b>		
ICICI Bank Limited	20.19	20.10
Yes Bank	1.02	-
Indusind Bank	1.00	-
	<b>22.21</b>	<b>20.10</b>

\* Fixed deposit with bank earns interest at fixed rate.

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>

**5. Derivative financial instruments**

**5.A Breakup of Derivative financial instruments**

**Fair Value Assets**

Mark to market on interest rate swap	-	3.32
Premium paid on outstanding exchange traded options	1,350.30	1,431.64
Embedded derivatives in market-linked debentures (Assets)	829.58	1,568.07
	<b>2,179.88</b>	<b>3,003.03</b>

**Fair Value Liabilities**

Premium received on outstanding exchange traded options (including MTM)	296.62	419.96
Mark to Market on interest rate swap	-	0.69
Embedded derivatives in market-linked debentures (liabilities)	776.57	289.08
	<b>1,073.19</b>	<b>709.73</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**5.B Derivative financial instruments**

The Company enters into derivatives for risk management purposes.

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

Particulars	As at March 31, 2024							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
<b>(i) Embedded derivatives*</b>								
In market linked debentures				829.58				776.57
<b>Subtotal(i)</b>				<b>829.58</b>				<b>776.57</b>
<b>(ii) Equity linked derivatives</b>								
Stock Futures	No of Shares		22,22,315	16.93	No of Shares		6,00,512	7.71
Options purchased	No of Shares		12,21,823	53.27				-
Options sold (written)				-	No of Shares		12,21,823	37.71
Less: Offset with Margin				(16.93)				(7.71)
<b>Subtotal(ii)</b>				<b>53.27</b>				<b>37.71</b>
<b>(iii) Index linked derivatives</b>								
Index Futures	Index Units		2,51,220	52.35	Index Units		3274	0.08
Options purchased	Index Units		3,37,150	1297.03				-
Options sold (written)				-	Index Units		5,70,654	256.82
Less: Offset with Margin				(52.35)				(0.08)
<b>Subtotal(iii)</b>				<b>1,297.03</b>				<b>256.82</b>
<b>(iv) Commodity linked derivatives</b>								
Commodity Futures	Commodity Units		63,000.00	5.52	Commodity Units		1,766.00	0.43
Options purchased				-				-
Options sold (written)				-	Commodity Units		12,024.00	2.09
Less: Offset with Margin				(5.52)				(0.43)
<b>Subtotal(iv)</b>				<b>-</b>				<b>2.09</b>
<b>(v) Interest Rate Swap</b>				-				-
<b>Subtotal(v)</b>				<b>-</b>				<b>-</b>
<b>Total Derivative Financial Instruments</b>			<b>Total</b>	<b>2179.88</b>			<b>Total</b>	<b>1073.19</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

Particulars	As at March 31, 2023							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
<b>(i) Embedded derivatives*</b>								
In market linked debentures				1,568.07				289.08
<b>Subtotal(i)</b>				<b>1568.07</b>				<b>289.08</b>
<b>(ii) Equity linked derivatives</b>								
Stock Futures	No of Shares		11,50,399	22.97	No of Shares		4,83,440	10.46
Options purchased	No of Shares		3,17,954	33.19				
Options sold (written)					No of Shares		3,17,954	9.38
Less: Offset with Margin				(22.97)				(10.46)
<b>Subtotal(ii)</b>				<b>33.19</b>				<b>9.38</b>
<b>(iii) Index linked derivatives</b>								
Index Futures	Index Units		2,29,100	48.64	Index Units		118425	18.87
Options purchased	Index Units		12,51,175	1398.45				
Options sold (written)					Index Units		12,73,525	410.58
Less: Offset with Margin				(48.64)				(18.87)
<b>Subtotal(iii)</b>				<b>1398.45</b>				<b>410.58</b>
<b>(iv) Commodity linked derivatives</b>								
Commodity Futures				-				-
Options purchased				-				-
Options sold (written)				-				-
Less: Offset with Margin				-				-
<b>Subtotal(iv)</b>				<b>-</b>				<b>-</b>
<b>(v) Interest Rate Swap</b>	Rupees Million	INR	1,250.00	3.32	Rupees Million	INR	1,500.00	0.69
<b>Subtotal(v)</b>				<b>3.32</b>				<b>0.69</b>
<b>Total Derivative Financial Instruments</b>			<b>Total</b>	<b>3,003.03</b>			<b>Total</b>	<b>709.73</b>

Note: The notional/units held indicate the value of transactions outstanding at the period end and are not indicative of either the market risk or credit risk.

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

**Hedging activities and derivatives**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 43.

**Derivatives designated as hedging instruments**

The Company has not designated any derivatives as hedging instruments.



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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**5.C Offsetting**

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

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

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

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Financial Assets	Collaterals paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets (Refer Note 5)	74.80	(74.80)	-	-	-	-	2,179.88	2,179.88	2,179.88
Margin Placed with Brokers (Refer Note 10)	588.79	66.87	655.66	-	-	655.66	-	655.66	655.66
Receivable from exchange /clearing house (net) (Refer Note 10)	56.34	(0.29)	56.05	-	-	56.05	-	56.05	56.05

As at March 31, 2024	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities (Refer Note 5)	8.22	(8.22)	-	-	-	-	1,073.19	1,073.19	1,073.19

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**5.C Offsetting**

As at March 31, 2023	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Financial Assets	Collaterals paid	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets (Refer Note 5)	71.61	(71.61)	-	-	-	-	3,003.03	3,003.03	3,003.03
Margin Placed with Brokers (Refer Note 10)	124.39	42.28	166.67	-	-	166.67	-	166.67	166.67

As at March 31, 2023	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities (Refer Note 5)	29.33	(29.33)	-	-	-	-	709.73	709.73	709.73

\*Note: As at the reporting date, cash margin received has been offset against the gross derivative assets. Also, cash margin paid has been offset against the gross derivative liabilities.

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**6. Securities held for trading**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>At Fair Value through Profit and Loss</b>		
(i) Government Debt Securities	2,184.89	4,302.07
(ii) Debt Securities	1,964.18	1,719.06
(iii) Exchange Traded Funds / Mutual funds	1,315.66	1,916.91
(iv) Equity Shares	653.29	863.97
(v) Preference Shares	-	-
<b>Total</b>	<b>6,118.02</b>	<b>8,802.01</b>
Less: Impairment loss allowance	(4.16)	-
<b>Net Total</b>	<b>6,113.86</b>	<b>8,802.01</b>
(i) Investments outside India	-	-
(ii) Investments in India	6,113.86	8,802.01
<b>Total</b>	<b>6,113.86</b>	<b>8,802.01</b>

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>7. Receivables</b>		
<b>a) Trade receivables</b>		
Receivables considered good - Unsecured	199.90	2,513.37
Receivables - Credit impaired	23.61	21.90
Less : Allowance for expected credit losses	(26.32)	(22.99)
<b>Trade Receivables (a)</b>	<b>197.19</b>	<b>2,512.28</b>
<b>b) Other receivables</b>		
Receivables considered good - Unsecured	0.39	2.58
Less : Allowance for expected credit losses	-	-
<b>Other receivables (b)</b>	<b>0.39</b>	<b>2.58</b>
<b>Total Receivables (a) + (b)</b>	<b>197.58</b>	<b>2,514.86</b>

**c) Reconciliation of impairment allowance on trade and lease receivables:**

	As at March 31, 2024	As at March 31, 2023
<b>Impairment allowance measured as per simplified approach</b>		
Impairment allowance - Opening Balance	22.99	19.50
Add/ (less): asset originated or acquired (net)	3.33	3.49
Impairment allowance - Closing Balance	<b>26.32</b>	<b>22.99</b>

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- 2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**d) Trade receivables days past due**

As at March 31, 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments <sup>^</sup>					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Gross receivables</b>								
<b>Undisputed</b>								
Receivables - considered good	-	103.98	95.13	1.19	-	-	-	<b>200.30</b>
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	3.12	6.20	14.29	-	<b>23.61</b>
<b>Disputed</b>								
Receivables - considered good	-	-	-	-	-	-	-	-
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>-</b>	<b>103.98</b>	<b>95.13</b>	<b>4.31</b>	<b>6.20</b>	<b>14.29</b>	<b>-</b>	<b>223.91</b>
<b>B. Allowance for Expected Credit Losses</b>								
<b>Undisputed</b>								
Receivables - considered good	-	0.42	1.41	0.89	-	-	-	<b>2.72</b>
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	3.12	6.20	14.29	-	<b>23.61</b>
<b>Disputed</b>								
Receivables - considered good	-	-	-	-	-	-	-	-
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>0.42</b>	<b>1.41</b>	<b>4.01</b>	<b>6.20</b>	<b>14.29</b>	<b>-</b>	<b>26.33</b>
<b>Net carrying amount (A)-(B)</b>	<b>-</b>	<b>103.56</b>	<b>93.72</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.58</b>

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments <sup>^</sup>					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Gross receivables</b>								
<b>Undisputed</b>								
Receivables - considered good	-	2,474.74	40.40	0.56	0.25	-	-	<b>2,515.95</b>
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	2.54	2.36	16.06	0.94	-	<b>21.90</b>
<b>Disputed</b>								
Receivables - considered good	-	-	-	-	-	-	-	-
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total (A)</b>	-	<b>2,474.74</b>	<b>42.94</b>	<b>2.92</b>	<b>16.31</b>	<b>0.94</b>	-	<b>2,537.85</b>
<b>B. Allowance for Expected Credit Losses</b>								
<b>Undisputed</b>								
Receivables - considered good	-	0.42	0.50	0.17	-	-	-	<b>1.09</b>
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	2.54	2.36	16.06	0.94	-	<b>21.90</b>
<b>Disputed</b>								
Receivables - considered good	-	-	-	-	-	-	-	-
Receivables - having significant increase in credit risk	-	-	-	-	-	-	-	-
Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total (B)</b>	-	<b>0.42</b>	<b>3.04</b>	<b>2.53</b>	<b>16.06</b>	<b>0.94</b>	-	<b>22.99</b>
<b>Net carrying amount (A)-(B)</b>	-	<b>2,474.32</b>	<b>39.90</b>	<b>0.39</b>	<b>0.25</b>	-	-	<b>2,514.86</b>

<sup>^</sup> Where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Note: Receivables largely includes receivables from clearing house and companies in same group. The Company has no history and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>8. Loans (at Amortised cost)</b>		
<b>Other loans</b>		
Corporate credit	5.41	6.30
Retail Credit	30,729.48	22,527.12
<b>Total gross</b>	<b>30,734.89</b>	<b>22,533.42</b>
Less: Impairment loss allowance (Refer Note 8.A)	(123.20)	(90.39)
<b>Total net</b>	<b>30,611.69</b>	<b>22,443.03</b>
<b><u>Secured</u></b>		
- Loan against Securities	29,866.17	21,668.20
<b><u>Unsecured</u></b>		
- In case of ESOP and IPO funding	113.58	261.37
- Others	755.14	603.85
<b>Total gross</b>	<b>30,734.89</b>	<b>22,533.42</b>
Less: Impairment loss allowance (Refer Note 8.A)	(123.20)	(90.39)
<b>Total net</b>	<b>30,611.69</b>	<b>22,443.03</b>
<b>Loans in India</b>		
Public sector	-	-
Others	30,734.89	22,533.42
<b>Total Gross</b>	<b>30,734.89</b>	<b>22,533.42</b>
Less: Impairment loss allowance (Refer Note 8.A)	(123.20)	(90.39)
<b>Total net</b>	<b>30,611.69</b>	<b>22,443.03</b>

In terms of requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13/03/2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 – Financial Instruments and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The Company has assessed the impairment allowances under Ind AS 109 and provision required under IRACP as at March 31, 2024 and considered higher of the two for the purpose of making provision in the accounts and accordingly, no amount is required to be transferred to impairment reserve.

There is no loan outstanding as on March 31, 2024 with Directors, KMP, Promoters and related party in the nature of demand loan or loan without specifying the term of repayment period.

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**8.A Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances.

**I. Loans at Amortised Cost**

Particulars	As at March 31, 2024			
	Stage I	Stage II	Stage III	Total
<b>Performing</b>				
High grade	29,947.56	-	-	29,947.56
Standard grade	-	787.33	-	787.33
Sub-standard grade	-	-	-	-
<b>Non-performing</b>				
Individually impaired	-	-	-	-
<b>Total</b>	<b>29,947.56</b>	<b>787.33</b>	<b>-</b>	<b>30,734.89</b>

Particulars	As at March 31, 2023			
	Stage I	Stage II	Stage III	Total
<b>Performing</b>				
High grade	22,525.89	-	-	22,525.89
Standard grade	-	7.53	-	7.53
<b>Non-performing</b>				
Individually impaired	-	-	-	-
<b>Total</b>	<b>22,525.89</b>	<b>7.53</b>	<b>-</b>	<b>22,533.42</b>



**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**8.A Credit quality of assets (continued)**

**II. Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances:**

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers.

The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

**Reconciliation / movement for the period ended March 31, 2024**

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
<b>Opening balance</b>	22,525.89	90.35	7.53	0.03	-	-	<b>22,533.42</b>	<b>90.38</b>
Transfer of financial assets								
Stage I to Stage II	(454.07)	(1.82)	454.07	1.82	-	-	-	-
Stage II to Stage I	5.78	0.02	(5.78)	(0.02)	-	-	-	-
New assets originated / repayments received (net)	7,869.96	31.48	331.51	1.34	-	-	<b>8,201.47</b>	<b>32.82</b>
<b>Closing balance</b>	<b>29,947.56</b>	<b>120.03</b>	<b>787.33</b>	<b>3.17</b>	-	-	<b>30,734.89</b>	<b>123.20</b>

**Reconciliation / movement for the year ended March 31, 2023**

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
<b>Opening balance</b>	19,728.19	79.16	1.41	0.01	-	-	<b>19,729.60</b>	<b>79.17</b>
Transfer of financial assets								
Stage I to Stage III	(6.43)	(0.03)	6.43	0.03	-	-	-	-
Stage II to Stage III	-	-	-	-	-	-	-	-
Stage II to Stage I	1.41	0.01	(1.41)	(0.01)	-	-	-	-
New assets originated / repayments received (net)	2,802.72	11.21	1.10	0.00	-	-	<b>2,803.83</b>	<b>11.22</b>
<b>Closing balance</b>	<b>22,525.89</b>	<b>90.35</b>	<b>7.53</b>	<b>0.03</b>	-	-	<b>22,533.43</b>	<b>90.39</b>

