

Independent Auditors' Report

To the Members of Edelweiss Investment Adviser Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Edelweiss Investment Adviser 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.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive loss, 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 (the '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.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

Management's Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and



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

In preparing the financial statements, management and Board of Directors are 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.

The Board of Directors is 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
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 loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 64 (A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

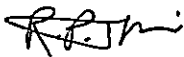


with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 64 (B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures 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 period by the Company; and
- vi. Based on our examination which included test checks, the Company has used an 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, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W/W100013



R. P. Soni
Partner
Membership No.:104796



UDIN: 24104796BKB EYM6204

Place: Mumbai
Date: May 08, 2024

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Investment Adviser Limited ('the Company') on the financial statements for the year ended March 31, 2024, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Property.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment including investment properties are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2024.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company has conducted physical verification of inventory on the basis of vault register in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided any loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made during the year are prima facie not prejudicial to the Company's interest. Further as per the information given by the management, the Company has not granted any loans or advances in the nature of loans, provided any guarantees or given any security during the year.



- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loans and advance in the nature of loans to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except as stated below:

Name of the Entity	Amount (Rs. In millions)	Due Date	Remarks (if any)
Various parties	4,636.94	Various	ECL provision of Rs. 2,717.61 millions made in books

- (d) The following amounts are overdue for more than ninety days from companies, firms, Limited Liability Partnerships and to individual borrowers and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Name of the Entity	Amount (Rs. In millions)	Remarks (if any)
Various parties	4,554.04	ECL provision of Rs. 2,717.61 millions made in books

- (e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the period, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, provident fund, goods and service tax, cess and other statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to Employees' State Insurance, duty of excise, duty of custom, sales tax, service tax, value added tax and cess are currently not applicable to the Company.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of provident fund, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to Employees' State Insurance, duty of excise, duty of custom, sales tax, service tax, value added tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. In Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.11	AY 2015-16	CPC

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



- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to Company.
- (b) The Company has not conducted Non-Banking Financial activities or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has incurred cash losses amounting to Rs. 1,118.43 million in the current year and amounting to Rs. 1,135.99 million in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 65 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, support letters from ultimate holding company, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that



are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 61 to the financial statements.

(b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 61 to the financial statements.

(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxii) of the Order is not applicable to the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W/W100013


R. P. Soni
Partner
Membership No.:104796



UDIN: 24104796BKB EYM6204

Place: Mumbai
Date: May 08, 2024

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Investment Adviser Limited ("the Company")

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 over financial reporting of Edelweiss Investment Adviser Limited ("the Company") as of March 31, 2024 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

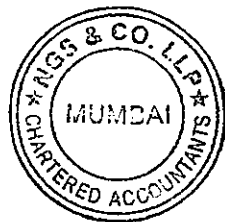
Opinion

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

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W/W100013



R. P. Soni
Partner
Membership No.: 104796



UDIN: 24104796BKB EYM6204

Place: Mumbai
Date: May 08, 2024

Edelweiss Investment Adviser Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non current assets			
(a) Property, Plant and Equipment	7	0.17	0.23
(b) Investment Property	8	465.95	1,331.02
(c) Other Intangible assets	9	5.50	7.98
(d) Financial assets			
(i) Loans	10	1,836.43	1,705.29
(ii) Other financial assets	11	0.25	160.10
(e) Non-Current tax assets (net)	12	79.45	25.32
(f) Deferred tax assets (net)	13	180.60	180.60
(g) Other non-current assets	14	136.57	104.74
		<u>2,704.92</u>	<u>3,515.28</u>
Current assets			
(a) Financial assets			
(i) Investments	15	1,808.22	2,368.65
(ii) Trade receivables	16	-	-
(iii) Cash and cash equivalents	17	7.13	182.14
(iv) Bank balances other than cash and cash equivalents	18	440.54	28.73
(v) Loans	19	-	616.00
(vi) Derivative financial instruments	20	-	-
(vii) Other financial assets	21	42.60	33.37
(b) Current tax assets (net)	22	-	9.69
(c) Other current assets	23	0.04	5.30
		<u>2,298.53</u>	<u>3,243.88</u>
		<u>5,003.45</u>	<u>6,759.16</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	24	1,005.50	1,005.50
(b) Instruments entirely equity in nature	25	5,750.00	5,750.00
(c) Other equity	26	(13,361.94)	(10,954.45)
		<u>(6,606.44)</u>	<u>(4,198.95)</u>
LIABILITIES			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	27 (a)	11,052.60	10,661.89
(b) Other liabilities	28	1.77	1.77
(c) Provision	29	1.24	1.57
		<u>11,055.61</u>	<u>10,665.23</u>
Current liabilities			
(a) Financial liabilities			
(i) Derivative financial instruments	20	-	-
(ii) Borrowings	27 (b)	406.84	191.11
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	30	0.24	0.24
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	30	118.26	63.05
(iv) Other financial liabilities	31	2.21	0.44
(b) Other current liabilities	32	26.38	35.20
(c) Provisions	33	0.35	2.84
		<u>554.28</u>	<u>292.88</u>
		<u>5,003.45</u>	<u>6,759.16</u>
TOTAL EQUITY AND LIABILITIES			

Material accounting policy information and notes forming part of the financial statements.

1 - 66

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

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W/W100013

R. P. Soni
Partner
Membership No.: 104796
Mumbai
08 May 2024

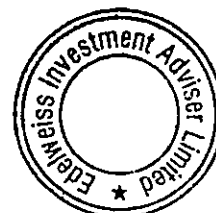


For and on behalf of the Board of Directors

[Signature]
Ravindra Dhobale
Executive Director &
Chief Financial Officer
DIN: 05147051

[Signature]
Tarun Khurana
Director
DIN: 03280026

[Signature]
Chirag Shah
Company Secretary
Mumbai
08 May 2024



Edelweiss Investment Adviser Limited

Statement of Profit and Loss

(Currency : Indian rupees In millions)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations			
Interest income	34	652.36	455.88
Net gain on fair value changes	35	(1,029.59)	(24.88)
Sale of commodities		1,725.76	1,202.42
Total revenue from operations		1,348.53	1,633.42
Other income	36	0.92	3.04
Total Income		1,349.45	1,636.46
Expenses			
Finance costs	37	1,504.30	1,385.83
Impairment on financial instruments	38	160.00	(25.16)
Purchases of commodities		1,725.17	1,201.69
Employee benefits expense	39	10.51	7.14
Depreciation and amortisation	7, 8 & 9	0.33	(136.09)
Other expenses	40	357.01	370.17
Total expenses		3,757.32	2,803.58
Loss before tax		(2,407.87)	(1,167.12)
Tax expense	41	-	(0.21)
Current tax		-	6.29
Deferred tax		-	-
Loss for the year		(2,407.87)	(1,173.20)
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plans (OCI)		0.38	(0.17)
Tax effect on remeasurement gain on defined benefit plans (OCI)		-	-
Other Comprehensive Income		0.38	(0.17)
Total comprehensive income		(2,407.49)	(1,173.37)
Earnings per equity share: (Face value of Rs 10 each):			
Basic (In Rs.)	42	(3.56)	(1.74)
Diluted (In Rs.)		(3.56)	(1.74)

1 - 66

Material accounting policy information and notes forming part of the financial statements.

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

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W/W100013

R. P. Soni
Partner
Membership No.: 104796
Mumbai
08 May 2024



For and on behalf of the Board of Directors

Ravindra Dhobale
Executive Director &
Chief Financial Officer
DIN: 05147051

Tarun Khurana
Director
DIN: 03280026

Chirag Shah
Company Secretary
Mumbai
08 May 2024



Edelweiss Investment Adviser Limited

Cash flow statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Loss before tax	(2,407.87)	(1,167.12)
<i>Adjustments for</i>		
Depreciation, amortisation and Impairment expenses	0.33	(136.09)
Fair value (gain) / loss on revaluation of real estate	865.34	(200.67)
Provision for gratuity and compensated absences	(0.29)	0.39
Bad-debts on trade receivables	-	0.38
Impairment on financial instruments	160.00	(25.16)
Fair value loss on investments held for trading	263.78	228.70
Profit / (loss) on equity derivative instruments	-	-
Interest Income on fixed deposit	(0.45)	(2.60)
Interest expense on compulsorily convertible debentures	0.58	0.58
Interest expense on debt securities	544.56	206.58
(Profit) / loss on sale of investment property	(0.06)	6.70
Interest expense on borrowings	957.45	1,141.93
Operating cash flow before working capital changes	383.37	53.62
Add / (Less): Adjustments for working capital changes		
Decrease in trade payable	55.21	(23.51)
Increase / (decrease) in Other financial/non financial liabilities and other provisions	(9.21)	11.63
(Increase) / Decrease in Derivative financial instruments	-	(12.01)
(Decrease)/increase in Investments held for trading	296.67	(173.73)
(Increase) / Decrease in trade receivable	-	2.07
Decrease / (increase) in loans	42.90	1,343.27
Decrease / (increase) in Other financial/non financial assets	(35.96)	(49.76)
Cash generated from operations	732.98	1,151.58
Income tax paid	(44.44)	1.56
Net cash generated from operating activities - A	688.54	1,153.14
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment and other intangible assets (net) (Refer note 1)	(0.55)	(8.52)
(Purchase) / sale of investment property (Refer note 1)	444.52	411.85
Interest Income on fixed deposit	0.45	2.60
Net cash generated from / (used in) investing activities - B	444.42	405.93