**Nuvama Wealth Finance Limited**  
**(Formerly known as Edelweiss Finance & Investments Limited)**

**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>9. Investments (at Amortised cost)</b>		
Investments in Government Debt Securities (Treasury Bills) (100,00,000 units with Face value of Rs. 100)		
T-BILL (182 days) 18.07.2024 50,00,000 units at Face value of 100	489.79	-
T-BILL (182 days) 06.07.2023 50,00,000 units at Face value of 100	-	491.46
T-BILL (182 days) 14.09.2023 50,00,000 units at Face value of 100	-	484.18
T-BILL (182 DAYS) 23.05.2024 50,00,000 units at Face value of 100	495.13	-
	<b>984.92</b>	<b>975.64</b>
(i) Investments outside India	-	-
(ii) Investments in India	984.92	975.64
<b>Total</b>	<b>984.92</b>	<b>975.64</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>10. Other financial assets</b>		
Security Deposits	0.83	-
Deposits placed with exchange/depositories	68.55	79.05
Share/Debenture application money pending allotment	233.00	-
Deposits- others	0.20	0.20
Margin placed with broker (refer note 5.C)	655.66	166.67
Receivable from exchange /clearing house (net)	56.05	-
Advances recoverable in cash or in kind or for value to be received	1.55	5.54
	<b>1,015.84</b>	<b>251.46</b>
<b>11. Current tax assets (net)</b>		
Advance income taxes (net)	138.61	137.69
	<b>138.61</b>	<b>137.69</b>
<b>12. Deferred tax assets / Liabilities (net) (refer note 34.C)</b>		
<b>Deferred tax assets</b>		
<b><u>Financial Asset</u></b>		
Expected credit loss	38.76	28.59
Unamortised processing fees - EIR	10.72	11.23
<b><u>Property, Plant and Equipment &amp; Intangible assets</u></b>		
Difference between book and tax depreciation	0.21	0.66
<b><u>Investment and other financial instruments</u></b>		
Unrealised loss on derivatives	13.45	41.98
<b><u>Employee benefit obligations</u></b>		
Disallowances under section 43B of the Income Tax Act, 1961	2.82	2.08
<b>Total Deferred Tax Asset</b>	<b>65.96</b>	<b>84.54</b>
<b>Deferred tax liabilities</b>		
<b><u>Borrowing</u></b>		
Unamortised processing fees - EIR on Borrowing	26.97	43.26
<b><u>Investment and other financial instruments</u></b>		
Fair valuation - securities held for trading	5.49	15.86
Unrealised gain on derivatives	16.93	53.52
<b>Total Deferred Tax Liabilities</b>	<b>49.39</b>	<b>112.64</b>
<b>Net Deferred tax asset /(Net Deferred tax liabilities)</b>	<b>16.57</b>	<b>(28.10)</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**13. Property, plant and equipment and intangible assets**

Particulars	Property, plant and equipment						Other Intangible Assets		Total
	Building*	Vehicles	Office equipment	Computers	Furniture	Total	Computer Software	Total	
<b>Cost</b>									
As at April 1, 2023	2.73	-	0.01	2.26	0.03	5.03	10.51	10.51	15.54
Additions/Adjustment during the year	-	-	0.38	0.03	-	0.41	0.20	0.20	0.61
Disposals /Adjustment during the year	-	-	(0.02)	(0.13)	(0.03)	(0.18)	-	-	(0.18)
As at March 31, 2024	2.73	-	0.37	2.16	-	5.26	10.71	10.71	15.97
<b>Depreciation and amortisation:</b>									
As at April 1, 2023	0.59	-	0.01	1.79	0.02	2.41	9.34	9.34	11.75
Depreciation/Amortisation during the year	0.11	-	0.09	0.14	-	0.34	1.08	1.08	1.42
Disposals /Adjustment during the year	-	-	(0.01)	0.03	(0.02)	-	-	-	-
As at March 31, 2024	0.70	-	0.09	1.96	-	2.75	10.42	10.42	13.17
<b>Net Book Value</b>									
As at March 31, 2024	2.03	-	0.28	0.20	-	2.51	0.29	0.29	2.80

Particulars	Property, plant and equipment						Other Intangible Assets		Total
	Building*	Vehicles	Office equipment	Computers	Furniture	Total	Computer Software	Total	
<b>Cost</b>									
As at April 1, 2022	2.73	3.20	0.01	2.23	0.03	8.20	10.41	10.41	18.61
Additions/Adjustment during the year	-	-	-	0.10	-	0.10	0.10	0.10	0.20
Disposals /Adjustment during the year	-	(3.20)	-	(0.07)	-	(3.27)	-	-	(3.27)
As at March 31,2023	2.73	0.00	0.01	2.26	0.03	5.03	10.51	10.51	15.54
<b>Depreciation and amortisation:</b>									
As at April 1, 2022	0.48	2.71	0.01	1.40	0.02	4.62	8.26	8.26	12.88
Depreciation/Amortisation during the year	0.11	0.01	-	0.46	-	0.58	1.08	1.08	1.66
Disposals /Adjustment during the year	-	(2.72)	-	(0.07)	-	(2.79)	-	-	(2.79)
As at March 31,2023	0.59	0.00	0.01	1.79	0.02	2.41	9.34	9.34	11.75
<b>Net Book Value</b>									
As at March 31,2023	2.14	-	0.00	0.47	0.01	2.62	1.17	1.17	3.79

\* Charge against secured redeemable non-convertible debentures (Refer note 16.B)

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024	As at March 31, 2023
<b>14. Other non-financial assets</b>		
(Unsecured considered good, unless stated otherwise)		
Other deposits	0.05	0.05
Vendor Advances	10.91	6.89
Prepaid expenses	7.16	7.29
Advances recoverable in cash or in kind or for value to be received	0.01	0.01
Advances to employees	0.20	0.32
Others	9.01	9.01
	<b>27.34</b>	<b>23.57</b>
<b>15. Trade Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	3.35	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	141.78	2,841.19
	<b>145.13</b>	<b>2,843.59</b>

**15.A Details of dues to micro and small enterprises**

Trade Payables includes **Rs 3.35 Millions** (March 31, 2023: Rs. 2.40 Millions) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the period to “Suppliers” registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**15.B Ageing of Trade Payables**

As at March 31, 2024	Unbilled	Outstanding for following periods from due date of payments <sup>^</sup>				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.26	0.09	-	-	-	3.35
Others	74.83	63.20	1.20	2.55	-	141.78
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>78.09</b>	<b>63.29</b>	<b>1.20</b>	<b>2.55</b>	<b>-</b>	<b>145.13</b>

As at March 31, 2023	Unbilled	Outstanding for following periods from due date of payments <sup>^</sup>				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2.35	0.05	-	-	-	2.40
Others	114.59	2,723.99	2.60	0.01	-	2,841.19
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>116.94</b>	<b>2,724.04</b>	<b>2.60</b>	<b>0.01</b>	<b>-</b>	<b>2,843.59</b>

<sup>^</sup>Where no due date of payment is specified in that case disclosure shall be based on the date of the transaction.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

<b>16. Debt securities</b>	<b>As at</b>	<b>As at</b>
<i>at amortised cost</i>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
(Refer Note 16.A and 16.B)		
<b>Redeemable non-convertible debentures - secured</b>		
Market linked debentures	23,923.74	20,977.92
Non-Convertible Debentures	1,385.16	1,385.16
Unamortized EIR - Debt securities	(24.14)	(34.96)
Interest Accrued on Debt Securities	45.05	37.22
<b>Commercial paper (Unsecured)</b>	6,130.00	750.00
Less: Unamortised discount	(235.43)	(10.41)
<b>Total</b>	<b>31,224.38</b>	<b>23,104.93</b>
Debt securities in India	31,224.38	23,104.93
Debt securities outside India	-	-
<b>Total</b>	<b>31,224.38</b>	<b>23,104.93</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**16.A Maturity profile and rate of interest of debt securities are set out below:**

**I Redeemable non-convertible debentures - secured**

Month	Rate of Interest			As at March	Rate of Interest			As at March
	9% - 10%	10% - 11%	MLD*	31, 2024 Total	9% - 10%	10% - 11%	MLD*	31, 2023 Total
May-23	-	-	-	-	-	-	2,425.63	2,425.63
Jun-23	-	-	-	-	-	-	1,517.30	1,517.30
Aug-23	-	-	-	-	-	-	130.90	130.90
Dec-23	-	-	-	-	-	-	1,658.89	1,658.89
Feb-24	-	-	-	-	-	-	138.36	138.36
Mar-24	-	-	-	-	-	-	1,629.58	1,629.58
Apr-24	-	-	255.76	255.76	-	-	238.76	238.76
May-24	-	-	181.06	181.06	-	-	166.55	166.55
Jul-24	-	-	1,228.95	1,228.95	-	-	1,127.30	1,127.30
Aug-24	-	-	1,691.74	1,691.74	-	-	554.15	554.15
Sep-24	-	-	977.17	977.17	-	-	864.21	864.21
Oct-24	-	-	9.54	9.54	-	-	-	-
Dec-24	-	-	37.76	37.76	-	-	-	-
Feb-25	443.93	401.49	64.74	910.16	443.93	401.49	-	845.42
Mar-25	-	-	321.75	321.75	-	-	275.47	275.47
Apr-25	-	-	2,226.74	2,226.74	-	-	2,037.22	2,037.22
May-25	-	-	1,058.83	1,058.83	-	-	966.61	966.61
Jun-25	-	-	1,512.14	1,512.14	-	-	1,385.33	1,385.33
Jul-25	-	-	1,497.71	1,497.71	-	-	1,335.33	1,335.33
Aug-25	-	-	1,469.71	1,469.71	-	-	1,345.54	1,345.54
Sep-25	-	-	65.41	65.41	-	-	59.51	59.51
Nov-25	-	-	106.93	106.93	-	-	-	-
Dec-25	-	-	38.82	38.82	-	-	-	-
Jan-26	-	-	603.19	603.19	-	-	552.39	552.39
Feb-26	-	-	88.04	88.04	-	-	14.41	14.41
Mar-26	-	-	26.57	26.57	-	-	-	-
May-26	-	-	1,105.62	1,105.62	-	-	1,020.87	1,020.87
Jun-26	-	-	499.15	499.15	-	-	464.95	464.95
Jul-26	-	-	1,110.47	1,110.47	-	-	1,020.82	1,020.82
Aug-26	-	-	164.37	164.37	-	-	16.87	16.87
Sep-26	-	-	683.66	683.66	-	-	-	-
Oct-26	-	-	415.03	415.03	-	-	-	-
Nov-26	-	-	754.06	754.06	-	-	-	-
Dec-26	-	-	964.87	964.87	-	-	30.97	30.97
Jan-27	-	-	674.59	674.59	-	-	-	-
Feb-27	-	-	762.18	762.18	-	-	-	-
Mar-27	-	-	970.16	970.16	-	-	-	-
Apr-27	-	-	595.88	595.88	-	-	-	-
May-27	-	-	811.73	811.73	-	-	-	-
Jun-27	-	-	93.87	93.87	-	-	-	-
Aug-27	-	-	855.51	855.51	-	-	-	-
Feb-30	263.40	276.34	-	539.74	263.40	276.34	-	539.74
	<b>707.33</b>	<b>677.83</b>	<b>23,923.74</b>	<b>25,308.90</b>	<b>707.33</b>	<b>677.83</b>	<b>20,977.92</b>	<b>22,363.08</b>

Add: interest accrued but not due\*\*

45.05

37.22

Less: unamortised issuance cost

(24.14)

(34.96)

**25,329.81**

**22,365.34**

\* MLD represents market linked debentures. The interest rate is linked to the performance of the underlying benchmark and is fluctuating in nature.

\*\* Interest is payable on next interest payment date for respective ISINs.



**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**16.A Maturity profile and rate of interest of debt securities are set out below:**

**II Commercial Paper:**

<b>Month</b>	<b>Rate of Interest</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Apr-23	7.50%		50.00
May-23	9.25%		700.00
Apr-24	8.50%	200.00	
Apr-24	8.82%	250.00	
Apr-24	9.46%	180.00	
Jun-24	9.25%	2,000.00	
Aug-24	9.58%	1,000.00	
Sep-24	9.00%	250.00	
Nov-24	9.75%	1,250.00	
Jan-25	9.89%	1,000.00	
Less: unamortised Discount		(235.43)	(10.41)
		<b>5,894.57</b>	<b>739.59</b>

**16.B Details of debt securities:**

**Redeemable non-convertible debentures - secured**

**Public issue:**

Debentures are secured by way of a charge in favour of the Debenture Trustee on present and/or future receivables and/or pari passu charge on an identified immovable property of the Company as may be decided mutually by our Company and the Debenture Trustee.

**Market linked debentures:**

Market linked debentures are secured by first charge / pari passu charge, as the case may be, on property and on present & future receivables, loans, securities, investments & other financial assets.

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

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**17. Borrowings other than Debt Securities**

*(at amortised cost)*

**Collateralised borrowing and lending obligation and Clearcorp repo order matching system**

659.85                      4,207.70

(Secured by pledge of Government securities and Treasury-bills)

March 31,2024; Repayable on April 02,2024 Interest Payable in range of 7.15% to 7.40% & March 31,2023; Repayable on April 03,2023 Interest Payable in range of 6.75% to 8%)

**Accrued Interest on Repo Borrowing**

0.53                                      0.87

[Secured by pledge of Government securities]

**660.38                                      4,208.57**

Borrowings in India

660.38                                      4,208.57

Borrowings outside India

-    -

**660.38                                      4,208.57**

**18. Subordinated Liabilities**

*(at Amortised Cost)*

**Unsecured**

Preference Shares - privately placed

-    138.27

(i) Subsidiaries

-    -

(ii) Other

-    138.27

**Interest accrued - subordinated liabilities**

-    13.48

**-    151.75**

Subordinated liabilities in India

-    151.75

Subordinated liabilities outside India

-    -

**-    151.75**

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment. The Company and the investor can seek the early redemption of preference shares after 5 years from the date of allotment by giving early redemption notice from May 16 to May 31, every year. In such a case, Company shall redeem preference shares within 30 days of receiving early redemption notice.

In line with the terms, during the year ended March 31, 2024, the Company has redeemed remaining 92,18,000 preference shares on July 18, 2023. Consequently, as required under Companies Act 2013, the Company has also transferred amount of Rs.92.18 millions being the face value of preference shares redeemed, to capital redemption reserve from its free reserves.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>19. Other financial liabilities</b>		
Advances from customers	350.80	585.50
Accrued salaries and benefits	217.22	141.53
Provision for short sales at Fair Value	271.19	141.07
Payable to exchange / clearing house (net)	48.81	-
Other payables	2.83	3.87
	<b>890.85</b>	<b>871.97</b>
<b>20. Current tax liabilities (net)</b>		
Provision for taxation (net)	42.67	131.03
	<b>42.67</b>	<b>131.03</b>
<b>21. Provisions</b>		
Gratuity & Compensated leave absences	18.91	13.40
Others	9.01	9.01
	<b>27.92</b>	<b>22.41</b>
<b>22. Other non-financial liabilities</b>		
Statutory liabilities*	60.78	19.64
Income received in advance	0.87	0.83
Others	3.80	0.18
	<b>65.45</b>	<b>20.65</b>

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

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	As at March 31, 2024		As at March 31, 2023	
	No of shares	Amount	No of shares	Amount
<b>23. Equity share capital</b>				
<b>Authorised :</b>				
Equity Shares of Rs.10 each	4,16,20,000	416.20	4,16,20,000	416.20
Preference shares of Rs 10 each	3,13,80,000	313.80	3,13,80,000	313.80
	<b>7,30,00,000</b>	<b>730.00</b>	<b>7,30,00,000</b>	<b>730.00</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of Rs.10 each	1,14,59,105	114.59	1,14,59,105	114.59
	<b>1,14,59,105</b>	<b>114.59</b>	<b>1,14,59,105</b>	<b>114.59</b>

**23.A Reconciliation of number of shares**

	As at March 31, 2024		As at March 31, 2023	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the period	1,14,59,105	114.59	1,14,59,105	114.59
Shares issued during the period	-	-	-	-
Outstanding at the end of the period	<b>1,14,59,105</b>	<b>114.59</b>	<b>1,14,59,105</b>	<b>114.59</b>

**23.B Terms/rights attached to equity shares :**

The Company has only one class of 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 equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**23.C Shares held by holding/ultimate holding company**

	As at March 31, 2024		As at March 31, 2023	
	No of shares	Amount	No of shares	% holding
<b>Holding company</b>				
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) #	1,14,59,105	100.00%	1,14,59,105	100.00%
	<b>1,14,59,105</b>	<b>100.00%</b>	<b>1,14,59,105</b>	<b>100.00%</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

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

	As at March 31, 2024		As at March 31, 2023	
	No of shares	Amount	No of shares	% holding
<b>Holding company</b>				
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) #	1,14,59,105	100.00%	1,14,59,105	100.00%
	<b>1,14,59,105</b>	<b>100.00%</b>	<b>1,14,59,105</b>	<b>100.00%</b>

# including 6 shares held by nominees of Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)

**23.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.**

**23.F Details of Shareholding of Promoters**

**For year ended March 31, 2024**

Name of Promoter	No. of Shares	% of Total Shares	% Change during the year
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)	1,14,59,105	100%	Nil
PAGAC Esctasy Pte Limited (Ultimate holding company)	-	-	-

**For year ended March 31, 2023**

Name of Promoter	No. of Shares	% of Total Shares	% Change during the year
Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)	1,14,59,105	100%	Nil
PAGAC Esctasy Pte Limited (Ultimate holding company)	-	-	-

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**24. Other Equity**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
a. Capital redemption reserve	323.51	231.33
b. Securities Premium Reserve	5,086.37	5,086.37
c. Statutory Reserve	1,396.96	1,223.08
d. Retained Earnings	1,634.33	1,009.69
e. Deemed capital contribution - Equity	-	15.18
	<b>8,441.17</b>	<b>7,565.65</b>

**A. Nature and purpose of Reserves**

**a. Capital redemption reserve**

The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**b. 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 such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**c. Statutory Reserve**

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**d. Retained Earnings**

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

**e. Deemed capital contribution - Equity**

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

**24. Other Equity (continued)**

**B. Movement in Other Equity**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>I. Capital redemption reserve</b>		
Opening Balance	231.33	230.33
Add : Additions during the year	92.18	1.00
	<b>323.51</b>	<b>231.33</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**II. Securities Premium Reserve**

Opening Balance	5,086.37	5,086.37
Add : Premium received on issue of equity shares	-	-
	<b>5,086.37</b>	<b>5,086.37</b>

**III. Statutory Reserve**

Opening Balance	1,223.08	1,079.57
Add : Addition during the year	173.88	143.51
	<b>1,396.96</b>	<b>1,223.08</b>

**IV. Retained Earnings**

Opening Balance	1,009.69	437.99
Add: Profit / (loss) for the period	869.42	717.55
Add: Other Comprehensive Income	0.58	(4.85)
Add: ESOPs cost Reversed	5.52	3.51
Add : Deemed Capital Contribution - Equity	15.18	-

<b>Amount available for appropriation (a)</b>	<b>1,900.39</b>	<b>1,154.20</b>
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Appropriations:		
Transfer to Statutory Reserve	(173.88)	(143.51)
Transfer to Capital Redemption Reserve	(92.18)	(1.00)

<b>Appropriations (b)</b>	<b>(266.06)</b>	<b>(144.51)</b>
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<b>Total V - (a - b)</b>	<b>1,634.33</b>	<b>1,009.69</b>
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**V. Deemed capital contribution - Equity**

Opening Balance	15.18	15.18
Transfer to Retained Earnings	(15.18)	-
	-	<b>15.18</b>

<b>Total = (I+II+III+IV+V)</b>	<b>8,441.17</b>	<b>7,565.65</b>
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**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>25. Interest Income</b>		
<b>On Financial assets measured at amortised cost</b>		
Interest income on Loans	2,882.70	2,460.31
Interest income on fixed deposits with Bank	1.35	15.93
Interest income from debt securities held for maturity	76.73	24.06
Other interest income		
- On margin with brokers	1.07	1.08
- On CBLO & others	31.72	16.19
<b>On Financial assets measured at fair value through profit or loss</b>		
Interest income from debt securities held for trading	404.07	282.53
	<b>3,397.64</b>	<b>2,800.10</b>
<b>26. Dividend Income</b>		
Dividend on securities held for trading	6.86	8.22
	<b>6.86</b>	<b>8.22</b>
<b>27. Fee income</b>		
Service transferred at a point in time:		
Advisory Fees	290.00	184.87
	<b>290.00</b>	<b>184.87</b>
<b>28. Net gain/(loss) on fair value changes</b>		
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
On securities held for trading	1,598.41	1,419.03
On derivative financial instrument	177.10	122.15
	<b>1,775.51</b>	<b>1,541.18</b>
<b>Fair value changes</b>		
Realised	1,847.11	1,521.91
Unrealised	(71.60)	19.27
	<b>1,775.51</b>	<b>1,541.18</b>
<b>29. Other income</b>		
Profit on sale of property, plant and equipment (net)	-	1.88
Interest on income tax refund	-	3.40
Other	0.14	0.14
	<b>0.14</b>	<b>5.42</b>



**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>30. Finance costs</b>		
<b>On Financial Liabilities measured at Amortised Cost</b>		
Interest on borrowings		
- Interest on collateralised borrowing and lending operations	226.41	134.20
- Discounting charges on commercial Papers	415.05	216.67
Interest on debt securities		
- Interest on debentures (public issue)	152.60	187.99
- Interest on market linked debentures	1,795.63	1,605.92
Interest on subordinated liabilities		
- Dividend on preference shares	4.03	13.51
Other interest expense		
- Finance and bank charges	125.36	26.47
- Collateralised borrowing and lending charges	13.43	5.64
	<b>2,732.51</b>	<b>2,190.40</b>
<b>31. Impairment on financial instruments</b>		
<b>Expected credit loss</b>		
Loans	32.80	11.22
Receivables	3.34	3.48
Security Deposits	-	0.25
Investments/ Securities held for Trading	4.16	
Bad Debts /write back	2.58	0.67
	<b>42.88</b>	<b>15.62</b>
<b>32. Employee benefits expense</b>		
Salaries, wages and bonus	803.04	626.77
Contribution to provident and other funds	38.72	32.22
Expense on share based payments	7.43	11.31
Staff welfare expenses	31.60	15.40
	<b>880.79</b>	<b>685.70</b>

**Notes:**

Nuvama Wealth Management Limited ("NWML") (formerly known as Edelweiss Securities Limited) has Employee Stock Option Plans (ESOP) and Edelweiss Financial Services Limited (Company having significant influence over the holding company till March 30, 2023, "EFSL") has Employee Stock Option Plans (ESOP) & Stock Appreciation Rights Plans (SAR) in force. Based on such ESOP/SAR schemes, NWML and EFSL has granted an ESOP/SAR option to acquire equity shares of NWML and EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, NWML and EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised amount of Rs. 7.43 million and the same is disclosed under the employee benefit expense.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**32. Employee benefits expense (continued)**

**a) Defined contribution plan - provident funds**

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

Amount of Rs.28.24 millions (March 31,2023: Rs. 23.72 millions) is recognised as expenses and included in "Employee benefits expense".

**b) Defined benefit plan - gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date.

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

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Present Value of DBO at Start of the year</b>	<b>60.06</b>	<b>53.27</b>
<i>Service Cost</i>		
a. Current Service Cost	8.55	7.16
b.Past Service Cost	-	-
c.Loss/(Gain) from Settlement	-	-
Interest Cost	4.51	2.82
Benefits Paid	(3.96)	(7.63)
<i>Re-measurements</i>		
a.Actuarial Loss/(Gain) from changes in demographic assumptions	-	0.59
b.Actuarial Loss/(Gain) from changed in financials assumptions	0.62	(4.45)
c.Actuarial Loss/(Gain) from experience over last past year	3.11	9.32
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer In / (Out)	3.45	(1.02)
<b>Present Value of DBO at end of the year</b>	<b>76.34</b>	<b>60.06</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**Reconciliation of Fair Value of Plan Assets**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Fair Value of Plan Assets at start of the year</b>	<b>54.92</b>	<b>43.29</b>
<i>Contributions by Employer</i>	9.10	17.61
Benefits Paid	(3.96)	(7.63)
Interest Income Plan Assets	4.09	2.67
<i>Re-measurements</i>	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	4.50	(1.02)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
<b>Fair Value of Plan Assets at end of the year</b>	<b>68.65</b>	<b>54.92</b>
<i>Actual Return on Plan Assets</i>	8.58	1.65
<i>Expected Employer Contributions for the coming year</i>	7.50	5.00

**Expenses recognised in the Profit and Loss Account**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<i>Service Cost</i>		
a.Current Service Cost	8.55	7.16
b.Past Service Cost	-	-
c.Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	0.42	0.15
Changes in foreign exchange rate	-	-
<b>Employer Expenses</b>	<b>8.97</b>	<b>7.31</b>

**Net Liability / (Asset) recognised in the Balance sheet**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Present Value of DBO	76.32	60.06
Fair Value of Plan Assets	68.63	54.92
Liability / (Asset) recognised in the Balance Sheet	7.69	5.14
Funded Status [Surplus/ (Deficit)]	(7.69)	(5.14)
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	-	-
(Liability) / Asset recognised in the Balance Sheet	(7.69)	(5.14)
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities:(Gain)/Loss	3.11	9.32

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**Percentage Break-down of Total Plan Assets**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	99.79%	99.79%
Of which, Unit Linked	99.79%	99.79%
Of which, Traditional/ Non-Unit Linked	-	-
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	0.21%	0.21%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Actuarial assumptions:**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Salary Growth Rate (% p.a)	7.00%	7.00%
Discount Rate (% p.a)	6.90%	7.10%
Withdrawal Rate (% p.a)		
<i>Senior</i>	22.00%	22.00%
<i>Middle</i>	22.00%	22.00%
<i>Junior</i>	22.00%	22.00%
Mortality Rate	LM 2012-14 (Ultimate)	ALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset ) (% p.a)	7.10%	5.40%
Expected weighted average remaining working life (years)	3	3

**Movement in Other Comprehensive Income**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Balance at start of year (Loss)/ Gain</b>	<b>(11.32)</b>	<b>(4.84)</b>
<i>Re-measurements on DBO</i>		
a.Actuarial Loss/(Gain) from changes in demographic assumptions	-	(0.59)
b.Actuarial Loss/(Gain) from changed in financials assumptions	(0.62)	4.45
c.Actuarial Loss/(Gain) from experience over last past year	(3.11)	(9.32)
<i>Re-measurements on Plan Assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	4.50	(1.02)
<i>Re-measurements on asset ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
<b>Balance at end of year (Loss)/ Gain</b>	<b>(10.55)</b>	<b>(11.32)</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**Senitivity Analysis**

<b>DBO increases / (decreases ) by</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1 % Increase in Salary Growth Rate	3.04	2.32
1 % Decrease in Salary Growth Rate	(2.86)	(2.25)
1 % Increase in Discount Rate	(2.84)	(2.23)
1 % Decrease in Discount Rate	3.07	2.34
1 % Increase in Withdrawal Rate	(0.13)	(0.07)
1 % Decrease in Withdrawal Rate	0.13	0.07
Mortality (Increase in expected lifetime by 1 year)	-	-
Mortality (Increase in expected lifetime by 3 year)	0.00	-

*Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous year to the methods and assumptions underlying the*

**Movement in Surplus / (Deficit)**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Surplus / (Deficit) at start of year</b>	<b>(5.14)</b>	<b>(9.98)</b>
Net (Acquisition) / Divestiture		
Net Tranfer (In)/ Out	(3.45)	1.02
<i>Movement during the year</i>	-	-
Current Service Cost	(8.55)	(7.16)
Past Service Cost	-	-
Net Interest on net DBO	(0.42)	(0.16)
Changes in foreign exchange rate	-	-
Re-measurements	0.77	(6.48)
Contributions / Benefits	9.10	17.61
<b>Surplus / (Deficit) at end of year</b>	<b>(7.69)</b>	<b>(5.14)</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>33. Other expenses</b>		
Advertisement and business promotion	2.64	19.82
Auditors' remuneration ( refer note 33.A)	3.22	3.13
Commission and brokerage	163.80	141.42
Communication	8.50	6.46
Directors' sitting fees	5.00	7.36
Insurance	0.42	0.42
Legal and professional fees	33.71	25.29
Printing and stationery	0.51	0.47
Rates and taxes	0.02	0.06
Rent ( refer note 33.C)	90.17	69.13
Repairs and maintenance	0.05	0.14
Electricity charges	0.03	-
Computer expenses	55.40	55.31
Computer software	14.13	10.07
Corporate social responsibility ( refer note 33.B)	11.15	6.72
Clearing & custodian charges	12.49	15.38
Dematerialisation charges	1.85	0.95
Rating support fees	5.01	7.55
Loss on sale of of fixed assets	0.18	-
Membership and subscription	8.86	3.22
Office expenses	19.34	49.41
Postage and courier	0.39	0.38
ROC Expenses	0.02	0.02
Securities transaction tax	80.27	91.72
Seminar & Conference	-	0.07
Goods & Service tax expenses	47.94	63.37
Stamp duty	15.09	15.33
Stock exchange expenses	35.07	45.44
Travelling and conveyance	35.90	29.79
Miscellaneous expenses	0.13	1.10
Outside Services - Others	5.77	3.32
	<b>657.06</b>	<b>672.85</b>
<b>33.A Auditors' remuneration:</b>		
<b>As a Auditor</b>		
Audit fees	1.15	1.00
Limited Review	1.28	1.20
Other services including certification work	0.63	0.85
Reimbursement of expenses	0.16	0.08
	<b>3.22</b>	<b>3.13</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**33.B Details of CSR Expenditure:**

<b>Amount required to be spent by the company during the year</b>		11.15	6.72
Amount of expenditure incurred		11.15	6.72
Shortfall at the end of the year		-	-
Total of Previous Year's shortfall		-	-
Reason for shortfall		NA	NA
Nature of CSR activities	(i)- Education (ii)- Women Empowerment	(i)- Education (ii)- Livelihood (iii)- Women Empowerment	
<b>Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard</b>		11.15	6.72
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately		NA	NA

**33.C Operating leases**

The Company has taken premises on operating lease. Rental expenses for the year aggregated to Rs. 77.91 million (March 31, 2023 Rs.61.61 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

**33.D Cost sharing**

Nuvama Wealth Management Limited (Formerly known as Edelweiss Services Limited), being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies (if any) are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 32 and 33 include reimbursements paid and are net of the reimbursements received based on the management's best estimate for which details are available in Note- 40.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**34. Income Tax**

**34.A Component of Income Tax Expenses**

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Current tax	334.47	274.28
Adjustment in respect of current income tax of prior years	(3.73)	(23.29)
Deferred tax relating to temporary differences	(44.67)	5.02
<b>Total Tax Charge for the year</b>	<b>286.07</b>	<b>256.01</b>
Current Tax	330.74	250.99
Deferred Tax	(44.67)	5.02

**34.B Reconciliation of total tax charge**

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>Profit / (Loss) before Taxes</b>	<b>1,155.49</b>	<b>973.56</b>
Statutory Income Tax rate	25.17%	25.17%
<b>Tax Charge at Statutory Rate</b>	<b>290.81</b>	<b>245.03</b>
Adjustment in respect of current income tax of prior years	(3.73)	(28.18)
<b>Non deductible expenses</b>		
Dividend on Preference shares	1.01	3.40
Interest on shortfall of advance tax	2.42	(0.56)
Donation expense	2.81	1.69
Adjustment in respect of deferred tax asset on prior years	-	39.51
Others	(7.25)	(4.88)
<b>Total tax expenses reported in Statement of Profit and Loss</b>	<b>286.07</b>	<b>256.01</b>
<b>Effective Income Tax Rate</b>	<b>24.76%</b>	<b>26.30%</b>