Edelweiss Investment Adviser Limited

Cash flow statement

(Currency : Indian rupees in millions)

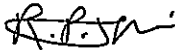
	For the year ended 31 March 2024	For the year ended 31 March 2023
C. Cash flow from financing activities		
Proceeds / (repayment) from Debt securities (Refer note 1)	(587.59)	1,352.26
Proceeds/(repayment) from Borrowings (other than debt securities) (net) (Refer note 1)	1,000.70	(2,125.24)
Escrow balance pertaining to issuance of debt securities	(411.81)	636.76
Interest paid on debt securities	(335.61)	(104.44)
Financial charges paid on debt securities	(6.05)	-
Interest paid on compulsorily convertible debentures	(0.58)	(0.58)
Interest paid on borrowings (other than debt securities)	(967.03)	(1,151.46)
Net cash (used in) / generated from financing activities - C	<u>(1,307.97)</u>	<u>(1,392.70)</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(175.01)</u>	<u>166.37</u>
Cash and cash equivalents as at the beginning of the year	182.14	15.77
Cash and cash equivalent as at the end of the year	7.13	182.14

Notes:

1. Net figures have been reported on account of volume of transactions.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. Refer note 46 for changes in liabilities arising from financing activities

This is the Cash flow statement referred to in our report of even date.

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W/W100013



R. P. Soni
Partner
Membership No.: 104796

Mumbai
08 May 2024



For and on behalf of the Board of Directors


Ravindra Dhobale
Executive Director &
Chief Financial Officer
DIN: 05147051


Tarun Khurana
Director
DIN: 03280026


Chirag Shah
Company Secretary
Mumbai
08 May 2024



Edelweiss Investment Adviser Limited
Statement of changes in equity
(Currency : Indian rupees)

A Equity share capital

Particulars	Amount
As at 01 April 2022	1,005.50
Changes in equity share capital during FY 2022-23	-
As at 31 March 2023	1,005.50
Changes in equity share capital during FY 2023-24	-
As at 31 March 2024	1,005.50

B Instruments entirely equity in nature - Compulsorily Convertible Debentures (CCDs)

Particulars	Amount
As at 01 April 2022	5,750.00
Changes in CCDs during FY 2022-23	-
As at 31 March 2023	5,750.00
Changes in CCDs during FY 2023-24	-
As at 31 March 2024	5,750.00

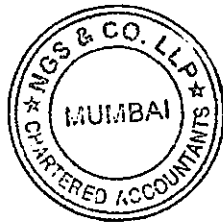
C Other equity

Particulars	Reserves and Surplus		Total attributable to owners of the parent
	Deemed capital contribution - ESOP	Retained earnings	
Balance at 01 April 2022	1.69	(9,782.77)	(9,781.08)
Profit or loss	-	(1,173.20)	(1,173.20)
Other comprehensive income	-	(0.17)	(0.17)
Total Comprehensive Income for the year	-	(1,173.37)	(1,173.37)
Balance at 31 March 2023	1.69	(10,956.13)	(10,954.45)
Profit or loss	-	(2,407.87)	(2,407.87)
Other comprehensive income	-	0.38	0.38
Total Comprehensive Income for the year	-	(2,407.49)	(2,407.49)
Balance at 31 March 2024	1.69	(13,363.62)	(13,361.94)

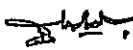
As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W/W100013


R.P. Soni
Partner
Membership No: 104796
Mumbai
08 May 2024



For and on behalf of the Board of Directors


Ravindra Dhobale
Executive Director &
Chief Financial Officer
DIN: 05147051


Tarun Khurana
Director
DIN: 03280026


Chirag Shah
Company Secretary
Mumbai
08 May 2024



Edelweiss Investment Adviser Limited

Notes to the financial statements

For the year ended 31 March 2024

1 Background

Edelweiss Investment Advisors Limited ('the Company') was incorporated in India on 30 May 2008. The Company is a 100% subsidiary of Edelweiss Rural and Corporate Services Limited. The Company is undertaking and carrying on the business and activities of real estate and investments in real estate. The Company is also engaged in trading activities including commodities.

2 Basis of preparation of financial statements

The Company's financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other relevant provisions of the Companies Act, 2013 ('the Act') and rules thereunder.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVTOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value through profit and loss (FVTPL). The Company's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, except when otherwise indicated.

3 Presentation of financial statements

The Company presents its balance sheet in compliance with the Division II of the Schedule III to the Companies Act, 2013.

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

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

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

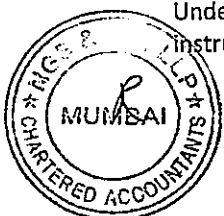
Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

4 Material accounting policy information

4.1 Recognition of 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



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) 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 loan. 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.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate 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.

- 4.2 Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.

4.3 Financial Instruments

Date of recognition

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

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.

Day 1 profit or loss

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

4.4 Classification of financial instruments

Financial Assets

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:



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2024

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

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

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

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

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

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

Amortised cost and Effective Interest Method (EIR)

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

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

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

Financial assets held for trading

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

Financial liabilities

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

Debt securities and other borrowed funds

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

Financial 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 company 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.

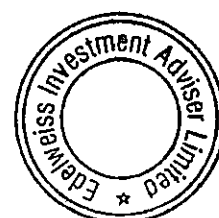
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Financial liabilities and equity instruments

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

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

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

Derivatives

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

4.5 Reclassification of financial assets and financial liabilities

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

4.6 Derecognition of financial assets and financial liabilities

Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets (other than due to substantial modification)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the 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 difference between the carrying value of the financial asset and the consideration received is recognised in the statement of profit and loss.

A transfer only qualifies for derecognition if either:

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

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

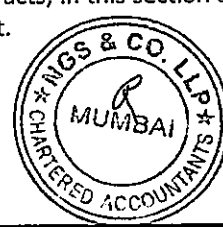
Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

4.7 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

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

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 instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

The measurement of expected credit losses 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. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (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.

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

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment have been recognized together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses have been recognized as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognized as a provision.

4.8 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, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and 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 quarterly basis.



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2024

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial assets collateral, such as real estate, is valued based on data provided by third parties such as registered valuer.

4.9 Write off

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

4.10 Business model assessment

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

4.11 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

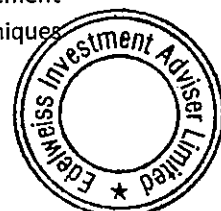
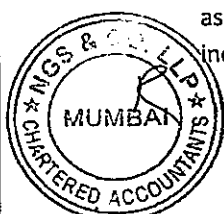
The principal or the most advantageous market must be accessible by the Company.

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

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2024

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.

4.12 Revenue from contract with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from the following sources:

- a. Fee income including advisory fees, syndication fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- b. Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the financial asset) 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 loan. 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).
- c. Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.

4.13 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.

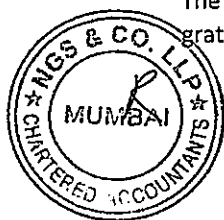
4.14 Retirement and other employee benefit

A. Provident fund

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.

B. 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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2024

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.

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

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

C. Compensated Absences

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

D. Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments 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. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

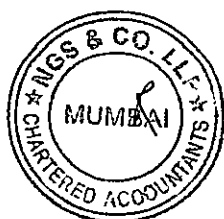
The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the 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.

4.15 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.

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

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2024

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

Nature of assets	Estimated useful lives
Vehicles	8 years
Computers – such servers & networks	6 years
Office Equipment	5 years
Computers – End user devices, such as desktops, laptops, etc.	3 years

4.16 Intangible assets

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. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

4.17 Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs, less impairment if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

4.18 Impairment of non-financial assets

The Company assesses at each balance sheet 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 balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

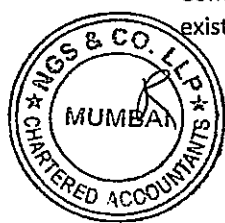
4.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand.