**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**  
(Currency : Indian rupees in million)

**34.C Movement of Deferred Tax assets/(Liabilities)**

Financial year 2023-24	Movement for the year (2023-24)						As on March 31, 2024
	As on April 1, 2023	Recognised in profit or loss (expense)/Income	Recognised in OCI	Recognised in other equity	Others	Total movement	
<b>Deferred tax assets</b>							
Property, Plant and Equipment & Intangible assets	0.67	(0.44)	-	-	-	(0.44)	0.23
Unrealised loss on Derivatives	41.98	(28.53)	-	-	-	(28.53)	13.45
Employee benefits obligations	2.08	0.75	-	-	-	0.75	2.83
Expected credit loss provision	28.59	9.10	-	-	-	9.10	37.69
Unamortised Processing Fees (EIR)	-	-	-	-	-	-	-
Diminution in value of Investments	-	1.05	-	-	-	1.05	1.05
<b>Deferred tax liabilities</b>							
Fair valuation of investments and securities held for trading - gain in valuation	(15.86)	10.37	-	-	-	10.37	(5.49)
Unrealised gain on derivatives	(53.52)	36.59	-	-	-	36.59	(16.93)
Unamortised Processing Fees (EIR)	(32.04)	15.79	-	-	-	15.79	(16.26)
<b>Deferred tax assets / (Liabilities) (net)</b>	<b>(28.10)</b>	<b>44.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.67</b>	<b>16.57</b>
<b>Financial year 2022-23</b>							
	Movement for the year (2022-23)						
	As on April 1, 2022	Recognised in profit or loss (expense)/Income	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2023
<b>Deferred tax assets</b>							
Property, Plant and Equipment & Intangible assets	1.34	(0.67)	-	-	-	(0.67)	0.67
Unrealised loss on Derivatives	20.44	21.54	-	-	-	21.54	41.98
Employee benefits obligations	1.54	0.54	-	-	-	0.54	2.08
Expected credit loss provision	24.83	3.76	-	-	-	3.76	28.59
Unamortised Processing Fees (EIR)	-	-	-	-	-	-	-
<b>Deferred tax liabilities</b>							
Fair valuation of investments and securities held for trading - gain in valuation	(22.66)	6.80	-	-	-	6.80	(15.86)
Unrealised gain on derivatives	(42.56)	(10.96)	-	-	-	(10.96)	(53.52)
Unamortised Processing Fees (EIR)	(6.00)	(26.04)	-	-	-	(26.04)	(32.04)
<b>Deferred tax assets / (Liabilities) (net)</b>	<b>(23.07)</b>	<b>(5.02)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.02)</b>	<b>(28.10)</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**  
(Currency : Indian rupees in million)

**35. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Net profit / (loss) attributable to Equity holders of the Company (A)	<b>869.42</b>	<b>717.55</b>
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	1,14,59,105.00	1,14,59,105.00
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,14,59,105.00	1,14,59,105.00
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) (B)	<b>1,14,59,105.00</b>	<b>1,14,59,105.00</b>
Basic and diluted earnings per share (in rupees) (A / B)	<b>75.87</b>	<b>62.62</b>

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the end of the year.

**36. Contingent Liability and Capital Commitment:**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

**36.1 Contingent Liability**

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Taxation matters related to income tax for Assessment year 2009-10, 2013-14 and 2014-15 in respect of which appeal is pending	4.04	4.04
Civil Suit pending in High Court of Madras	2.50	-

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 favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, The Company is reasonably certain about sustaining its position in the pending cases, Hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

The Company believes that the outcome of these proceedings, based on preceding year favourable tax order will not have a materially adverse effect on the Company's subsequent assessment orders on the same issues, financial position and results of operations.

**Nuvama Wealth Finance Limited**  
**(Formerly known as Edelweiss Finance & Investments Limited)**  
**Notes to Financial Statements (continued)**  
(Currency : Indian rupees in million)

**36.2 Capital Commitment**

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
a) Uncalled liabilities on non-current investments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.08	0.00

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**37. Segment Reporting**

**Primary Segment (Business segment)**

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

<b>Segment</b>	<b>Activities covered</b>
Wealth management	Wealth Mangement business includes lending against securities , distribution and dealing in financial products.
Capital market	Capital Market business includes debt advisory and related

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.

**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.

**Segment information for the Year ended March 31, 2024**

<b>Particulars</b>	<b>Wealth Management</b>	<b>Capital Market</b>	<b>Unallocated</b>	<b>Total</b>
<b>Segment revenues</b>	4,571.43	895.05	3.67	5,470.15
<b>Segment results</b>	994.42	168.19	(7.13)	1,155.49
<b>Segment assets</b>	39,910.58	2,610.95	164.20	42,685.73
<b>Segment liabilities</b>	31,847.92	2,169.58	112.47	34,129.97

**Segment information for the Year ended March 31, 2023**

<b>Particulars</b>	<b>Wealth Management</b>	<b>Capital Market</b>	<b>Unallocated</b>	<b>Total</b>
<b>Segment revenues</b>	3,992.20	524.24	23.35	4,539.79
<b>Segment results</b>	812.04	154.43	7.09	973.56
<b>Segment assets</b>	34,550.82	5,073.80	148.35	39,772.97
<b>Segment liabilities</b>	27,136.28	4,780.52	175.93	32,092.73

**Nuvama Wealth Finance Limited**  
**(Formerly known as Edelweiss Finance & Investments Limited)**  
**Notes to Financial Statements (continued)**  
(Currency : Indian rupees in million)

**38. Cash Flow Disclosure**

**Change in Liabilities arising from financing activities**

<b>Particulars</b>	<b>As at April 01, 2023</b>	<b>Cash Flows(Net)</b>	<b>Changes in Fair value</b>	<b>Other</b>	<b>As at March 31, 2024</b>
Debt Securities	23,104.93	8,119.45	-	-	31,224.38
Borrowings (other than debt securities)	4,208.57	(3,548.19)	-	-	660.38
Subordinated Liabilities	151.75	(151.75)	-	-	-
	<b>27,465.25</b>	<b>4,419.51</b>	-	-	<b>31,884.76</b>

  

<b>Particulars</b>	<b>As at April 01, 2022</b>	<b>Cash Flows(Net)</b>	<b>Changes in Fair value</b>	<b>Other</b>	<b>As at March 31, 2023</b>
Debt Securities	22,961.91	143.02	-	-	23,104.93
Borrowings (other than debt securities)	1,059.63	3,148.94	-	-	4,208.57
Subordinated Liabilities	153.40	(1.65)	-	-	151.75
	<b>24,174.94</b>	<b>3,290.31</b>	-	-	<b>27,465.25</b>

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**39. Maturity Analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	1,374.43	-	1,374.43	1,597.79	-	1,597.79
Bank balances other than cash and cash equivalents	22.21	-	22.21	20.10	-	20.10
Derivative financial instruments	1,356.37	823.51	2,179.88	1,527.14	1,475.89	3,003.03
Securities held for trading	6,113.86	-	6,113.86	8,802.01	-	8,802.01
Trade receivables	197.19	-	197.19	2,511.61	0.67	2,512.28
Other receivables	0.39	-	0.39	2.58	-	2.58
Loans	30,611.69	-	30,611.69	21,805.18	637.85	22,443.03
Investments	984.92	-	984.92	975.64	-	975.64
Other financial assets	946.26	69.58	1,015.84	172.21	79.25	251.46
<b>Non-financial assets</b>						
Current tax assets (net)	-	138.61	138.61	-	137.69	137.69
Deferred tax assets (net)	16.57	-	16.57	-	-	-
Property, Plant and Equipment	-	2.51	2.51	-	2.62	2.62
Other Intangible assets	-	0.29	0.29	-	1.17	1.17
Other non- financial assets	11.12	16.22	27.34	7.22	16.35	23.57
<b>Total Assets</b>	<b>41,635.01</b>	<b>1,050.72</b>	<b>42,685.73</b>	<b>37,421.48</b>	<b>2,351.49</b>	<b>39,772.97</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	875.75	197.44	1,073.19	485.31	224.42	709.73
Trade payables	145.13	-	145.13	2,843.59	-	2,843.59
Debt securities	11,546.83	19,677.55	31,224.38	8,256.44	14,848.49	23,104.93
Borrowings (other than debt securities)	660.38	-	660.38	4,208.57	-	4,208.57
Subordinated Liabilities	-	-	-	151.75	-	151.75
Other financial liabilities	890.85	-	890.85	871.97	-	871.97
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	42.67	-	42.67	115.83	15.20	131.03
Provisions	11.22	16.70	27.92	8.26	14.15	22.41
Deferred tax liabilities (net)	-	-	-	28.10	-	28.10
Other non-financial liabilities	64.38	1.07	65.45	19.64	1.01	20.65
<b>Total Liabilities</b>	<b>14,237.21</b>	<b>19,892.76</b>	<b>34,129.97</b>	<b>16,989.46</b>	<b>15,103.27</b>	<b>32,092.73</b>
<b>Net Assets</b>	<b>27,397.80</b>	<b>(18,842.04)</b>	<b>8,555.76</b>	<b>20,432.03</b>	<b>(12,751.78)</b>	<b>7,680.24</b>

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

(Currency : Indian rupees in millions)

**40. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :****i. List of related parties and relationship For Financial Year 2023-24:**

<b>Relationship</b>	<b>Name of related parties</b>
<b>Ultimate Holding Company</b>	PAGAC Ecstasy Pte Limited
<b>Holding Company</b>	Nuvama Wealth Management Limited ( formerly Edelweiss Securities Limited)
<b>Fellow entity of the ultimate Holding Company</b>	Asia Pragati Strategic Investment Fund
<b>Fellow Subsidiaries (with whom transaction have taken place during FY 2023-24)</b>	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)  Nuvama Asset Management Limited (formerly known as ESL Securities Limited) Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) Pickright Technologies Private Limited
<b>Associate of Holding Company (with whom transaction have taken place during FY 2023-24)</b>	Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)
<b>Key Management Personnel and Directors</b>	Mr. Kunnasagaran Chinniah (Independent Director) upto April 20, 2023 Ms. Anisha Motwani (Independent Director) upto February 01, 2024 Mr. Ramesh Abhishek (Non-executive Director) Mr. Nikhil Srivastava (Non-executive Director) Mr. Ashish Kehair (Non- executive Director) Mr. Birendra Kumar (Independent Director) Mr. Kamlesh Vikamsey (Independent Director) w.e.f August 01, 2023 Mr. Tushar Agrawal (Executive Director and Chief Executive Officer) Ms. Akshaya Mishra (Non-executive Director ) w.e.f February 01, 2024 Mr. Sankarson Banerjee (Independent Director ) w.e.f March 15, 2024 Mr. Manishkumar Jain (Chief Financial Officer) Ms. Pooja Doshi (Company Secretary)

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**40. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :****i. List of related parties and relationship For Financial Year 2023-24:**

<b>Relationship</b>	<b>Name of related parties</b>
<b>Key Management Personnel and Directors of Holding Company</b>	Mr. Ashish Kehair (Managing Director and Chief Executive Officer) Mr. Shiv Shegal (Executive Director) Mr. Anthony Miller (Non- executive Director) Mr. Aswin Vikram (Non- executive Director) Mr. Nikhil Srivastava (Non-executive Director) Mr. Ramesh Abhishek (Non-executive Director) Mr. Sujey Subramanian (Non-executive Director) w.e.f November 7, 2022 upto May 1, 2023 Upto May 1, 2023 Ms. Anisha Motwani (Independent Director) Mr. Birendra Kumar (Independent Director) Mr. Kunnasagaran Chinniah (Independent Director) upto May 1, 2023 Mr. Navtej S. Nandra Mr. Sameer Kaji (Independent Director) upto May 1, 2023 Mr. Kamlesh Shivji Vikamsey (Independent Director) (w.e.f May 30, 2023) Mr. Mihir Nanavati (Chief Financial Officer) (w.e.f November 1, 2022) Ms. Pooja Doshi (Company Secretary) w.e.f May 25, 2023 upto July 14, 2023 Ms. Sneha Patwardhan (Company Secretary) w.e.f. July 15, 2023
<b>Relatives of Key Management Personnel and Directors (with whom transaction have taken place during FY 2023-24)</b>	Mr. Pravin Vrindavandas Agrawal Ms. Sarita Pravin Agrawal
<b>Relatives of Key Management Personnel and Directors of Holding Company (with whom transaction have taken place during FY 2023-24)</b>	Ms. Ramya Aswin



**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

(Currency : Indian rupees in millions)

**40. 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 : (Continued)**

**i. List of related parties and relationship For Financial Year 2022-23:**

<b>Relationship</b>	<b>Name of related parties</b>
<b>Ultimate Holding Company</b>	PAGAC Ecstasy Pte Limited (w.e.f March 27, 2021)
<b>Holding Company</b>	Nuvama Wealth Management Limited ( formerly Edelweiss Securities Limited)
<b>Company exercising significant Influence over Holding company*</b>	Edelweiss Financial Services Limited (W.e.f March 27, 2021 till March 30, 2023)
<b>Fellow entity of the ultimate Holding Company (with whom transaction have taken place during FY 2022-23)</b>	Asia Pragati Strategic Investment Fund
<b>Subsidiaries of the entity exercising significant influence over the Company's Holding Company * (with whom transaction have taken place during FY 2022-23)</b>	ECL Finance Limited Ecap Equities Limited (formerly Edel Land Limited) Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) Edelweiss Retail Finance Limited EdelGive Foundation Edelweiss Rural & Corporate Services Limited Edelweiss Tokio Life Insurance Company Limited Zuno General Insurance (formerly Edelweiss General Insurance Company Limited) Edel Investments Limited Edelcap Securities Limited Edel Finance Company Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Alternative Asset Advisors Limited
<b>Fellow Subsidiaries (with whom transaction have taken place during FY 2022-23)</b>	Nuvama Clearing Services Limited (formerly Edelweiss Custodial Services Limited) Nuvama Asset Management Limited (formerly ESL Securities Limited) Nuvama Wealth and Investment Limited ( formerly Edelweiss Broking Limited ) Pickright Technologies Private Limited

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

(Currency : Indian rupees in millions)

**40. 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 : (Continued)****i. List of related parties and relationship For Financial Year 2022-23:**

<b>Relationship</b>	<b>Name of related parties</b>
<b>Key Management Personnel and Directors</b>	Mr. Kunnasagaran Chinniah (Independent Director) w.e.f June 10, 2021 Ms. Anisha Motwani (Independent Director) w.e.f June 10, 2021 Mr. Ramesh Abhishek (Non-executive Director) w.e.f. March 26, 2021 Mr. Nikhil Srivastava (Non-executive Director) w.e.f. March 26, 2021 Ms. Kamala Katharaj (Non-executive Director) w.e.f June 29, 2021 to October 19, 2022 Mr. Ashish Kehair (Non- executive Director) w.e.f January 22, 2022 ( Executive director from October 21, 2021 till January 21,2022) Mr. Birendra Kumar - (Independent Director) w.e.f January 21, 2022 Ms. Pooja Doshi (Company Secretary) Ms. Sheetal Gandhi (Chief Financial Officer) w.e.f June 15, 2021 to July 19, 2022 Mr. Manishkumar Jain (Chief Financial Officer) w.e.f July 20, 2022 Mr. Tushar Agrawal (Executive Director and Chief Executive Officer) Mr. Gaurang Vasudev Tailor (Non-executive Director) w.e.f October 19, 2022 up to March 06, 2023
<b>Key Management Personnel and Directors of Holding Company</b>	Mr. Ashish Kehair (Managing Director & CEO) Mr. Shiv Sehgal (Executive Director) w.e.f. January 11, 2022 Mr. Anthony Miller (Non- Executive Director) Mr. Aswin Vikram (Non- Executive Director) w.e.f. January 11, 2022 Mr. Lincoln Pan (Non-executive Director) w.e.f. July 30, 2021 upto November 7, 2022 Mr. Nikhil Srivastava (Non-executive Director) Mr. Ramesh Abhishek (Non-executive Director) Mr. Rashesh Shah (Non-executive Director) upto March 17, 2023 Mr. Venkatchalam Ramaswamy (Non-executive Director) upto March 17, 2023 Ms. Vidya Shah (Non-executive Director) upto February 8, 2023 Mr. Sujey Subramanian (Non-executive Director) w.e.f November 7, 2022 upto May 1, 2023 Ms. Anisha Motwani (Independent Director) Mr. Birendra Kumar (Independent Director) Mr. Kunnasagaran Chinniah (Independent Director) upto May 1, 2023 Mr. Navtej S. Nandra (Independent Director) Mr. Shivaraman Iyer (Chief Financial Officer) upto October 31, 2022 Mr. Mihir Nanavati (Chief Financial Officer) w.e.f November 1, 2022 Ms. Sonal Tiwari (Company Secretary) w.e.f December 30, 2021 upto November 29, 2022

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**40. 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 : (Continued)**

**i. List of related parties and relationship For Financial Year 2022-23:**

<b>Relationship</b>	<b>Name of related parties</b>
<b>Relatives of Key Management Personnel and Directors (with whom transaction have taken place during FY 2022-23)</b>	Mr. Surendra Mohan Kehair Surendra Mohan Kehair -HUF
<b>Relatives of Key Management Personnel and Directors of Holding Company (with whom transaction have taken place during FY 2022-23)</b>	Ms. Aparna T Chandrashekar ( up to March 17, 2023) Kenai Advisors LLP ( up to March 17, 2023) Mabella Investment Adviser LLP ( up to March 17, 2023)

\*Edelweiss Financial Services Limited holds 30% directly and 44% indirectly along with its subsidiaries. Thus, EFSL was disclosed as a party exercising significant influence over the Company. Further, transactions with its subsidiaries were also disclosed under the above "Subsidiaries of the entity exercising significant influence over the Company's Holding Company". During the financial year ended March 31, 2023, pursuant to the amendment in the shareholders agreement, MOA and AOA of the Company, effective 30th March 2023, EFSL ceases to exercise significant influence over the Company. Accordingly, Transactions with EFSL and its subsidiaries have been disclosed only till March 30, 2023.