4.20 Provisions and other contingent liabilities

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

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

4.21 Income tax expenses

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

A. 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.

B. Deferred tax

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

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

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

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

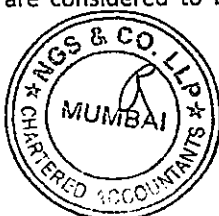
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

5 Critical accounting judgements

In the application of the Company's material accounting policy information, the management is required to make judgments, 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.



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

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 material accounting policy information

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 consolidated financial statements.

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance 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.

b. Significant increase in credit risk

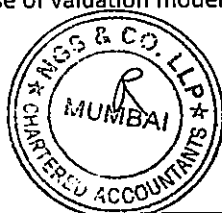
ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the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

6 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 stand-alone financial statements are 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.

a. 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



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

b. Impairment of financial assets

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

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

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

c. Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2024

d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

e. Estimating the incremental borrowing rate:

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

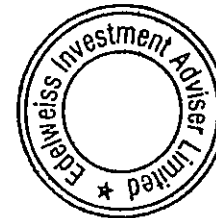
(Currency: Indian rupees in millions)

7 Property, plant and equipment

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2023	Additions/ (disposals) during the year	Deductions during the year	As at 31 March 2024	As at April 01, 2023	Charge for the year	Deductions during the year	As at 31 March 2024	As at 31 March 2024
Office Equipment*	0.45	-	-	0.45	0.43	0.00	-	0.43	0.02
Computers	1.23	0.01	-	1.24	1.02	0.07	-	1.09	0.15
Total	1.68	0.01	-	1.69	1.45	0.07	-	1.52	0.17

* 0.00 represents amount less than Rs. 5000

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2022	Additions/ (disposals) during the year	Deductions during the year	As at 31 March 2023	As at April 01, 2022	Charge for the year	Deductions during the year	As at 31 March 2023	As at 31 March 2023
Office Equipment	0.46	-	0.01	0.45	0.42	0.02	0.01	0.43	0.02
Computers	1.55	0.12	0.44	1.23	1.37	0.06	0.41	1.02	0.21
Total	2.01	0.12	0.45	1.68	1.79	0.08	0.42	1.45	0.23



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

8 Investment property

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2023	Additions during the year	Deductions during the year	As at 31 March 2024	As at April 01, 2023	Impairment charge / (reversals) for the year	Deductions during the year	As at 31 March 2024	As at 31 March 2024
Property	1,816.02	-	862.30	953.72	485.00	(2.76)	-	487.77	465.95
Total	1,816.02	-	862.30	953.72	485.00	(2.76)	-	487.77	465.95

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2022	Additions/ (disposals) during the year	Deductions during the year	As at 31 March 2023	As at April 01, 2022	Impairment charge / (reversals) for the year	Deductions during the year	As at 31 March 2023	As at 31 March 2023
Property	2,234.58	20.18	438.74	1,816.02	621.62	-	136.62	485.00	1,331.02
Total	2,234.58	20.18	438.74	1,816.02	621.62	-	136.62	485.00	1,331.02

Note:

- The fair value of the properties is ₹ 1,993.37 million as at 31 March 2024 ₹ and 2,359.48 million as at March 31, 2023. These values are considered as per valuations performed by an independent valuer.
- Investment Property having carrying value of ₹ 465.95 million as at 31 March 2024 and ₹ 1,331.02 million as at 31 March 2023 is charged against debt securities.
- All title deeds of immovable properties owned by the Company are held in the name of the Company.



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

9 Other intangible Assets

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2023	Additions/ (disposals) during the year	Deductions during the year	As at 31 March 2024	As at April 01, 2023	Charge for the year	Deductions during the year	As at 31 March 2024	As at 31 March 2024
Computer software	14.02	0.54	-	14.56	6.04	3.02	-	9.06	5.50
Total	14.02	0.54	-	14.56	6.04	3.02	-	9.06	5.50

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2022	Additions/ (disposals) during the year	Deductions during the year	As at 31 March 2023	As at April 01, 2022	Charge for the year	Deductions during the year	As at 31 March 2023	As at 31 March 2023
Computer software	5.59	8.43	-	14.02	5.59	0.45	-	6.04	7.98
Total	5.59	8.43	-	14.02	5.59	0.45	-	6.04	7.98



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

10 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
<i>At fair value through profit and loss</i>		
Loans	1,734.36	1,603.22
<i>At amortised cost</i>		
Loans	140.60	140.60
Total Gross	1,874.96	1,743.82
Less: Impairment loss allowance	38.53	38.53
Total (Net)	1,836.43	1,705.29
Unsecured	1,874.96	1,743.82
Total Gross	1,874.96	1,743.82
Less: Impairment loss allowance	38.53	38.53
Total (Net)	1,836.43	1,705.29
Loans in India		
Public Sectors	-	-
Others	1,874.96	1,743.82
Total Gross	1,874.96	1,743.82
Less: Impairment loss allowance	38.53	38.53
Total (Net)	1,836.43	1,705.29

Note:

Loans of ₹ 1,836.43 million (Previous Year: ₹ 1,705.29 million) is charged against debt securities.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees In millions)

10.1 Credit Quality

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

Loans at amortised cost

Particulars	31 March 2024				31 March 2023			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	140.60	-	140.60	-	140.60	-	140.60
Non-performing								
Impaired	-	-	-	-	-	-	-	-
Total	-	140.60	-	140.60	-	140.60	-	140.60

Gross carrying amount and corresponding ECL reconciliation – Loans

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 transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

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.

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		
Balance at 31 March 2022	-	-	140.60	38.53	-	-	140.60	38.53
Balance at 31 March 2023	-	-	140.60	38.53	-	-	140.60	38.53
Balance at 31 March 2024	-	-	140.60	38.53	-	-	140.60	38.53



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
11 Other financial assets		
<i>Unsecured considered good</i>		
Deposits- others	0.10	0.10
Deposits placed with/exchange/depositories	0.15	-
Recoverable from vendors	-	160.00
	<u>0.25</u>	<u>160.10</u>
12 Current tax assets (net)		
Advance income taxes (net of provision for tax)	79.45	25.32
	<u>79.45</u>	<u>25.32</u>
13 Deferred tax assets (net)		
Deferred tax assets		
Property, plant and equipment and intangibles		
Difference between book and tax depreciation (including intangibles)	0.40	0.40
Unused tax losses		
Accumulated losses	<u>362.97</u>	<u>362.97</u>
	<u>363.37</u>	<u>363.37</u>
Deferred tax liabilities		
Investments and other financial instruments		
Fair valuation of investments	<u>182.77</u>	<u>182.77</u>
	<u>182.77</u>	<u>182.77</u>
	<u>180.60</u>	<u>180.60</u>
14 Other non-current assets		
Input tax credit	136.57	104.74
	<u>136.57</u>	<u>104.74</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees in millions)

15 Investments

As at 31 March 2024

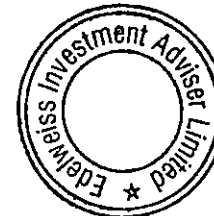
Particulars	At amortised cost	At fair value through P&L	Subtotal	At cost (subsidiaries, fellow subsidiaries, associates, and joint ventures)	Total
	(1)	(2)	3 = (1+2)	(4)	(5) = (3+4)
Investments in group companies	-	1,808.22	1,808.22	-	1,808.22
Debentures (refer note (a) and (b) below)	-	111.93	111.93	-	111.93
Investment in Warrants	-	-	-	-	-
Total - Gross (A)	-	1,920.15	1,920.15	-	1,920.15
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	-	1,920.15	1,920.15	-	1,920.15
Total (B)	-	1,920.15	1,920.15	-	1,920.15
Less: Allowance for Impairment (C)	-	111.93	111.93	-	111.93
Total Net (A-C)	-	1,808.22	1,808.22	-	1,808.22

- (a) Debentures amounting to Rs. 1,369.90 million/- are charged against debt securities
 (b) Debentures amounting to Rs. 44.83 million/- is pledged against trading of securities

As at 31 March 2023

Particulars	At amortised cost	At fair value through P&L	Subtotal	At cost (subsidiaries, fellow subsidiaries, associates, and joint ventures)	Total
	(1)	(2)	3 = (1+2)	(4)	(5) = (3+4)
Investments in other companies	-	117.64	117.64	-	117.64
Mutual Funds (refer note (b) below)	-	-	-	-	-
Investments in group companies	-	2,251.01	2,251.01	-	2,251.01
Debentures (refer note (a) and (b) below)	-	111.93	111.93	-	111.93
Investment in Warrants	-	-	-	-	-
Total - Gross (A)	-	2,480.58	2,480.58	-	2,480.58
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	-	2,480.58	2,480.58	-	2,480.58
Total (B)	-	2,480.58	2,480.58	-	2,480.58
Less: Allowance for Impairment (C)	-	111.93	111.93	-	111.93
Total Net (A-C)	-	2,368.65	2,368.65	-	2,368.65

- (a) Debentures amounting to Rs. 1,869.79 million are charged against debt securities
 (b) Debentures amounting to Rs. 290.29 million and mutual funds amounting to Rs. 117.64 million are pledged against trading of securities



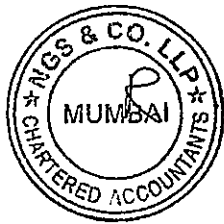
Edelweiss Investment Adviser Limited

Notes to the financial statements

(Currency : Indian Rupees in millions)

15.1 Investments

Particulars	As at 31 March 2024			As at 31 March 2023		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Debt Securities						
2.00% EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED 28.03.2027 NCD	77,345	1,923	635.18	1,07,407	1,923	949.34
2.00% EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED 07.10.2028 NCD	3,41,133	257	131.52	4,06,693	257	153.36
2.00% EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED 27.04.2027 NCD	5,77,674	1,243	603.20	7,09,647	1,243	767.09
Edel Finance Company Limited SR A6C304A BR NCD05MR26 FVRS1LAC	-	-	-	1,00,000	3,794	381.22
ECAP EQUITIES LIMITED SR I4C401A BR NCD 12MR27 FVRS1LAC	1,00,000	2,500	251.29	-	-	-
ECAP EQUITIES LIMITED SR G6L101A BR NCD 30NV26 FVRS10LAC	10,00,000	150	187.03	-	-	-
Mutual Funds						
SBI Overnight Fund Direct Plan Growth	-	-	-	32,237	-	117.64
Share warrants						
Team Geo Resources Private Limited			111.93			111.93
Less - Impairment Loss allowance			(111.93)			(111.93)
Total			<u>1,808.22</u>			<u>2,368.65</u>



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

16 Trade Receivables

	31 March 2024	31 March 2023
Undisputed Trade receivables – considered good	-	-
Undisputed Trade Receivables – credit impaired	-	-
Gross receivables (A)	-	-
Undisputed Trade Receivables – credit impaired	-	-
Total ECL Provision on receivables (B)	-	-
Total receivables net of provision	-	-

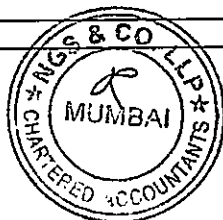
Trade Receivables - Ageing

As at 31 March 2024	Outstanding for following periods from due date of receipt							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
ECL rate			0.00%	0.00%	0.00%	0.00%	0.00%	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total Gross	-	-	-	-	-	-	-	-
ECL - simplified approach	-	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-	-

As at 31 March 2023	Outstanding for following periods from due date of receipt							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
ECL rate			0.00%	0.00%	0.00%	0.00%	0.00%	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total Gross	-	-	-	-	-	-	-	-
ECL - simplified approach	-	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-	-

16.1 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 01-Apr-22	(25.54)
Add/ (less): asset originated or acquired (net)	25.54
Impairment allowance as on 31-Mar-23	-
Add/ (less): asset originated or acquired (net)	-
Impairment allowance as on 31-Mar-24	-



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
17 Cash and cash equivalents		
Balances with banks		
- in current accounts	7.13	116.32
- in fixed deposits with original maturity less than 3 months (including accrued interest)	-	65.82
	<u>7.13</u>	<u>182.14</u>
18 Bank balances other than cash and cash equivalents		
Balances with banks		
- in current accounts	440.54	28.73
	<u>440.54</u>	<u>28.73</u>

18.1 The above balance held in Escrow account is charged against debt securities.

19 Loans

Particulars	As at 31 March 2024	As at 31 March 2023
<i>At fair value through profit and loss</i>		
Loans	-	616.00
Total Gross	-	616.00
Less: Impairment loss allowance	-	-
Total (Net)	-	616.00
Unsecured	-	616.00
Total Gross	-	616.00
Less: Impairment loss allowance	-	-
Total (Net)	-	616.00
Loans in India		
Public Sectors	-	-
Others	-	616.00
Total Gross	-	616.00
Less: Impairment loss allowance	-	-
Total (Net)	-	616.00

Note:

Loans of ₹ NIL (Previous Year: ₹ 616 million) is charged against debt securities.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

20 Derivative financial instruments

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

31 March 2024	Notional amount (Units)*	Fair value of asset (₹ in millions)	Notional amount (Units)*	Fair value of liability (₹ in millions)
(i) Currency derivatives				
Currency Futures	-	-		-
Less: amounts offset (refer note 20 (b))	-	-		-
Subtotal		-		-
Total		-		-

31 March 2023	Notional amount (Units)*	Fair value of asset (₹ in millions)	Notional amount (Units)*	Fair value of liability (₹ in millions)
(i) Currency derivatives				
Currency Futures	10,93,000	89.97		-
Less: amounts offset (refer note 20 (b))	-	89.97		-
Subtotal		-		-
Total		-		-

Note :

Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

20 Derivative financial instruments

(b) Offsetting of financial assets and liabilities

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 subject to offsetting, netting arrangements

As at 31 March 2024:

Financial assets subject to offsetting	Offsetting recognised in the 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 in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	-	-	-	-	-	-	-	-	-

Financial liabilities subject to offsetting	Offsetting recognised in the 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 assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	-	-	-	-	-	-	-	-	-



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

20 Derivative financial instruments

(b) Offsetting of financial assets and liabilities

As at 31 March 2023:

Financial assets subject to offsetting	Offsetting recognised in the 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 in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	89.97	89.97	-	-	-	-	-	-	-

Financial liabilities subject to offsetting	Offsetting recognised in the 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 assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	-	-	-	-	-	-	-	-	-



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)
(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
21 Other financial assets		
<i>Unsecured considered good</i>		
Deposits placed with/exchange/depositories	-	0.15
Margin placed with broker	1.54	1.16
Advances recoverable in cash or in kind or for value to be received	41.06	32.06
	<u>42.60</u>	<u>33.37</u>
22 Current tax assets (net)		
Advance income taxes (net of provision for tax)	-	9.69
	<u>-</u>	<u>9.69</u>
23 Other current assets		
Prepaid expenses	0.02	0.10
Vendor Advances	0.02	5.20
	<u>0.04</u>	<u>5.30</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
24 Equity share capital		
Authorised :		
25,05,50,000 (Previous year: 25,05,50,000) equity shares of Rs. 10 each	2,505.50	2,505.50
47,00,000 (Previous year: 47,00,000) preference shares of Rs. 10 each	47.00	47.00
	<u>2,552.50</u>	<u>2,552.50</u>
Issued, subscribed and paid up:		
10,05,50,000 (Previous year: 10,05,50,000) equity shares of Rs. 10 each	1,005.50	1,005.50
	<u>1,005.50</u>	<u>1,005.50</u>

a. Movement in share capital :

	31 March 2024		31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	10,05,50,000	1,005.50	10,05,50,000	1,005.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>10,05,50,000</u>	<u>1,005.50</u>	<u>10,05,50,000</u>	<u>1,005.50</u>

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 holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2024		31 March 2023	
	No. of shares	%	No. of shares	%
Edelweiss Rural & Corporate Services Limited	10,05,50,000	100.00	10,05,50,000	100.00
	<u>10,05,50,000</u>	<u>100.00</u>	<u>10,05,50,000</u>	<u>100.00</u>

d. Shares held by Promoter

	31 March 2024		31 March 2023	
	No. of shares	%	No. of shares	%
Edelweiss Rural & Corporate Services Limited	10,05,50,000	100.00	10,05,50,000	100.00
	<u>10,05,50,000</u>	<u>100.00</u>	<u>10,05,50,000</u>	<u>100.00</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

25 Instruments entirely equity in nature

	31 March 2024		31 March 2023	
	No of CCDs	Amount	No of CCDs	Amount
0.01% Compulsorily Convertible Debentures (CCDs) of Rs.10 each.	57,50,00,000	5,750.00	57,50,00,000	5,750.00
	<u>57,50,00,000</u>	<u>5,750.00</u>	<u>57,50,00,000</u>	<u>5,750.00</u>

a. Movement in Instruments during the year :