**Nuvama Wealth Finance Limited**  
**(Formerly known as Edelweiss Finance & Investments Limited)**

(Currency: Indian Rupees in Millions)

**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
<b>Transactions</b>				
Nuvama Wealth and Investment Limited ( formerly Edelweiss Broking Limited)	Loans given to (refer note 1)	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	59,872.15	72,610.30
	Repayment of loans by (refer note 1)		59,872.15	72,610.30
	Interest income on loan given to		49.76	113.36
	Purchase of securities held for trading from	7,500.00	4,557.67	3,819.45
	Sale of securities held for trading to	7,500.00	4,509.18	5,353.53
	Margin placed with (refer note 2)	As per the requirements of Exchange / clearing house	317.55	-
	Margin refund received from (refer note 2)	,Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	235.88	-
	Interest received on debt instruments from	Maximum outstanding balance should not exceed Rs 4,000 millions at any time during the year subject to CRAR requirements.	5.56	0.56
	Shared premises cost	50.00	30.48	22.82
	Cost reimbursements paid (others)	50.00	0.05	0.02
	Cost reimbursements received (others)		-	2.08
Commission and brokerage paid to	750.00	34.66	92.63	
Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	Loans given to (refer note 1)	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	1,457.50	-
	Repayment of loans by (refer note 1)		1,457.50	-
	Interest income on loan given to		1.32	-
	Cost reimbursements received (others)	50.00	0.33	-
Nuvama Wealth Management Limited ( formerly Edelweiss Securities Limited)	Loans given to (refer note 1)	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	31,375.00	93,063.50
	Repayment of loans by (refer note 1)		31,375.00	93,063.50
	Interest income on loan given to		1.32	76.82
	Margin placed with (refer note 2)	As per the requirements of Exchange / clearing house, Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	821.38	329.70
	Margin refund received from (refer note 2)		811.62	323.75
	Cost reimbursement paid to - Corporate cost allocation	120.00	56.85	99.19
	Shared premises cost	50.00	32.87	10.92
	Other Reimbursements (ESOP) paid to	On actuals, basis fair value of ESOP/SAR based on Black- Scholes model or any other appropriate model.	6.18	9.39
	Cost reimbursements paid (others)	50.00	0.42	3.65
	Other Fees Paid	150.00	1.32	-
	Commission and brokerage paid to	750.00	0.06	0.02
Sale of securities held for trading to		-	639.75	

**Nuvama Wealth Finance Limited**  
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**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
Nuvama Clearing Services Limited (formerly Edelweiss Custodial Services Limited)	Loans given to (refer note 1)	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	12,497.60	-
	Repayment of loans by (refer note 1)		12,497.60	-
	Interest income on loan given to		1.60	-
	Margin placed with (refer note 2)	As per the requirements of Exchange / clearing house	36,628.96	53,229.96
	Margin refund received from (refer note 2)	,Basis actual trades taken Maximum outstanding cash	36,367.02	52,682.37
	Interest received on margin placed with brokers	margin balance should not exceed Rs 20,000 millions at any time during the year.	0.85	1.08
	Shared premises cost	50.00	12.38	27.58
	Cost reimbursements received (others)	50.00	0.01	0.01
	Clearing charges and Stamp duty paid to	50.00	10.23	11.98
	Advisory fee Received		-	25.00
Nuvama Asset Management Limited (formerly ESL Securities Limited)	Loans given to (refer note 1)		-	84.60
	Repayment of loans by (refer note 1)		-	84.60
	Interest income on loan given to		-	0.20
	Other Fees Paid	150.00	47.26	1.96
	Cost reimbursements received (others)^	50.00	0.00	0.86
ECL Finance Limited	Purchases of securities held for trading from		-	478.22
	Sale of securities held for trading to		-	470.18
	Interest received on debt instruments from		-	0.33
Edelweiss Retail Finance Limited	Purchases of securities held for trading from		-	5.69
	Interest received on debt instruments from		-	0.01
Edelweiss Asset Reconstructions Company Ltd	Sale of securities held for trading to		-	0.77
Edel Finance Company Ltd	Sale of securities held for trading to		-	18.84
Ecap Equities Limited (formerly Edel Land Limited)	Sale of securities held for trading to		-	138.49
	Cost reimbursements paid (others)		-	0.17
	Cost reimbursements received (others)		-	0.02
Edelweiss Rural & Corporate Services Limited	Sale of securities held for trading to		-	53.35
	Cost reimbursement paid to - Corporate cost allocation		-	0.71
	Cost reimbursements paid (others)		-	0.01
	Shared premises cost		-	0.10

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(Currency: Indian Rupees in Millions)

**List of related parties transactions and balances**

<b>Name of the related party</b>	<b>Nature of Transactions</b>	<b>Omnibus Approval for FY 2023-24</b>	<b>Value of transaction as on March 31, 2024</b>	<b>Value of transaction as on March 31, 2023</b>
Edel Investments Limited	Margin placed with (refer note 2)		-	36,254.13
	Margin refund received from (refer note 2)		-	38,032.81
	Commission and brokerage paid to		-	16.00
Edelcap Securities Limited	Sale of fixed asset to^		-	0.00
Edelweiss Financial Services Limited	Interest received on debt instruments from		-	2.36
	Corporate Guarantee support fee		-	1.41
	Other Reimbursements (ESOP) paid to		-	1.92
Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	Interest received on debt instruments from		-	0.13
EdelGive Foundation	Contribution towards Corporate Social Responsibility		-	6.72
Zuno General Insurance (formerly Edelweiss General Insurance Company Limited)	Insurance Premium paid		-	12.93
Edelweiss Tokio Life Insurance Company Limited	Insurance Premium paid		-	3.99
Edelweiss Alternative Asset Advisors Limited	Shared premises cost		-	0.19
Tushar Agrawal	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Maximum outstanding loan should not exceed Rs 2,500 million at any time during the year, subject to single borrower limit (SBL) and Group borrower limit (GBL) as per RBI regulations and applicable provisions of Companies Act.	23.98	12.24
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		28.25	23.71
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest		0.67	1.49
	Sale of securities held for trading to	7,500.00	6.82	
	Remuneration to Chief Executive Officer	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	29.12	11.72

**Nuvama Wealth Finance Limited**  
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**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
Shiv Sehgal	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Maximum outstanding loan should not exceed Rs 2,500 million at any time during the year, subject to single borrower limit (SBL) and Group borrower limit (GBL) as per RBI regulations and applicable provisions of Companies Act.	4.73	7.07
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		4.73	19.79
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest^		0.00	0.02
Aparna T Chandrashekar	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	37.86
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	260.92
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest		-	12.31
Mabella Investment Adviser LLP	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	141.38
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	366.54
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest		-	5.80
Kenai Advisors LLP	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	319.82
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	364.32
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest		-	5.81

**Nuvama Wealth Finance Limited**  
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**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
Gaurang Vasudev Tailor	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	12.51
	Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest		-	22.78
	Interest Income on Loan given to KMP, its Relative and its entity in which KMP/ Relative has substantial Interest		-	0.45
Ashish Kehair	Purchase of securities held for trading from	7,500.00	5.00	-
Pravin Vrindavandas Agrawal	Sale of securities held for trading to	7,500.00	1.48	-
Sarita Pravin Agrawal	Sale of securities held for trading to	7,500.00	0.50	-
Pickright Technologies Private Limited	Purchase of securities held for trading from	7,500.00	170.58	-
	Sale of securities held for trading to	7,500.00	20.19	139.14
Surendra Mohan Kehair - HUF	Sale of securities held for trading to		-	1.00
Surendra Mohan Kehair	Sale of securities held for trading to		-	1.02
Others	Remuneration to Key Management Personnel	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	9.79	11.43
Anisha Motwani	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	1.18	1.70
Briendra Kumar	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	1.68	1.90
Ramesh Abhishek	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	1.23	1.96
Kunnasagar Chinniah	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	0.10	1.80
Kamlesh Shivji Vikamsey	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	0.70	-
Sankarson Banerjee	Sitting fees paid to non executive director	As per the provisions of the Companies Act, 2013 and limit approved by shareholders of the company.	0.13	-



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**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
<b>Balances</b>				
Nuvama Wealth and Investment Limited ( formerly Edelweiss Broking Limited)	Trade and Other Payables to	NA	24.44	4.57
	Debt securities held by	NA	38.70	1,245.35
	Securities held for trading - Debentures of	Maximum outstanding balance should not exceed Rs	70.02	54.14
	Accrued interest income on debentures of	4,000 millions at any time during the year subject to CRAR requirements.	0.51	0.20
	Trade & other receivables	NA	0.02	0.54
	Loans given to	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	-	-
	Interest Receivable on Group Loans		3.60	3.04
	Margin Placed with Brokers	As per the requirements of Exchange / clearing house ,Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	304.70	22.70
Nuvama Custodial Services Limited (Formerly Edelweiss Capital Services Limited)	Trade and Other Payables to	NA	-	-
	Trade & other receivables	NA	0.39	-
	Loans given to	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	-	-
	Interest Receivable on Group Loans		-	-
Nuvama Wealth Management Limited ( formerly Edelweiss Securities Limited)	Trade and Other Payables to	NA	14.92	23.98
	Trade & other receivables^	NA	0.00	0.15
	Interest Receivable on Group Loans	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	0.37	3.26
	Margin Placed with Brokers	As per the requirements of Exchange / clearing house, Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	20.00	10.24

**Nuvama Wealth Finance Limited**  
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**List of related parties transactions and balances**

Name of the related party	Nature of Transactions	Omnibus Approval for FY 2023-24	Value of transaction as on March 31, 2024	Value of transaction as on March 31, 2023
Nuvama Clearing Services Limited (formerly Edelweiss Custodial Services Limited)	Trade and Other Payables to	NA	1.26	-
	Trade & other receivables	NA	-	2.44
	Margin Placed with Brokers	As per the requirements of Exchange / clearing house ,Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	330.97	69.14
	Margin Payable to	As per the requirements of Exchange / clearing house ,Basis actual trades taken Maximum outstanding cash margin balance should not exceed Rs 20,000 millions at any time during the year.	-	-
	Interest Receivable on Group Loans	Maximum outstanding loan should not exceed Rs 7,000 millions at any time during the year subject to CRAR requirements and applicable provisions of Companies Act.	1.44	-
Nuvama Asset Management Limited (formerly ESL Securities Limited)	Trade and Other Payables to	NA	8.12	1.16
	Trade & other receivables^	NA	0.00	-
Tushar Agrawal	Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Maximum outstanding loan should not exceed Rs 2,500 million at any time during the year, subject to single borrower limit (SBL) and Group borrower limit (GBL) as per RBI regulations and applicable provisions of Companies Act.	4.62	8.90
	Debt securities held by	NA	1.00	1.00
Pravin Vrindavandas Agrawal	Debt securities held by	NA	1.13	1.13
Sarita Pravin Agrawal	Debt securities held by	NA	3.15	2.65
Ramya Aswin	Debt securities held by	NA	4.00	-
Asia Pragati Strategic Investment Fund	Trade and Other Payables to	NA	-	50.00
Pickright Technologies Private Limited	Trade and Other Payables to	NA	-	0.87
<b>Off Balance sheet Balances</b>				
Asia Pragati Strategic Investment Fund	Liquidity Support taken from		-	5,000.00

^less than Rs. 0.01 million

Note 1 : The intra group Company loans includes loans in the nature of demand loans and revolving credit facility . Loan given/taken to/from parties are disclosed based Actual amount/ given/taken during the reporting period.

Note 2 : Margin palced with and Margin refund received from brokers are disclosed based on Actual amount/ placed/refund during the reporting period.

Note 3 : All above transactions are in the ordinary course of business and are at arms length price.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**  
(Currency : Indian rupees in million)

**41. Capital Management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

**The Pillars of its policy are as follows:**

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
- d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

**Regulatory Capital**

The Company, being an NBFC, has to maintain a minimum capital to risk-weighted asset ratio of 15% in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction DoR.FIN.REC.No. 045/03.10.119/2023-24 dated October 19, 2023 as amended.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**  
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The regulatory capital is computed as below:

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Capital Funds</b>		
Net owned funds (Tier I capital)	8,531.65	7,637.50
Tier II capital	123.20	228.66
<b>Total capital</b>	<b>8,654.85</b>	<b>7,866.16</b>
<b>Total risk weighted assets/ exposures</b>	<b>39,450.52</b>	<b>32,736.91</b>
<b>% of capital funds to risk weighted assets/exposures:</b>		
Tier I capital	21.63%	23.33%
Tier II capital	0.31%	0.70%
Total capital Funds	21.94%	24.03%
Liquidity Coverage Ratio*	1222.18%	127.66%
= $\frac{\text{High Quality Liquid Assets}}{\text{Total Net Cash Flow Amount}}$	$\frac{6,091.38}{498.16}$	$\frac{3,266.79}{2,558.95}$

\*LCR is applicable for the NBFC having asset size more than 5000 Crores. The company compute and disclose LCR with the following ratio to the extent possible.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**42. Fair Value measurement**

**A. Valuation principles**

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

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

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

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

Refer note 2.11 for more details on fair value hierarchy.