	31 March 2024		31 March 2023	
	No of CCDs	Amount	No of CCDs	Amount
0.01% Compulsorily Convertible Debentures (CCDs)				
Outstanding at the beginning of the year	57,50,00,000	5,750.00	57,50,00,000	5,750.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>57,50,00,000</u>	<u>5,750.00</u>	<u>57,50,00,000</u>	<u>5,750.00</u>

b. Terms/rights attached to Instruments entirely equity in nature :

The interest rate is 0.01% per annum and CCDs will be converted into equity shares at the end of the term i.e. 8 years which is 31-May-2029.

c. Details of CCDs held by CCDs holders holding more than 5% of the aggregate CCDs in the Company

	31 March 2024		31 March 2023	
	No. of CCD's	%	No. of CCD's	%
Edelweiss Rural and Corporate Services Limited	57,50,00,000	100%	57,50,00,000	100%
	<u>57,50,00,000</u>	<u>100%</u>	<u>57,50,00,000</u>	<u>100%</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
26 Other equity		
Deemed capital contribution - ESOP	1.69	1.69
Additions during the year	-	-
	<u>1.69</u>	<u>1.69</u>
Retained Earnings		
Opening Balance	(10,956.14)	(9,782.77)
Add: Loss for the year	(2,407.87)	(1,173.20)
Add: Other comprehensive income for the year	0.38	(0.17)
	<u>(13,363.63)</u>	<u>(10,956.14)</u>
	<u><u>(13,361.94)</u></u>	<u><u>(10,954.45)</u></u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

27 Borrowings

**27 (a) Non current borrowings
at amortised cost:**

Particulars	31 March 2024	31 March 2023
Secured:		
Non-convertible debentures ¹	2,572.28	3,182.26
Unsecured:		
Term Loans from from related parties	8,480.32	7,479.63
Total	11,052.60	10,661.89

**27 (b) Current borrowings
at amortised cost:**

Particulars	31 March 2024	31 March 2023
Secured:		
Non-convertible debentures ¹	327.94	102.64
Unsecured:		
Term Loans from from related parties	78.90	88.47
Total - Gross (A)	406.84	191.11

Note:-

- 1 Non-Convertible Debentures are secured against:
- Investment property of the Company
 - Loans, Investments in NCDs issued by Edelweiss Asset Reconstruction Limited and bank balance other than cash and cash equivalent; and
 - Property owned by third party mortgagor and Guarantor.

Debt Securities as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
17.50%	22.40	2,572.28	-	2,594.68
Accrued Interest	305.54	-	-	305.54
Total	327.94	2,572.28	-	2,900.22

Debt Securities as at 31 March 2023

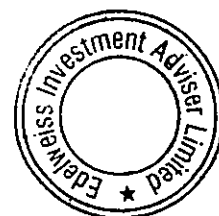
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
17.50%	-	2,394.18	788.08	3,182.26
Accrued Interest	102.64	-	-	102.64
Total	102.64	2,394.18	788.08	3,284.90

Borrowings (other than debt securities) - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
11% to 14%	-	8,480.32	-	8,480.32
Accrued Interest	78.90	-	-	78.90
Total	78.90	8,480.32	-	8,559.22

Borrowings (other than debt securities) - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
11% to 15%	-	7,479.63	-	7,479.63
Accrued Interest	88.47	-	-	88.47
Total	88.47	7,479.63	-	7,568.10



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
28 Other liabilities		
Other payables	1.77	1.77
	<u>1.77</u>	<u>1.77</u>
29 Provisions		
Provision for employee benefits		
Gratuity	1.16	1.46
Compensated leave absences	0.08	0.11
	<u>1.24</u>	<u>1.57</u>
30 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	0.24	0.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	118.26	63.05
	<u>118.50</u>	<u>63.29</u>

Details of dues to micro and small enterprises

Trade payables include ₹ 0.24 million (Previous year: ₹ 0.24 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

Trade Payables - Ageing

As at 31 March 2024	Outstanding for following periods from due date of receipt					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars						
(i) MSME	0.24	-	-	-	-	0.24
(ii) Others	56.52	61.75	-	-	-	118.26
Total	56.76	61.75	-	-	-	118.50

As at 31 March 2023	Outstanding for following periods from due date of receipt					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars						
(i) MSME	0.24	-	-	-	-	0.24
(ii) Others	60.56	2.49	-	-	-	63.05
Total	60.80	2.49	-	-	-	63.29

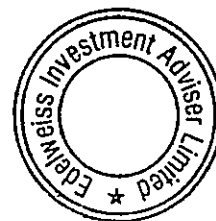


Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2024	As at 31 March 2023
31 Other financial liabilities		
Other payables	0.01	0.01
Accrued salaries and benefits	2.20	-
Interest accrued on debt securities	-	0.43
	<u>2.21</u>	<u>0.44</u>
32 Other non-financial liabilities		
Income received in advance	19.28	22.00
Withholding taxes and others	7.10	13.20
	<u>26.38</u>	<u>35.20</u>
33 Provisions		
<i>Provision for employee benefits</i>		
Gratuity	0.33	0.29
Compensated leave absences	0.02	0.03
Others	-	2.52
	<u>0.35</u>	<u>2.84</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

34 Interest Income

For the year ended 31 March 2024

	Amortised cost	Fair value through profit & loss	Total
Interest on loans	-	-	-
Interest income from investments	-	651.91	651.91
Interest on deposits with Banks	0.45	-	0.45
Interest from real estate financing	-	-	-
Total	0.45	651.91	652.36

For the year ended 31 March 2023

	Amortised cost	Fair value through profit & loss	Total
Interest on loans	-	221.32	221.32
Interest income from investments	-	230.34	230.34
Interest on deposits with Banks	2.60	-	2.60
Interest from real estate financing	1.62	-	1.62
Total	4.22	451.66	455.88

For the year ended 31 March 2024 For the year ended 31 March 2023

35 Net gain on fair value changes

Net gain /(loss) on financial instruments at fair value through Profit & Loss Account

On trading portfolio

Profit / (loss) on trading of securities (net)	48.80	(31.63)
Fair value gain / (loss) on Investments	(263.78)	(228.70)
Profit on equity derivative instruments (net)	44.62	41.48
Profit on trading in currency derivative instruments (net)	6.05	-

Others

Profit/ (loss) on sale of real estate	0.06	(6.70)
Fair value gain / (loss) on revaluation of real estate	(865.34)	200.67

(1,029.59) **(24.88)**

Fair value changes:

Realised gain	99.53	167.29
Unrealised (loss)/gain	(1,129.12)	(192.17)

(1,029.59) **(24.88)**

Total net gain on fair value changes



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

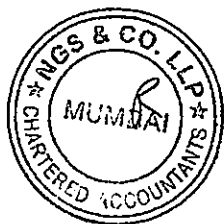
	For the year ended 31 March 2024	For the year ended 31 March 2023
36 Other income		
Interest Income - Others	0.92	0.73
Miscellaneous income	0.00	2.31
	<u>0.92</u>	<u>3.04</u>

* 0.00 represents amount less than Rs. 5,000



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

	For the year ended 31 March 2024	For the year ended 31 March 2023
37 Finance costs		
Interest on Inter-corporate deposits	-	36.47
Interest on loan from fellow subsidiaries	957.45	1,141.93
Interest on debentures	539.08	207.15
Financial and bank charges	7.38	0.27
Other interest expense	0.39	0.00
	<u>1,504.30</u>	<u>1,385.83</u>
38 Impairment on financial instruments		
Bad- debts written off	-	0.38
Provision / (reversal) of ECL provision on advances / trade receivables	160.00	(25.54)
	<u>160.00</u>	<u>(25.16)</u>
39 Employee benefit expenses		
Salaries and wages	9.83	6.46
Contribution to provident and other funds	0.62	0.50
Staff welfare expenses	0.06	0.18
	<u>10.51</u>	<u>7.14</u>



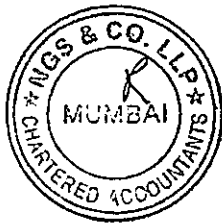
Edelweiss Investment Adviser Limited

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
40 Other expenses		
Auditors' remuneration	2.17	1.57
Commission and brokerage	7.08	9.51
Communication	0.05	0.05
Computer expenses	0.01	0.91
Computer software	5.00	0.04
Clearing and custodian charges	2.73	2.52
Directors' sitting fees	0.03	-
Insurance	(0.00)	0.00
Legal and professional fees	258.34	273.52
Loss on sale of of fixed assets	-	0.00
Membership and subscription	36.00	34.50
Office expenses	1.30	-
Printing and stationery	0.00	-
Rates and taxes	0.01	0.02
Rent	0.40	1.04
ROC expenses	-	0.02
Securities transaction tax	3.58	5.07
Goods and service tax expenses	32.59	29.51
Stamp duty	0.24	0.50
Stock exchange expenses	6.75	10.77
Transportation charges	0.05	-
Travelling and conveyance	0.67	0.60
Miscellaneous expenses	0.01	0.02
	357.01	370.17