**B. Valuation governance framework**

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

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

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

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

<b>As at March 31,2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Embedded derivatives in market-linked debentures	-	-	829.58	829.58
Exchange traded derivatives	134.18	1,290.92	-	1,425.10
Mark to market on interest rate swap	-	-	-	-
<b>Total derivative financial instruments - A</b>	<b>134.18</b>	<b>1,290.92</b>	<b>829.58</b>	<b>2,254.68</b>

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**Financial Assets held for trading**

Government Securities	2,184.89	-	-	2,184.89
Other debt securities	1,202.13	762.05	-	1,964.18
Equity Shares	650.39	2.90	-	653.29
Exchange traded fund units, Mutual fund and AIF units	1,304.94	6.56	-	1,311.50

<b>Total Financial assets held for trading - B</b>	<b>5,342.35</b>	<b>771.51</b>	<b>-</b>	<b>6,113.86</b>
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<b>Total Financial assets measured at fair value (A+B)</b>	<b>5,476.53</b>	<b>2,062.43</b>	<b>829.58</b>	<b>8,368.54</b>
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**Liabilities measured at fair value on a recurring basis**

**Derivative financial instruments**

Embedded derivatives in market-linked debentures	-	-	776.57	776.57
Exchange traded derivatives	79.87	224.97	-	304.84
Mark to market on interest rate swap	-	-	-	-

<b>Total derivative financial instruments</b>	<b>79.87</b>	<b>224.97</b>	<b>776.57</b>	<b>1,081.41</b>
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<b>Total Financial liabilities measured at fair value</b>	<b>79.87</b>	<b>224.97</b>	<b>776.57</b>	<b>1,081.41</b>
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**42. Fair Value measurement(Continued)**

<b>As at March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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**Assets measured at fair value on a recurring basis**

**Derivative financial instruments**

Embedded derivatives in market-linked debentures	-	-	1,568.07	1,568.07
Exchange traded derivatives	1,423.69	79.56	-	1,503.25
Mark to market on interest rate swap	-	3.32	-	3.32

<b>Total derivative financial instruments - A</b>	<b>1,423.69</b>	<b>82.88</b>	<b>1,568.07</b>	<b>3,074.64</b>
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**Financial Assets held for trading**

Government Securities	4,302.07	-	-	4,302.07
Other debt securities	-	1,719.06	-	1,719.06
Equity Shares	455.94	408.03	-	863.97
Exchange traded fund units, Mutual fund and AIF units	1,916.91	-	-	1,916.91
Preference Shares	-	-	-	-

<b>Total Financial assets held for trading - B</b>	<b>6,674.92</b>	<b>2,127.09</b>	<b>-</b>	<b>8,802.01</b>
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<b>Total Financial assets measured at fair value (A+B)</b>	<b>8,098.61</b>	<b>2,209.97</b>	<b>1,568.07</b>	<b>11,876.65</b>
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**Liabilities measured at fair value on a recurring basis**

**Derivative financial instruments**

Embedded derivatives in market-linked debentures	-	-	289.08	289.08
Exchange traded derivatives	279.96	169.33	-	449.29
Mark to market on interest rate swap	-	0.69	-	0.69

<b>Total derivative financial instruments</b>	<b>279.96</b>	<b>170.02</b>	<b>289.08</b>	<b>739.06</b>
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<b>Total Financial liabilities measured at fair value</b>	<b>279.96</b>	<b>170.02</b>	<b>289.08</b>	<b>739.06</b>
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**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**D. Valuation techniques:**

**Government debt securities:**

Government debt securities are financial instruments issued by sovereign governments and include long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

**Debt securities:**

Whilst most of these instruments are standard fixed rate securities, Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not activity traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

**Equity instruments, units of mutual fund and Exchange traded fund units:**

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 2.

**Exchange traded derivatives:**

Exchange traded derivatives includes index/stock options, index/stock futures and the company values these derivatives using exchange-traded prices and categorizes them as level 1 instruments, with the exception of derivatives which are consistently valued internally using observable inputs that are derived from observable market data and form the basis for the valuation and the same are being classified as Level 2.

**Embedded derivative:**

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

The Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 3 instruments.

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

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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**42. Fair Value measurement(Continued)**

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

<b>As at March 31,2024</b>	<b>Embedded options</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net balance</b>
At April 1, 2023	1,568.07	289.08	1,278.99
Issuances	1,120.37	164.78	955.59
Settlements	(4.66)	(70.05)	65.39
Change in Value of the Options	(1,854.20)	392.76	(2,246.96)
<b>At March 31, 2024</b>	<b>829.58</b>	<b>776.57</b>	<b>53.01</b>

  

<b>As at March 31,2023</b>	<b>Embedded options</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net balance</b>
At April 1, 2022	777.87	88.91	688.96
Issuances	517.10	196.47	320.63
Settlements	(0.00)	-	(0.00)
Change in Value of the Options	273.10	3.70	269.40
<b>At March 31, 2023</b>	<b>1,568.07</b>	<b>289.08</b>	<b>1,278.99</b>



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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**42. Fair Value measurement(Continued)**

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

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

Type of Financial Instruments	Fair value of Assets as on March 31, 2024	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Embedded derivatives (net)	53.01	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	22,326.90	5% increase in Nifty Index curve	280.00	5% Decrease in Nifty Index curve	(410.00)
			Underlying discount rate	4.50% to 6.5%	1% increase in Risk-adjusted discount rate	110.00	1% Decrease in Risk-adjusted discount rate	(130.00)
			Gold level	67,677.00	5% increase in Gold	17.10	5% Decrease in Gold	(38.50)
			Underlying discount rate	4.50% to 6.5%	1% increase in Risk-adjusted discount rate	37.80	1% Decrease in Risk-adjusted discount rate	(34.90)
Type of Financial Instruments	Fair value of Assets as on March 31, 2023	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Embedded derivatives (net)	1,278.99	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	17,442.60	5% increase in Nifty Index curve	419.50	5% Decrease in Nifty Index curve	(474.30)
			Underlying discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	165.30	1% Decrease in Risk-adjusted discount rate	(175.80)

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**42. Fair Value measurement(Continued)**

**H. Fair value of financial instruments not measured at fair value:**

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

**I. Valuation Methodologies of Financial Instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

**Short Term Financial Assets and Liabilities**

Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables, Borrowings (other than debt securities) approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financials assets and other financial liabilities is not significant in each of the years presented.

Current rate of dividend of 14.625% p.a on Cumulative and redeemable preference shares is in line with market rate. Hence carrying amount is reasonable approximation of their fair value.

**Financial assets at amortised cost**

The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

**Issued Debt**

The fair value of issued debt is estimated by a discounted cash flow model.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**43. Risk Management**

**43.A Introduction and risk profile**

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

**43.B Risk Management Structure**

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Company centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**43.C Risk mitigation and risk culture**

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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**43.D Types of Risks**

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
43.D.1	<b>Credit risk</b> Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
43.D.2	<b>Liquidity risk</b> Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows.  Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio  Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.  Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company.
43.D.3	<b>Market risk</b> Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios.	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.  Monitored using measures, including the sensitivity of net interest income.  Managed using risk limits approved by the risk management committee.

**43.D.1 Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

**Derivative financial Instruments:**

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

**Impairment Assessment:**

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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

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

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

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future
- 3) Time value of money

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

**Significant increase in credit risk (SICR)**

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

**Probability of Default**

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

**Loss Given Default (LGD)**

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

**Exposure at Default (EAD)**

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

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**43. Risk Management (continued)**

**43.D.1 Credit Risk (continued)**

**Collateral and other credit enhancements**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are pledge over marketable securities such as equity shares, mutual fund units, bonds, AIF units etc. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	<b>Maximum exposure to credit risk</b>		<b>Principal type of collateral</b>
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
<b>Financial Assets</b>			
Cash and cash equivalents	1,374.43	1,597.79	
Bank balances other than cash and cash equivalents	22.21	20.10	
Derivative financial instruments	2,179.88	3,003.03	
Securities held for trading	6,113.86	8,802.01	The Company invest in highly liquid Central/State Government securities, high rated Corporate Bonds, Equity Shares & marketable securities.
Trade receivables	197.19	2,512.28	These are receivables mainly from Clearing houses and receivable towards Fees income
Other receivables	0.39	2.58	Receivable from related party.
<b>Loans</b>			
Corporate credit	5.39	6.27	Receivable from related party.
Retail Credit	30,606.30	22,436.76	Loan provided against collateral of Equity shares, mutual fund units, Bonds, AIF units.
Investments	984.92	975.64	The Company invests in highly liquid Central/State Government securities
Other financial assets	1,015.84	251.46	
<b>Total</b>	<b>42,500.41</b>	<b>39,607.92</b>	

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**43. Risk Management (continued)**

**43.D.2 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.

The Company ensures sufficient Liquidity Cushion is maintained in the form of Cash and cash equivalents and Investments in liquid securities. These assets carry minimal credit risk and can be liquidated in a very short period of time. This takes care of immediate obligations while continuing to honour our commitments as a going concern. The Company continues to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity.

The company had access to the following undrawn borrowing facilities and liquidity support at the end of the reporting year

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Liquidity support arrangement by Fellow entity of the ultimate Holding Company	-	5,000.00

**Analysis of financial assets and liabilities by maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31,2024 and March 31,2023. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Gross settled, non-trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

**43.D.2 Liquidity risk (continued)**

**As at March 31, 2024 - Analysis of contractual maturities of financial assets and liabilities**

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
<b>Financial Assets</b>							
(a) Cash and cash equivalents	1,342.95	31.48	-	-	-	-	1,374.43
(b) Bank balances other than cash and cash equivalents	-	-	20.21	2.00	-	-	22.21
(c) Derivative financial instruments	-	1,322.89	0.22	33.26	562.72	260.79	2,179.88
(d) Securities held for trading	-	6,113.86	-	-	-	-	6,113.86
(e) Receivables							
(i) Trade receivables	-	115.69	45.79	35.71	-	-	197.19
(ii) Other receivables	-	0.39	-	-	-	-	0.39
(f) Loans	-	7,093.84	4,977.73	18,540.12	-	-	30,611.69
(g) Investments	-	495.13	489.79	-	-	-	984.92
(h) Other financial assets	-	945.08	-	1.18	-	69.58	1,015.84
<b>Total undiscounted financial assets</b>	<b>1,342.95</b>	<b>16,118.36</b>	<b>5,533.74</b>	<b>18,612.27</b>	<b>562.72</b>	<b>330.37</b>	<b>42,500.41</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	242.60	552.44	80.71	197.44	-	1,073.19
(b) Trade payables	-	145.13	-	-	-	-	145.13
(c) Debt securities	-	3,028.49	5,104.98	3,413.35	16,798.27	2,879.29	31,224.38
(d) Borrowings (other than debt securities)	-	660.38	-	-	-	-	660.38
(e) Subordinated Liabilities	-	-	-	-	-	-	-
(f) Other financial liabilities	-	890.85	-	-	-	-	890.85
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>4,967.45</b>	<b>5,657.42</b>	<b>3,494.06</b>	<b>16,995.71</b>	<b>2,879.29</b>	<b>33,993.93</b>
<b>Total net financial assets / (liabilities)</b>	<b>1,342.95</b>	<b>11,150.91</b>	<b>(123.68)</b>	<b>15,118.21</b>	<b>(16,432.99)</b>	<b>(2,548.92)</b>	<b>8,506.48</b>

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**As at March 31, 2023 - Analysis of contractual maturities of financial assets and liabilities**

	<b>On Demand</b>	<b>Upto 3 Months</b>	<b>3 to 6 Months</b>	<b>6 Months to 1 year</b>	<b>1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
<b>Financial Assets</b>							
(a) Cash and cash equivalents	1,597.79	-	-	-	-	-	<b>1,597.79</b>
(b) Bank balances other than cash and cash equivalents	-	-	20.10	-	-	-	<b>20.10</b>
(c) Derivative financial instruments	-	1,431.64	14.77	80.73	1,124.67	351.22	<b>3,003.03</b>
(d) Securities held for trading	-	8,802.01	-	-	-	-	<b>8,802.01</b>
<b>(e) Receivables</b>							
(i) Trade receivables	-	2,434.86	38.16	38.59	0.67	-	<b>2,512.28</b>
(ii) Other receivables	-	2.58	-	-	-	-	<b>2.58</b>
(f) Loans	-	4,345.25	4,084.43	13,375.51	637.85	-	<b>22,443.03</b>
(f) Investments	-	-	975.64	-	-	-	<b>975.64</b>
(g) Other financial assets	-	169.69	-	2.52	-	79.25	<b>251.46</b>
<b>Total undiscounted financial assets</b>	<b>1,597.79</b>	<b>17,186.03</b>	<b>5,133.10</b>	<b>13,497.35</b>	<b>1,763.19</b>	<b>430.47</b>	<b>39,607.92</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	457.84	-	27.47	224.42	-	<b>709.73</b>
(b) Trade payables	-	2,843.59	-	-	-	-	<b>2,843.59</b>
(c) Debt securities	-	4,689.14	130.90	3,436.40	11,774.73	3,073.76	<b>23,104.93</b>
(d) Borrowings (other than debt)	-	4,208.57	-	-	-	-	<b>4,208.57</b>
(e) Subordinated Liabilities	-	13.48	138.27	-	-	-	<b>151.75</b>
(f) Other financial liabilities	-	871.97	-	-	-	-	<b>871.97</b>
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>13,084.59</b>	<b>269.17</b>	<b>3,463.87</b>	<b>11,999.15</b>	<b>3,073.76</b>	<b>31,890.54</b>
<b>Total net financial assets / (liabilities)</b>	<b>1,597.79</b>	<b>4,101.44</b>	<b>4,863.93</b>	<b>10,033.48</b>	<b>(10,235.96)</b>	<b>(2,643.29)</b>	<b>7,717.38</b>

In the above table, cash flows have been considered basis contractual maturities of respective assets and liabilities. The Surplus funds so available on repayments of aforementioned loans granted, shall be used to create further loan book.



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**43. Risk Management (continued)**

**43.D.2 Liquidity risk (continued)**

**Financial assets available to support future funding**

Following table sets out the availability of Company's financial assets to support funding

As at March 31, 2024	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	
a) Cash and cash equivalent including bank balance	-	-	1,374.43	-	1,374.43
b) Bank balances other than cash and cash equivalents	22.21	-	-	-	22.21
c) Derivative financial instruments	-	-	-	2,179.88	2,179.88
d) Securities held for trading	2,390.41	-	3,723.45	-	6,113.86
e) Trade receivables	-	-	-	197.19	197.19
f) Other receivables	-	-	-	0.39	0.39
g) Loans	-	25,329.81	5,281.88	-	30,611.69
h) Investments	-	-	984.92	-	984.92
i) Other financial assets	-	-	655.66	360.18	1,015.84
j) Property, Plant and Equipment	-	2.03	-	0.48	2.51
k) Other non- financial assets	-	-	-	27.34	27.34
<b>Total assets</b>	<b>2,412.62</b>	<b>25,331.84</b>	<b>12,020.34</b>	<b>2,765.46</b>	<b>42,530.26</b>
<b>As at March 31, 2023</b>					
	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	
a) Cash and cash equivalent including bank balance	-	-	1,597.79	-	1,597.79
b) Bank balances other than cash and cash equivalents	20.10	-	-	-	20.10
c) Derivative financial instruments	-	-	-	3,003.03	3,003.03
d) Securities held for trading	5,096.00	-	3,706.01	-	8,802.01
e) Trade receivables	-	585.95	-	1,926.33	2,512.28
f) Other receivables	-	-	-	2.58	2.58
g) Loans	-	22,365.33	77.70	-	22,443.03
h) Investments	490.19	-	485.45	-	975.64
i) Other financial assets	-	-	166.74	84.72	251.46
j) Property, Plant and Equipment	-	2.14	-	0.48	2.62
k) Other non- financial assets	-	-	-	23.57	23.57
<b>Total assets</b>	<b>5,606.29</b>	<b>22,953.42</b>	<b>6,033.69</b>	<b>5,040.71</b>	<b>39,634.11</b>

**Notes :**

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

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

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**43. Risk Management (continued)**