* 0.00 represents amount less than Rs. 5,000

40.1 Auditors' remuneration:		
- Statutory Audit	2.10	1.50
- Tax Audit	0.04	0.05
- Out of pocket expense	0.03	0.02
	2.17	1.57



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

41 Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2024 and 31 March 2023 are:

Particulars	31 March 2024	31 March 2023
Current tax		
Adjustment in respect of current income tax of prior years	-	(0.21)
Deferred tax relating to origination and reversal of temporary differences	-	6.29
Total tax expense	-	6.08
Total current tax	-	(0.21)
Total deferred tax	-	6.29

41.1 Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

Particulars	31 March 2024	31 March 2023
Profit / (Loss) before tax	(2,407.87)	(1,167.12)
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	(606.01)	(293.74)
Adjustment in respect of income tax of prior years	-	(0.21)
Effect of non-recognition of deferred tax asset on current-period losses	606.01	293.74
Reversal of deferred tax assets on provision for doubtful debts	-	6.29
Tax expense recognised in profit or loss	-	6.08



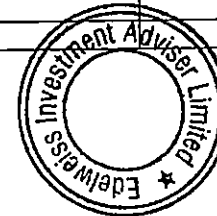
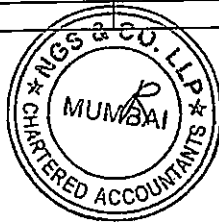
Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

41.2 Components of deferred tax

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

	Movement for the period (2023-24)						Closing deferred tax asset/(liability)
	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	
Deferred Tax Assets							
Difference between book and tax depreciation (including intangibles)	0.40	-	-	-	-	-	0.40
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	362.97	-	-	-	-	-	362.97
Deferred Tax Liabilities							
Fair valuation of financial instruments	(182.77)	-	-	-	-	-	(182.77)
Total	180.60	-	-	-	-	-	180.60

	Movement for the period (2022-23)						Closing deferred tax asset/(liability)
	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	
Deferred Tax Assets							
Difference between book and tax depreciation (including intangibles)	0.40	-	-	-	-	-	0.40
Provision for doubtful debts - ECL provision	6.29	(6.29)	-	-	-	(6.29)	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	362.97	-	-	-	-	-	362.97
Deferred Tax Liabilities							
Fair valuation of financial instruments	(182.77)	-	-	-	-	-	(182.77)
Total	186.89	(6.29)	-	-	-	(6.29)	180.60



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

41.3 Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31 March, 2024

Financial Year to which the loss related to	Unused tax losses				Total
	Unabsorbed business losses		Unabsorbed depreciation		
	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount
FY 2023-24	1,121.80	F.Y. 2031-32	3.22	No expiry	1,125.01
FY 2022-23	1,479.95	F.Y. 2030-31	2.29	No expiry	1,482.25
FY 2021-22	1,235.58	F.Y. 2029-30	0.87	No expiry	1,236.45
FY 2020-21	1,547.33	F.Y. 2028-29	1.44	No expiry	1,548.78
FY 2019-20	1,367.17	F.Y. 2027-28	2.34	No expiry	1,369.51
FY 2018-19	551.74	F.Y. 2026-27	3.24	No expiry	554.97
FY 2017-18	364.80	F.Y. 2025-26	1.93	No expiry	366.73
FY 2016-17	424.15	F.Y. 2024-25	4.46	No expiry	428.62
FY 2013-14	-	-	0.74	No expiry	0.74
Total	8,092.53		20.53		8,113.06

As at 31 March, 2023

Financial Year to which the loss related to	Unused tax losses				Total
	Unabsorbed business losses		Unabsorbed depreciation		
	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount
FY 2022-23	1,479.95	F.Y. 2030-31	2.29	No expiry	1,482.25
FY 2021-22	1,235.58	F.Y. 2029-30	0.87	No expiry	1,236.45
FY 2020-21	1,547.33	F.Y. 2028-29	1.44	No expiry	1,548.78
FY 2019-20	1,367.17	F.Y. 2027-28	2.34	No expiry	1,369.51
FY 2018-19	551.74	F.Y. 2026-27	3.24	No expiry	554.97
FY 2017-18	364.80	F.Y. 2025-26	1.93	No expiry	366.73
FY 2016-17	424.15	F.Y. 2024-25	4.46	No expiry	428.62
FY 2013-14	-	-	0.74	No expiry	0.74
Total	6,970.73		17.32		6,988.05



Edelweiss Investment Adviser Limited
Notes to the financial statements (continued)
(Currency : Indian rupees in millions)

42 Earnings per share

In accordance with Indian Accounting Standard 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2015, the computation of earnings per share is set out below:

Particulars	31 March 2024	31 March 2023
(a) Loss after tax (as per statement of profit and loss)	(2,407.87)	(1,173.20)
Net loss for the year attributable to equity shareholders	(2,407.87)	(1,173.20)
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Weighted average number of equity shares for calculating basic EPS	10,05,50,000	10,05,50,000
Number of dilutive potential equity shares	57,50,00,000	57,50,00,000
Weighted average number of equity shares for calculating diluted EPS	67,55,50,000	67,55,50,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	(3.56)	(1.74)

43 Contingent liabilities and commitments and earnings & expenditure in foreign currency

43.1 Contingent liabilities

Taxation matters in respect of which appeal is pending ₹ 0.02 million as at 31 March 2024 (Previous Year: ₹ 0.02 million)

43.2 Capital commitments

Undrawn commitments of ₹ 246 million (Previous year: ₹ 336 million) as at the balance sheet date.

43.3 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the year (Previous Year: Nil).



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

44 Segment information

The Company's business is organised and management reviews the performance based on the business segments as mentioned

Segment	Activities covered
Capital based business	Income from investment property, loans and other capital based activities
Agency business	Broking and advisory services
Treasury business	Income from treasury operations

Income for each segment has been specifically identified. Expenditures, 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.

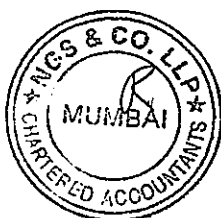
Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Segment revenue (Total income)		
Capital based	(474.05)	385.17
Treasury	97.40	48.87
Unallocated	0.92	0.73
Total income	(375.73)	434.77
2 Segment results		
Agency	-	0.06
Capital based	(2,446.59)	(1,143.36)
Treasury	38.18	(24.55)
Unallocated	0.54	0.73
Total Profit/(loss) before tax	(2,407.87)	(1,167.12)
Less: Provision for taxation	-	6.08
Profit/(loss) after tax	(2,407.87)	(1,173.20)
3 Segment assets		
Capital based	4,303.39	6,043.38
Treasury	440.01	500.17
Unallocated	260.05	215.61
Total assets	5,003.45	6,759.16
4 Segment liabilities		
Agency	-	0.49
Capital based	11,598.80	10,940.43
Treasury	3.99	3.99
Unallocated	7.10	13.20
Total liabilities	11,609.89	10,958.11
5 Capital expenditure (including capital work-in-progress)		
Capital based	0.55	28.73
Total	0.55	28.73
6 Depreciation, amortisation and impairment		
Capital based	0.33	(136.09)
Total	0.33	(136.09)
7 Significant non-cash expenses other than depreciation and amortisation		
Capital based	180.29	7.48
Total	180.29	7.48

Note -

Commodities purchases and sales is reported as net under treasury in segment revenue.



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

45 Related Party Disclosures for the year ended March 31, 2024

i. List of related parties and relationship:

Name of related party by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company) Edelweiss Rural & Corporate Services Limited (Holding company)
Fellow subsidiaries (with whom transactions have taken place)	ECL Finance Limited Edelweiss Rural & Corporate Services Limited Edel Investments Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Tokio Life Insurance Company Limited Ecap Equities Limited (formerly Edel Land Limited) Edelweiss Asset Reconstruction Company Limited Edel Finance Company Limited Edelcap Securities Limited
Fellow associates (upto 30-Mar-23) (with whom transactions have taken place)	Nuvama Clearing Services Limited Nuvama Wealth Management Limited Nuvama Wealth and Investment Limited
Key Management Personnel	Ravindra Dhobale (Executive Director and Chief Financial Officer) Chirag Shah (Company Secretary)
Independent Director	Bharat Bakshi



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

45 Related Party Disclosures for the year ended March 31, 2024

ii. Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2024	For the year ended 31 March 2023
	Current account transactions during the year			
1	Short term loans taken from (refer note below)	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	1,594.20 1,990.60	7,992.90 5,613.91
2	Short term loans repaid to (refer note below)	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	2,584.10 - -	6,403.00 9,216.50 112.56
3	Margins placed with	Edel Investments Limited Nuvama Clearing Services Limited	19.52 -	19.43 1,720.53
4	Margins withdrawn from	Edel Investments Limited Nuvama Clearing Services Limited	19.51 -	19.47 1,724.67
5	Purchase of debt securities from	Ecap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Tokio Life Insurance Company Limited	250.44 - -	157.00 166.89 252.06
6	Sale of debt securities to	Edel Investments Limited Ecap Equities Limited Edelcap Securities Limited	409.72 223.74 -	- - 76.91
7	Investment in debt securities	Ecap Equities Limited	250.00	-
8	Redemption / maturity of Non-convertible debentures held in	Edelweiss Asset Reconstruction Company Limited Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	238.70 - -	352.89 805.44 375.45
9	Sale of loans to	ECL Finance Limited	-	1,301.50
10	Interest income on debt instrument of	Edelweiss Asset Reconstruction Company Limited Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	651.91 - -	192.06 1.38 36.90
11	Interest expense on compulsorily convertible debentures issued to	Edelweiss Rural & Corporate Services Limited	0.58	0.58
12	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited Ecap Equities Limited	700.27 257.18 -	929.91 201.42 10.60
13	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited Ecap Equities Limited Nuvama Wealth Management Limited Nuvama Wealth and Investment Limited	1.31 6.05 - -	0.05 - 16.50 18.00
14	Clearing charges paid to	Nuvama Clearing Services Limited	-	2.41
15	Commission and Brokerage paid to	Nuvama Wealth Management Limited Edel Investments Limited	- -	7.08 1.13
16	Brokerage paid to	Edel Investments Limited	1.87	-
17	Management fees paid to	Edelweiss Alternative Asset Advisors Limited ECL Finance Limited	28.83 222.65	13.92 243.12
18	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	0.91 0.30 0.12	0.19 - 0.07
19	Professional fees paid	Edelweiss Rural & Corporate Services Limited	0.03	-
20	Sitting fees paid to	Bharat Bakshi	0.03	-
21	Remuneration paid to	Ravindra Dhobale	7.84	6.45
22	Sale of Fixed Assets to	Nuvama Wealth and Investment Limited	-	0.03



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

45 Related Party Disclosures for the year ended March 31, 2024

ii. Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	As at 31 March 2024	As at 31 March 2023
	Balances with related parties			
23	Short term loans taken from (refer note below)	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	600.00 7,660.32	1,589.90 5,889.72
24	Investments in debt securities	Edel Finance Company Limited Ecap Equities Limited Edelweiss Asset Reconstruction Company Limited	- 438.32 1,369.90	381.22 - 1,869.79
25	Compulsorily convertible debentures held by	Edelweiss Rural & Corporate Services Limited	5,750.00	-
26	Trade payables to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited ECL Finance Limited Edel Investments Limited Ecap Equities Limited	3.10 0.42 2.85 104.91 0.50 0.19	0.04 0.31 1.02 51.61 - 0.08
27	Payable to clearing house	Edel Investments Limited	-	0.50
28	Interest payable on loans taken from	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	21.75 57.15	32.66 55.82
29	Other payables to	Edelweiss Rural & Corporate Services Limited	-	0.43
30	Margins placed with	Edel Investments Limited	0.50	0.49
	Off Balance Sheet Items			
31	Corporate guarantee received from	Ecap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	1,200.00 2,900.22 2,900.22	1,200.00 3,284.89 3,284.89

Note:

- 1 Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the total of debit and credit of transaction amount given/taken and placed/refund received during the reporting period.
- 2 As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, sum of loans given and repaid are disclosed. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.



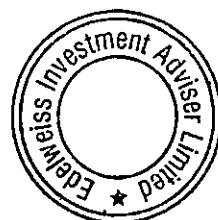
Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

46 Changes in liabilities arising from financing activities

Particulars	01 April 2023	Cash flows	Changes in fair values	Others*	31 March 2024
Debt Securities	3,284.89	(587.59)	-	202.92	2,900.22
Borrowings	7,568.10	1,000.70	-	(9.58)	8,559.22
Total liabilities from financing activities	10,852.99	413.11	-	193.34	11,459.44

Particulars	01 April 2022	Cash flows	Changes in fair values	Others*	31 March 2023
Debt Securities	1,830.50	1,352.26	-	102.13	3,284.89
Borrowings	9,702.87	(2,125.24)	-	(9.53)	7,568.10
Total liabilities from financing activities	11,533.37	(772.98)	-	92.60	10,852.99

*Includes Interest accrued and amortization of premium on redemption (in case of debt securities) during the period.



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

47 Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

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.

The Company recognised ₹ 0.49 million (Previous year: ₹ 0.30 million) for provident fund and other contributions in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan 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 31 March 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)

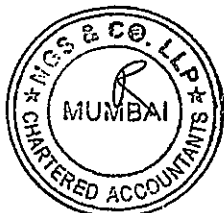
	31 March 2024	31 March 2023
Present Value of DBO at Start of the year	1.75	1.38
Service Cost	-	-
Current Service Cost	-	0.12
Interest Cost	0.12	0.08
Benefits Paid	-	-
Re-measurements	-	-
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	0.01	(0.10)
c. Actuarial Loss/(Gain) from experience over last past year	(0.39)	0.27
Transfer In / (Out)	-	-
Present Value of DBO at end of the year	1.49	1.75

Expenses recognised in the Statement of Profit and Loss:

	31 March 2024	31 March 2023
Current service cost	-	0.12
Interest on defined benefit obligation	0.12	0.08
Past service cost	-	-
Total included in 'Employee benefits expense'	0.12	0.20

Net Liability / (Asset) recognised in the Balance sheet

	31 March 2024	31 March 2023
Present Value of DBO	1.49	1.75
Fair Value of Plan Assets	-	-
Net Liability/ (Asset)	1.49	1.75
Funded Status [Surplus/ (Deficit)]	(1.49)	(1.75)
Less: Amount not recognised as asset [Effect of limiting net assets to asset ceiling]	-	-
Net (Liability)/ Asset recognised in the Balance Sheet	(1.49)	(1.75)
Of Which, Short term Liability	0.33	0.29
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(0.39)	0.27



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees)

47 Retirement benefit plan (continued)

Actuarial assumptions:

	31 March 2024	31 March 2023
Salary Growth Rate (% p.a.)	7%	7%
Discount Rate (% p.a.)	7%	7.10%
Interest Rate on Net DBO/ (Asset) (% p.a.)	7.10%	5.90%
Withdrawal Rate (% p.a.)		
Senior	16%	16%
Middle	16%	16%
Junior	16%	16%
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Weighted average duration of the obligation (in years)	3.50	3.50

Movement in Other Comprehensive Income:

	31 March 2024	31 March 2023
Balance at start of year (Loss)/ Gain	(0.20)	(0.03)
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.01)	0.10
c. Actuarial (Loss)/ Gain from experience over the past year	0.39	(0.27)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at end of year (Loss)/ Gain	0.19	(0.20)

Sensitivity Analysis

	31 March 2024	31 March 2023
1% Increase in Salary Growth Rate	Negligible change	0.08
1% Decrease in Salary Growth Rate	Negligible change	(0.08)
1% Increase in Discount Rate	Negligible change	(0.08)
1% Decrease in Discount Rate	Negligible change	0.08
1% Increase in Withdrawal Rate	Negligible change	Negligible change
1% Decrease in Withdrawal Rate	Negligible change	Negligible change
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 years)	Negligible change	Negligible change

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 period to the methods and assumptions underlying the sensitivity

Movement in Surplus / (Deficit)

	31 March 2024	31 March 2023
Net (Liability)/ Asset at start of year	(1.75)	(1.38)
Net Transfer (In)/ Out	-	-
Movement during the year		
Current Service Cost	-	(0.12)
Net Interest on net DBO	(0.12)	(0.08)
Re-measuremnts	0.38	(0.17)
Contributions/ Benefits	-	-
Net (Liability)/ Asset at end of year	(1.49)	(1.75)

C) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

48 Share based payments: Employee Stock Option Plans

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

49 Cost sharing

Edelweiss Financial Services provide necessary business and management oversights to its subsidiaries inter-alia in the form of business and strategy planning, stake holder relation, marketing & publication, technology support, HR Policies including leadership & development of employees, governance and regulatory policies, policy advocacy, legal & litigation handling framework etc. (here in after collectively referred to as "Business and Management oversight"). Subsidiaries of Edelweiss thus get benefitted from the oversight of expenses incurred by Edelweiss. It is therefore imperative that expenses if incurred on providing such oversight, to be shared by its subsidiaries.