**43.D.3 Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analysis.

**Total market risk exposure**

Particulars	As at March 31, 2024			Primary risk sensitivity
	Carrying Amount	Traded Risk	Non traded risk	
<b>Financial Assets</b>				
Cash and cash equivalents	1,374.43	-	1,374.43	Interest rate risk
Bank balances other than cash and cash equivalents	22.21	-	22.21	Interest rate risk
Derivative financial instruments	2,179.88	2,179.88	-	Price risk , Interest rate risk
Securities held for trading	6,113.86	6,113.86	-	Price risk , Interest rate risk
Trade receivables	197.19	-	197.19	
Other receivables	0.39	-	0.39	
Loans	30,611.69	-	30,611.69	Interest rate risk
Investments	984.92	984.92	-	Price risk , Interest rate risk
Other financial assets	1,015.84	-	1,015.84	
<b>Total Financial Assets</b>	<b>42,500.41</b>	<b>9,278.66</b>	<b>33,221.75</b>	
<b>Financial Liabilities</b>				
Derivative financial instruments	1,073.19	1,073.19	-	Price risk , Interest rate risk
Trade payables	145.13	-	145.13	
Debt securities	31,224.38	-	31,224.38	Interest rate risk
Borrowings (other than debt securities)	660.38	-	660.38	Interest rate risk
Subordinated Liabilities	-	-	-	Interest rate risk
Other financial liabilities	890.85	-	890.85	
<b>Total Financial Liabilities</b>	<b>33,993.93</b>	<b>1,073.19</b>	<b>32,920.74</b>	
<b>As at March 31, 2023</b>				
Particulars	Carrying Amount	Traded Risk	Non traded risk	Primary risk sensitivity
<b>Financial Assets</b>				
Cash and cash equivalents	1,597.79	-	1,597.79	Interest rate risk
Bank balances other than cash and cash equivalents	20.10	-	20.10	Interest rate risk
Derivative financial instruments	3,003.03	3,003.03	-	Price risk , Interest rate risk
Securities held for trading	8,802.01	8,802.01	-	Price risk , Interest rate risk
Trade receivables	2,512.28	-	2,512.28	Interest rate risk (Bond receivable)
Other receivables	2.58	-	2.58	
Loans	22,443.03	-	22,443.03	Interest rate risk
Investments	975.64	975.64	-	Price risk , Interest rate risk
Other financial assets	251.46	-	251.46	
<b>Total Financial Assets</b>	<b>39,607.92</b>	<b>12,780.68</b>	<b>26,827.24</b>	
<b>Financial Liabilities</b>				
Derivative financial instruments	709.73	709.73	-	Price risk , Interest rate risk
Trade payables	2,843.59	-	2,843.59	Interest rate risk (Bond payable)
Debt securities	23,104.93	-	23,104.93	Interest rate risk
Borrowings (other than debt securities)	4,208.57	-	4,208.57	Interest rate risk
Subordinated Liabilities	151.75	-	151.75	Interest rate risk
Other financial liabilities	871.97	-	871.97	
<b>Total Financial Liabilities</b>	<b>31,890.54</b>	<b>709.73</b>	<b>31,180.81</b>	

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**43. Risk Management (Continued)**

**43.E.1 Interest Rate Risk**

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates on linear basis the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at March 31,2024 and March 31,2023.

**43.E.2 Interest rate sensitivity**

**As at March 31, 2024**

	<b>Increase in basis points</b>	<b>Sensitivity of Profit (Loss)</b>	<b>Sensitivity of Equity</b>	<b>Decrease in basis points</b>	<b>Sensitivity of Profit /(Loss)</b>	<b>Sensitivity of Equity</b>
Floating rate loans	25	0.01	-	25	(0.01)	-
Government Securities	25	(5.46)	-	25	5.46	-
Corporate debt securities	25	(4.91)	-	25	4.91	-
Mutual funds& Exchange Traded fund	25	(3.29)	-	25	3.29	-

**As at March 31, 2023**

	<b>Increase in basis points</b>	<b>Sensitivity of Profit /(loss)</b>	<b>Sensitivity of Equity</b>	<b>Decrease in basis points</b>	<b>Sensitivity of Profit /(Loss)</b>	<b>Sensitivity of Equity</b>
Floating rate loans	25	0.02	-	25	(0.02)	-
Government Securities	25	(10.76)	-	25	10.76	-
Corporate debt securities	25	(4.30)	-	25	4.30	-
Mutual funds& Exchange Traded fund	25	(4.79)	-	25	4.79	-

**43.E.3 Price Risk**

The Company's exposure to securities price risk arises from investments held in Equity Shares classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

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

The Company does not have investment in quoted equity shares or mutual fund units of equity oriented funds. Accordingly there is effect on the Company's profitability or equity.

**Nuvama Wealth Finance Limited**  
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**Notes to Financial Statements (continued)**

(Currency : Indian rupees in million)

**As at March 31, 2024**

	<b>Increase in basis points</b>	<b>Sensitivity of Profit/ (Loss)</b>	<b>Sensitivity of Equity</b>	<b>Decrease in basis points</b>	<b>Sensitivity of Profit/ (Loss)</b>	<b>Sensitivity of Equity</b>
<b>Derivative instruments</b>						
Embedded derivative	25	0.13	-	25	(0.13)	-
Exchange traded derivatives	25	2.80	-	25	(2.80)	-
Equity Instrument	25	1.63	-	25	(1.63)	-
Mutual funds& Exchange Traded fund	25	3.29	-	25	(3.29)	-

**As at March 31, 2023**

	<b>Increase in basis points</b>	<b>Sensitivity of Profit /(Loss)</b>	<b>Sensitivity of Equity</b>	<b>Decrease in basis points</b>	<b>Sensitivity of Profit/ (Loss)</b>	<b>Sensitivity of Equity</b>
<b>Derivative instruments</b>						
Embedded derivative	25	3.20	-	25	(3.20)	-
Exchange traded derivatives	25	2.63	-	25	(2.63)	-
Equity Instrument	25	2.16	-	25	(2.16)	-
Mutual funds& Exchange Traded fund	25	4.79	-	25	(4.79)	-

**43.E.4 Prepayment Risk**

Prepayment risk is the risk that the Company will incur a financial loss because its counterparties request repayment earlier or later than expected, such as fixed rate borrowings in the falling interest rate scenario.

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

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**44. Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Master Direction DoR.FIN.REC.No. 045/03.10.119/2023-24 dated October 19, 2023 as amended.

**44.01 Investments (Refer Note 6)**

	As at March 31, 2024	As at March 31, 2023
1) Value of Investments (including securities held for trading) (Refer Note 6 & Note 9)		
i) Gross Value of Investments		
a) In India	7,102.94	9,777.65
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	4.16	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	7,098.78	9,777.65
b) Outside India		
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

**44.02 Derivatives**

**A) Forward Rate Agreement / Interest Rate Swap**

	As at March 31, 2024	As at March 31, 2023
i) The notional principal of swap agreements entered during the year	2,750.00	850.00
ia) The notional principal of swap agreements outstanding (net liability)	-	250.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	0%	0%
v) The fair value of the swap book	-	247.37

@ % of concentration of credit risk arising from swaps with bank.

**B) Exchange Traded Interest Rate (IR) Derivatives**

	As at March 31, 2024	As at March 31, 2023
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	572.06
ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

**C) Qualitative disclosure for Derivatives**

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

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

(Currency : Indian rupees in million)

**D) Quantitative Disclosures**

S.no.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount) For hedging	-	-	-	-
ii)	Marked to Market Positions (Notional Principal Amount)				
	a) Assets (+)	-	-	-	1,250.00
	b) Liability (-)	-	-	-	-1,500.00
iii)	Credit Exposure	-	-	-	-
iv)	Unhedged Exposures	-	-	-	-

**44.03 Capital to Risk Assets Ratio (CRAR)**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
i. CRAR (%)	21.94%	24.03%
ii. CRAR - Tier I Capital (%)	21.63%	23.33%
iii. CRAR -Tier II Capital (%)	0.31%	0.70%
iv. Outstanding amount of Subordinated debt/Preference Shares raised as Tier-II capital	-	151.75
v. Amount raised by issue of Perpetual Debt Instruments	-	-

**44.04 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:**

During the year ended March 31,2024 and March 31, 2023 the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI .

**44.05 Exposure to real estate sector, both direct and indirect;**

	As at	As at
	March 31, 2024	March 31, 2023
<b>A Direct exposure</b>		
<b>i. Residential Mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	-	-
<b>ii. Commercial Real Estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
<b>iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>		
Residential	-	-
Commercial Real Estate	-	-
<b>B Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	81.79	184.98
<b>Total Exposure</b>	<b>81.79</b>	<b>184.98</b>

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

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**44.06 Exposure to Capital Market(Gross)**

	As at March 31, 2024	As at March 31, 2023
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	3,922.41	4,499.94
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	30,729.48	22,527.12
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	5.41	6.30
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
(ix) Financing to stockbrokers for margin trading		
(x) All exposures to Alternative Investment Funds:		
(i) Category I	6.56	
(i) Category II	4.16	
(i) Category III		-
<b>Total exposure</b>	<b>34,668.02</b>	<b>27,033.36</b>

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

(Currency : Indian rupees in million)

**44. Regulatory disclosures - RBI (continued)**

**44.07 Asset Liability Management**

**Maturity pattern of certain assets and liabilities as at March 31, 2024**

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 to 7 days	-	666.49	1781.95	6,111.00	-
8 to 14 days	-	-	858.63	-	-
15 day to 30/31 days	-	883.39	834.77	-	-
Over one month to 2 months	-	181.06	1573.63	-	495.13
Over 2 months to 3 months	-	1,957.93	2044.87	2.86	-
Over 3 months to 6 months	-	5,104.98	4977.73	-	489.79
Over 6 months to 1 year	-	3,413.35	18540.11	-	-
Over 1 year to 3 years	-	16,798.27	-	-	-
Over 3 years to 5 years	-	2,357.00	-	-	-
Over 5 years	-	522.29	-	-	-
<b>Total</b>	-	<b>31,884.76</b>	<b>30,611.69</b>	<b>6,113.86</b>	<b>984.92</b>

**Maturity pattern of certain assets and liabilities as at March 31, 2023**

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 to 7 days	-	4215.17	846.22	8,394.03	-
8 to 14 days	-	-	44.94	-	-
15 day to 30/31 days	-	49.83	812.12	-	-
Over one month to 2 months	-	3128.88	1570.11	-	-
Over 2 months to 3 months	-	1517.30	1071.86	407.98	-
Over 3 months to 6 months	-	269.17	4084.43	-	975.64
Over 6 months to 1 year	-	3436.40	13375.50	-	-
Over 1 year to 3 years	-	11774.73	637.85	-	-
Over 3 years to 5 years	-	2554.47	-	-	-
Over 5 years	-	519.30	-	-	-
<b>Total</b>	-	<b>27,465.25</b>	<b>22,443.03</b>	<b>8,802.01</b>	<b>975.64</b>



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

(Currency : Indian rupees in million)

**44.08 Movements in Non Performing Advances:**

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets(NPAs), Net NPAs and provisions:

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>i) Movement of NPAs (Gross)</b>		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
<b>ii) Movement of Net NPAs</b>		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
<b>iii) Movement of Provisions for NPAs (excluding provision on Standard assets)</b>		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-

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

(Currency : Indian rupees in million)

**44. Regulatory disclosures - RBI (continued)**

**44.09 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.**

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Provisions for depreciation on investment	4.16	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax (net of deferred tax)	286.07	256.01
(iv) Provision for stage 1 / stage 2 assets	32.80	11.22
(v) Other Provision and Contingencies (Provision for doubtful debts)	3.34	3.73

**44.10 Concentration of Deposits, Advances, Exposures and NPAs\***

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A) Concentration of Advances</b>		
Total advances to twenty largest borrowers	11,430.61	10,288.00
Percentage of advances to twenty largest borrowers to total advances	37.19%	45.66%
<b>B) Concentration of Exposures</b>		
Total exposures to twenty largest borrowers / customers	11,430.61	10,288.00
Percentage of exposures to twenty largest borrowers / customers to total exposures	37.19%	45.66%
<b>C) Concentration of NPAs</b>		
Total exposures to top four NPAs	-	-
<b>D) Sector-wise NPAs</b>		
<b>Sectors</b>	<b>Percentage of NPAs to Total Advances in that sector</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

\*Since company is Non- Deposit taking NBFC. Hence Concentration of Deposits disclosure is not applicable.

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

(Currency : Indian rupees in million)

**44.11 Customer Complaints**

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	FY2023-24	FY2022-23
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	0	3
3	Number of complaints disposed during the year	0	3
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0
	<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	3	3
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	2	3
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of	1	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

\* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

**FY 2023-24**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the FY23-24	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the FY 22-23	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Difficulty in Operating Account	-	-	-100%	-	-
Processing Fees and other Charges	-	2.00	-50%	-	-
Others	-	1.00	100%	-	-
<b>Total</b>	-	<b>3</b>	<b>-50%</b>	<b>0</b>	<b>0</b>

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

(Currency : Indian rupees in million)

**FY 2022-23**

<b>Grounds of complaints, (i.e. complaints relating to)</b>	<b>Number of complaints pending at the beginning of the FY22-23</b>	<b>Number of complaints received during the year</b>	<b>% increase/ decrease in the number of complaints received over the FY 21-22</b>	<b>Number of complaints pending at the end of the year</b>	<b>Of 5, number of complaints pending beyond 30 days</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Difficulty in Operating Account	-	2	0%	-	-
Processing Fees and other Charges	-	4	33%	-	-
Others	-	0	-100%	-	-
<b>Total</b>	<b>-</b>	<b>6</b>	<b>0%</b>	<b>0</b>	<b>0</b>

44.12 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil

44.13 The Company has not restructured any loans and advances during the year ended March 31, 2024 and March 31, 2023

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

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

(Currency : Indian rupees in million)

**44. Regulatory disclosures - RBI (continued)**

**44.14** Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

**Liabilities side :**

	As at March 31, 2024		As at March 31, 2023	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures (other than falling within the meaning of public deposits*)				
i) Secured	25,329.81	-	22,365.34	-
ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowings	-	-	-	-
(e) Commercial Paper	5,894.57	-	739.59	-
(f) Other Loans:				
Borrowings (Repo)	660.38	-	4,208.57	-
Preference Share Capital	-	-	151.75	-
(* Please see Note 1 below)				

**Assets side :**

	Amount Outstanding (Gross)	
	As at March 31, 2024	As at March 31, 2023
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
(a) Secured	29,866.17	21,668.20
(b) Unsecured	868.72	865.22
<b>(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>(4) Break-up of Current</b>		
1. <b>Quoted :</b>		
(i) Shares : (a) Equity	650.39	455.95
(b) Preference	-	-
(ii) Debentures and Bonds	1,222.70	1,647.00
(iii) Units of Mutual Funds (Including Exchange traded fund)	28.97	28.46
(iv) Government Securities	3,169.81	5,277.71
(v) Others	-	-

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

(Currency : Indian rupees in million)

**44.14** Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

<b>(4) Break-up of Investments (Continued)</b>	<b>Amount Outstanding (Gross)</b>	
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
2. <u>Unquoted</u> :		
(i) Shares : (a) Equity	2.90	408.03
(b) Preference	-	-
(ii) Debentures and Bonds	741.48	72.06
(iii) Units of Mutual Funds	1,275.96	1,888.45
(iv) Government Securities	-	-
(v) Others (Including Alternate investment fund)	10.72	-
Long Term investments :		
1. <u>Quoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. <u>Unquoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
(a) Warrants	-	-
(b) Units of Fund	-	-
(c) Investment in Security Receipts	-	-
(d) Share Application Money	-	-

**(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:**

**As at March 31, 2024**

<b>Category</b>	<b>Secured</b>	<b>Amount (net of provisions)</b>	
		<b>Unsecured</b>	<b>Total</b>
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Other related parties	4.61	5.39	<b>10.00</b>
2. Other than related parties	29,741.84	859.85	<b>30,601.69</b>

**As at March 31, 2023**

<b>Category</b>	<b>Secured</b>	<b>Amount (net of provisions)</b>	
		<b>Unsecured</b>	<b>Total</b>
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Other related parties	8.87	6.27	15.14
2. Other than related parties	21,572.44	855.45	22,427.89

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

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**44.14** Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	Market value / Break-up or		Book value (net of provisions)	
	31 March 2024	31 March 2023	March 31, 2024	March 31, 2023
1. Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	70.52	54.34	70.52	54.34
(c) Other related parties	-	-	-	-
2. Other than related parties	7,028.26	9,723.31	7,028.26	9,723.31
<b>Total</b>	<b>7,098.78</b>	<b>9,777.65</b>	<b>7,098.78</b>	<b>9,777.65</b>

\*\* As per Ind AS-24 Related Party Disclosures (Refer Note 40)

**(7) Other information**

Particulars	As at	
	March 31, 2024	March 31, 2023
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

**Notes:**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

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

(Currency : Indian rupees in million)

**44.15 Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2024**

<b>Instrument category</b>	<b>CRISIL</b>	<b>Acuite</b>	<b>CARE</b>	<b>Brickworks</b>
(i) Long Term Instruments				
Rating	CRISIL AA-/Stable	NA	AA-; Stable	AA-/ Stable
Amount	10,004.2	NA	12,000	8,500
(ii) Short Term Instruments				
Rating	A1+	NA	A1+	-
Amount	25,500	NA	20,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PPMLD A1+	-	PP-MLD A1+	-
Amount	1,000	-	1,000	-
b. Long Term				
Rating	PPMLD AA- /Stable	-	PP-MLD AA-; Stable	PP-MLD AA-/ Stable
Amount	18,726	-	2,000	4,392

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2023

<b>Instrument category</b>	<b>CRISIL</b>	<b>Acuite</b>	<b>CARE</b>	<b>Brickworks</b>
(i) Long Term Instruments				
Rating	CRISIL AA-/Stable	NA	AA-; Stable	AA-/ Stable
Amount	10,668	NA	14,020	8,500
(ii) Short Term Instruments				
Rating	A1+	NA	A1+	-
Amount	25,000	NA	37,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PPMLD A1+	-	PP-MLD A1+	-
Amount	1,000	-	2,500	-
b. Long Term				
Rating	PPMLD AA- /Stable	-	PP-MLD AA-; Stable	PP-MLD AA-/ Stable
Amount	21,837	-	5,000	4,392



**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

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

(Currency : Indian rupees in million)

**44. Regulatory disclosures - RBI (continued)**

**44.16 Details of transaction with non executive directors**

<b>Sr.</b>	<b>Name of the Non executive director</b>	<b>Nature of Transaction</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
1	Kunnasagaran Chinniah	Sitting Fees	0.10	1.80
2	Birendra Kumar	Sitting Fees	1.67	1.90
3	Anisha Motwani	Sitting Fees	1.17	1.70
4	Ramesh Abhishek	Sitting Fees	1.23	1.96
5	Kamlesh Vikamsey	Sitting Fees	0.70	-
6	Sankarson Banerjee	Sitting Fees	0.13	-

**44.17** The Company has not sold any financial assets to securitisation/reconstruction company during March 31,2024 and March 31, 2023. Hence no disclosure has been made with respect to the same.

**44.18 Unsecured Advances**

Total amount of advances for which intangible securities (such as charge over the rights, licenses, authority, etc.) have been taken, as also the estimated value of such intangible collateral - Nil (Previous year Nil)

**44.19 Impact of prior period items on current year's profit and loss:** Nil (Previous year Nil)

**44.20 Circumstances in which Revenue Recognition has been postponed:** Nil (Previous year Nil)

**44.21 Draw Down from Reserves:** Nil (Previous year Nil)

**44.22 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 -** Nil (Previous year Nil)

**44.23 Details of financing of parent company products -** None (Previous year - none)

**44.24 Off-Balance SPV sponsored -** None (Previous year - none)

**44.25 Registration obtained from other financial sector regulators -** Nil (Previous year Nil)

**44.26 Disclosure of Penalties imposed by RBI and other regulators -** Nil (Previous year - Rs. 0.96 millions)

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

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

44. Regulatory disclosures - RBI (continued)

44.27 Prudential Floor for ECL

As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards

As at March 31, 2024

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross carrying amount as per IND AS	Loss allowances (provisions) as required under IND AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
A	B	C	D	E= C - D	F	G = D - F
<b>Performing assets</b>						
Standard	Stage 1	29,947.56	120.03	29,827.53	120.03	-
	Stage 2	787.33	3.17	784.16	3.17	-
<b>Subtotal (i)</b>		<b>30,734.89</b>	<b>123.20</b>	<b>30,611.69</b>	<b>123.20</b>	<b>-</b>
<b>Non performing assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal (ii)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	29,947.56	120.03	29,827.53	120.03	-
	Stage 2	787.33	3.17	784.16	3.17	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	<b>30,734.89</b>	<b>123.20</b>	<b>30,611.69</b>	<b>123.20</b>	<b>-</b>

As at March 31, 2023

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross carrying amount as per IND AS	Loss allowances (provisions) as required under IND AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
A	B	C	D	E= C - D	F	G = D - F
<b>Performing assets</b>						
Standard	Stage 1	22,525.89	90.36	22,435.53	90.36	-
	Stage 2	7.53	0.03	7.50	0.03	-
<b>Subtotal (i)</b>		<b>22,533.43</b>	<b>90.39</b>	<b>22,443.03</b>	<b>90.39</b>	<b>-</b>
<b>Non performing assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal (ii)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	22,525.89	90.36	22,435.53	90.36	-
	Stage 2	7.53	0.03	7.50	0.03	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	<b>22,533.43</b>	<b>90.39</b>	<b>22,443.03</b>	<b>90.39</b>	<b>-</b>

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

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

(Currency : Indian rupees in million)

**44. Regulatory disclosures - RBI (continued)**

**44.28 Disclosure on liquidity risk**

**i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Number of significant counterparties*	5	4
Amount of borrowings from significant counterparties **	6,089.85	6,300.85
% of Total deposits	NA	NA
% of Total liabilities #	17.84%	19.63%

\* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities. However in case of listed Non convertible debentures single counterparty has only been consider for the purpose of above ratio as the data for group of connected or affiliated counterparties is not available with RTA.

\*\* Represents principal amount

# Total liabilities = Financial Liabilities + Non - Financial Liabilities

**ii) Top 20 large deposits**

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**iii) Top 10 borrowings**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Amount of Borrowings from top 10 lenders*	7,571.85	7,570.85
% of Total Borrowings **	23.75%	27.57%

\* Represents principal amount

\*\* Total borrowings represents debt securities + borrowings (other than debt securities) + subordinated liabilities

**iii) Funding Concentration based on significant instrument/product**

<b>Name of the product</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>Amount</b>	<b>% of Total Liabilities #</b>	<b>Amount</b>	<b>% of Total Liabilities #</b>
<b>Debentures</b>				
Market linked debentures	23,923.74	70.10%	20,977.92	65.37%
Public issue	1,406.07	4.12%	1,387.42	4.32%
Commercial paper	5,894.57	17.27%	739.59	2.30%
<b>Borrowings other than Debt Securities</b>				
Clearcorp Repo Order Matching System (CROM)	660.38	1.93%	4,208.57	13.11%
<b>Subordinated Liabilities</b>				
Preference Shares - privately placed	-	0.00%	151.75	0.47%
<b>Total</b>	<b>31,884.76</b>	<b>93.42%</b>	<b>27,465.25</b>	<b>85.58%</b>

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)****Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

**iv) Stock ratios:**

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Commercial papers</b>		
as a % of total public funds *	18.49%	2.69%
as a % of total liabilities #	17.27%	2.30%
as a % of total assets	13.81%	1.86%
<b>Non-convertible debentures (original maturity of less than one year)</b>		
as a % of total public funds *	0.00%	0.00%
as a % of total liabilities #	0.00%	0.00%
as a % of total assets	0.00%	0.00%
<b>Other short-term liabilities**</b>		
as a % of total public funds*	44.65%	61.86%
as a % of total liabilities #	41.71%	52.94%
as a % of total assets	33.35%	42.72%

\* Total public funds represents debt securities + borrowings (other than debt securities) + subordinated liabilities

\*\* Other Short- term liabilities represent all the liabilities whose residual maturity is less than 12 months

# Total liabilities = Financial Liabilities + Non - Financial Liabilities

**iv) Institutional set-up for liquidity risk management**

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia -

- (a) Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- (b) Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;
- (c) Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and
- (d) Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time.

The Company ensures sufficient Liquidity Cushion is maintained in the form of Cash and cash equivalents and Investments in liquid securities. These assets carry minimal credit risk and can be liquidated in a very short period of time. This takes care of immediate obligations while continuing to honour our commitments as a going concern. The Company continues to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity.

**45. Other disclosures**

**45.01 Details of open interest for derivative instruments**

**45.01(a) Open interest in interest rate derivatives:**

As at March 31, 2024 : Nil

As at March 31, 2023 : Nil

**45.01(b) Open interest rate futures as at March 31, 2024 and March 31, 2023 with exchange : Nil**

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	-	-
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

**45.02 Foreign currency**

Foreign currency transaction during the year ended March 31, 2024 and March 31, 2023

**For year ended March 31,2024**

Nature	Amount in INR (In Millions)
Purchase of Securities	1589.75
Director Sitting Fees	0.10

**For year ended March 31,2023**

Nature	Amount in INR (In Millions)
Purchase of Securities	1498.75
Director Sitting Fees	1.80

**45.03** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2024 (Previous year Rs. Nil).

**45.04** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

**45.05 Sectoral exposure**

Sector	As at March 31, 2024			As at March 31, 2023		
	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Capital Market*	30,734.89	-	0%	22,533.42	-	0%
<b>Total</b>	<b>30,734.89</b>	<b>-</b>	<b>-</b>	<b>22,533.42</b>	<b>-</b>	<b>-</b>

\* This includes exposure towards loans only

**45.06 Intra Group Exposure**

Particulars	As at March 31, 2024	As at March 31, 2023
i) Total amount of intra-group exposures (Refer Note 40)	75.93	60.64
ii) Total amount of top 20 intra-group exposures	75.93	60.64
iii) Percentage of intra-group exposures to total exposure of the NBFC on	0.25%	0.27%

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

Notes to financial statements (continued)

(Currency : Indian rupees in million)

45.1 Related Party Disclosure

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint		Associates/ Joint ventures		Key Management		Relatives of Key		Directors		Relatives of Directors @		Fellow Subsidiaries		Company exercising		Fellow entity of the ultimate		Others*		Total		
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	
Borrowings <sup>#</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits <sup>#</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Placement of deposits <sup>#</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Advances <sup>#</sup>	-	-	-	-	-	-	-	-	4.62	8.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.62	8.90	
Advances <sup>#</sup> (Maximum)	-	-	-	-	-	-	-	-	10.41	20.08	-	-	-	-	-	-	2,469.60	4,000.00	-	-	-	-	-	320.00	-	2,800.01	4,020.08
Investments <sup>#</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	-	
Others*	35.29	37.62	-	-	-	-	-	2,042.56	1.00	1.00	4.28	3.78	-	-	4.00	-	783.77	1,404.16	-	143.68	-	5,050.00	0.39	5,050.00	828.73	6,496.56	
Purchase of fixed/other assets	-	-	-	-	-	-	-	1,146.98	5.00	-	-	-	-	-	-	-	4,728.25	3,819.45	-	10.33	-	-	-	483.91	4,733.25	4,303.35	
Sale of fixed/other assets	-	639.75	-	-	-	-	-	3,977.40	6.82	-	1.98	2.02	-	-	-	-	4,529.37	5,492.67	-	0.15	-	-	-	681.63	4,538.17	6,816.08	
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	162.73	-	-	-	-	0.00	-	
Interest received	1.32	76.82	-	-	-	-	-	4.19	0.67	1.49	-	-	0.00	0.48	-	23.92	57.78	115.20	-	2.22	-	-	1.32	2.83	61.09	220.74	
Borrowing repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,355.00	-	-	-	-	0.00	-	
Loan given	31,375.00	93,063.50	-	-	-	-	-	-	23.98	12.24	-	-	4.73	19.58	-	499.06	72,369.75	72,694.90	-	-	-	-	1,457.50	-	1,05,230.96	1,66,289.28	
Repayment of Loan given	31,375.00	93,063.50	-	-	-	-	-	-	28.25	23.71	-	-	4.73	42.57	-	991.78	72,369.75	72,694.90	-	-	-	-	1,457.50	-	1,05,235.23	1,66,816.46	
Margin Placed with Broker	821.38	329.70	-	-	-	-	-	25,332.00	-	-	-	-	-	-	-	-	36,946.51	53,229.96	-	-	-	-	-	36,254.13	37,767.89	89,813.79	
Margin refund received from Broker	811.62	323.75	-	-	-	-	-	23,496.59	-	-	-	-	-	-	-	-	36,602.90	52,682.37	-	-	-	-	-	38,032.81	37,414.52	91,038.92	
Others transaction*	97.70	123.17	-	-	-	-	-	28.93	38.91	23.15	-	-	5.00	7.36	-	-	135.08	184.93	-	6.52	-	50.00	0.33	44.16	277.03	382.77	

@ Disclosures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

# The outstanding at the year end and the maximum during the year are to be disclosed.

\* Includes all the Balances and transactions on absolute basis with all other related parties.

45.1 Loans to Directors, Senior Officers and relatives of Directors

Particulars	FY24*	FY23*
Directors and their Relatives	4.73	57.44
Entities associated with directors and their relatives	-	461.20
Senior Officers and their relatives	23.98	12.24

\* represents loan disbursed / given during the year (including interest thereon).

**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

**46. Other Statutory Information**

**46.A Relationship with Struck off Companies**

The Company has not entered in any transaction with struck off companies for year ended March 31, 2024 and March 31,2023. Also the related balances as March 31,2024 and March 31,2023 are NIL.

**46.B** The Company, as part of its normal business, grants loans and advances, makes investments, provides guarantees to and accepts borrowings from its customers, other entities and persons. These transactions are part of the Company's normal business and are undertaken in accordance with the guidelines prescribed by the RBI.

Other than the transactions described above, 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 persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**46.C** There are no unrecorded transactions in the books of account, surrendered or disclosed as income during the periods in the tax assessments under the Income Tax Act, 1961.

**46.D** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**46.E** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory

**46.F** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**46.G** 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.

**46.H** The quantitative disclosures as required by RBI circular dated May 05, 2021 for the year ended March 31, 2024 are given below:

Particulars	Individual Borrowers		Small Businesses
	Personal Loans	Business Loans	
(A) Number of requests received for invoking resolution process	-	-	-
(B) Number of accounts where resolution plan has been	-	-	-
(C) Exposure to accounts mentioned at (B) before implementation	-	-	-
(D) Of (C), aggregate amount of debt that was converted into other	-	-	-
(E) Additional funding sanctioned, if any, including between	-	-	-
(F) Increase in provisions on account of the implementation of the	-	-	-



**Nuvama Wealth Finance Limited (Formerly known as Edelweiss Finance & Investments Limited)**

**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

47. 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.
48. Disclosures under Schedule III to the Companies Act, 2013, and Indian Accounting Standards have been made to the extent applicable to the Company.
49. Previous year figures has been restated/regrouped wherever necessary.

As per our report of even date attached.

**For Chokshi & Chokshi LLP**

Chartered Accountants

ICAI Firms Registration Number: 101872W/W100045

**Anish Shah**

Partner

Membership No: 048462

Mumbai

May 09, 2024

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

**Tushar Agrawal**

Executive Director & Chief

Executive Officer

DIN: 08285408

**Manishkumar Jain**

Chief Financial Officer

PAN: AHCPJ7436Q

Mumbai

May 09, 2024

**Ashish Kehair**

Non-Executive

Director

DIN: 07789972

**Pooja Doshi**

Company Secretary

PAN: AMLPD8022C

**Nikhil K**

Non-

Executive

DIN: 7301