Edelweiss provide business and support services to each other basis of the signed agreed terms. The services provided are with the intent to create synergies at Company level for e.g. sharing of empty spaces with Edelweiss, having common HR and admin teams, using one's available resource for the benefit of the Company.

In consideration of the business and management oversight by Edelweiss Company, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to March) adequate to compensate the function performed , assets employed and risks assumed by Company companies and will be determined by the beneficiaries and edelweiss Company companies. The amount payable by the beneficiaries will be reviewed periodically and any amendment to the same will be mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third party vendor, depreciation on assets used and amortization.

50 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

The Company is not subject to any regulatory capital requirements.

51 Risk Management

The company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee. The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Global Risk Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.



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

51 Risk Management (Continued)

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. 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.

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

Equity and Index Price Risk

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

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

2023-24				
Impact on	Increase in equity price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Investments	5	-	5	-

2022-23				
Impact on	Increase in equity price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Investments	5	5.88	5	(5.88)

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 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 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 to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Thus, the sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the reporting period was outstanding for the whole year.

2023-24				
Impact on	Increase in borrowing rate (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Borrowings (other than debt securities)	0.25	(21.20)	0.25	21.20

2022-23				
Impact on	Increase in borrowing rate (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Borrowings (other than debt securities)	0.25	(18.70)	0.25	18.70

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Company had significant exposure at the end of the year.

2023-24				
Impact on	Increase in currency rate (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Currency - US Dollar	5	-	5	-

2022-23				
Impact on	Increase in currency rate (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Currency - US Dollar	5	4.50	5	(4.50)



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

51 Risk Management (Continued)

Other Price Risk

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

Impact on	2023-24			
	Increase in price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Investments	5	90.41	5	(90.41)
Loans classified at FVTPL	5	86.72	5	(86.72)

Impact on	2022-23			
	Increase in price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Investments	5	112.55	5	(112.55)
Loans classified at FVTPL	5	110.96	5	(110.96)



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

51.1. Analysis of risk concentration

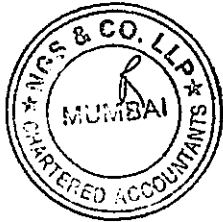
The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal grading system and year-end stage classification are further disclosed in Note 10.1.

Industry analysis - Risk concentration for 31 March, 2024

Particulars	Financial services	Construction	Total
Cash and cash equivalent and other bank balances	7.13	-	7.13
Bank balances other than cash and cash equivalents	440.54	-	440.54
Loans	-	1,836.43	1,836.43
Investments	1,808.22	-	1,808.22
Other financial assets	1.79	41.06	42.85
	2,257.68	1,877.49	4,135.17
Other Commitments	-	246.00	246.00
Total	2,257.68	2,123.49	4,381.17

Industry analysis - Risk concentration for 31 March, 2023

Components	Financial services	Construction	Total
Cash and cash equivalent and other bank balances	182.14	-	182.14
Bank balances other than cash and cash equivalents	28.73	-	28.73
Investments	2,368.65	-	2,368.65
Loans	-	2,321.29	2,321.29
Other financial assets	1.41	192.06	193.47
	2,580.93	2,513.35	5,094.28
Other Commitments	-	336.00	336.00
Total	2,580.93	2,849.35	5,430.28



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

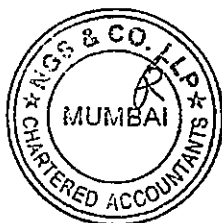
51.2 Disclosure related to collateral

Following table sets out availability of Company's financial and non financial assets to support funding

As at 31 March 2024	Pledge as collateral	Available as collateral	Others ¹	Total carrying amount
Cash and cash equivalent including bank balance	-	7.13	-	7.13
Bank balances other than cash and cash equivalents	440.54	-	-	440.54
Investments	1,414.74	393.48	-	1,808.22
Loans	1,836.43	-	-	1,836.43
Other financial assets	41.06	1.69	0.10	42.85
Investment Property	465.95	-	-	465.95
Property, Plant and Equipment	-	0.17	-	0.17
Total Assets	4,198.72	402.47	0.10	4,601.29

As at 31 March 2023	Pledge as collateral	Available as collateral	Others ¹	Total carrying amount
Cash and cash equivalent including bank balance	-	182.14	-	182.14
Bank balances other than cash and cash equivalents	28.73	-	-	28.73
Investments	2,277.72	90.93	-	2,368.65
Loans	2,321.29	-	-	2,321.29
Other financial assets	192.06	1.31	0.10	193.47
Investment Property	1,331.02	-	-	1,331.02
Property, Plant and Equipment	-	0.23	-	0.23
Total Assets	6,150.82	274.61	0.10	6,425.53

- 1 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.



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

51.3 Market Risk:

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	7.13	-	7.13	182.14	-	182.14
Bank balances other than cash and cash equivalents	440.54	-	440.54	28.73	-	28.73
Investments	1,808.22	1,808.22	-	2,368.65	2,368.65	-
Loans	1,836.43	-	1,836.43	2,321.29	-	2,321.29
Trade receivables	-	-	-	-	-	-
Other Financial assets	42.85	1.69	41.16	193.47	1.31	192.16
Total	4,135.17	1,809.91	2,325.26	5,094.28	2,369.96	2,724.32

Particulars	As at 31 March 2024			As at 31 March 2023		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Liability						
Borrowings (other than debt securities)	8,559.22	-	8,559.22	7,568.09	-	7,568.09
Debt securities	2,900.22	-	2,900.22	3,284.89	-	3,284.89
Trade payables	118.50	-	118.50	63.29	-	63.29
Other Financial liabilities	2.21	-	2.21	0.44	-	0.44
Total	11,580.15	-	11,580.15	10,916.71	-	10,916.71



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

51.4 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The management has prepared cash flow forecast which inter alia includes the key assumptions viz. (i) cash inflows generated by the lending segment, based on reasonable expectations of generating operating cash inflows; (ii) proceeds from recovery of receivables, the sale of assets & investment properties and (iii) Financial support and additional capital infusion from the parent Company / Companies under the group in order to meet the shortfall in its fund requirements over borrowings and other liabilities including loans from other group companies (if any), for a period of not less than 12 months. Based on the cash flow forecast the management believes that the Company has sufficient working capital and financial resources for ongoing operations and business activities to meet their obligations as and when they fall due.

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

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

As at 31 March 2024

Non-derivative financial liabilities	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	118.50	-	-	-	-	118.50
Borrowings (other than debt securities)	-	78.90	-	-	8,480.32	-	8,559.22
Debt securities	-	305.54	0.17	22.18	2,572.33	-	2,900.22
Other financial liabilities	-	2.21	-	-	-	-	2.21
Total		505.15	0.17	22.18	11,052.65	-	11,580.15

Non-derivative financial assets	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent	7.13	-	-	-	-	-	7.13
Bank balances other than cash and cash equivalents	440.54	-	-	-	-	-	440.54
Investments	-	1,808.22	-	-	-	-	1,808.22
Loans	-	-	-	-	1,346.10	490.33	1,836.43
Other financial assets	-	42.60	-	-	0.25	-	42.85
Total	447.67	1,850.82	-	-	1,346.36	490.33	4,135.17

All derivatives which are entered into for trading purpose are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	246.00	-	246.00
Total	-	-	-	246.00	-	246.00



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

51.4 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31 March 2023

Non-derivative financial liabilities	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	63.29	-	-	-	-	63.29
Borrowings (other than debt securities)	-	88.47	-	-	7,479.63	-	7,568.10
Debt securities	-	102.64	-	-	2,394.18	788.08	3,284.90
Other financial liabilities	-	0.44	-	-	-	-	0.44
Total	-	254.84	-	-	9,873.81	788.08	10,916.73

Non-derivative financial assets	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalents	116.32	65.82	-	-	-	-	182.14
Bank balances other than cash and cash equivalents	28.73	-	-	-	-	-	28.73
Investments	-	2,368.65	-	-	-	-	2,368.65
Loans	-	108.56	157.81	349.62	1,593.67	111.63	2,321.29
Other financial assets	-	33.37	-	-	160.10	-	193.47
Total	145.05	2,576.40	157.81	349.62	1,753.77	111.63	5,094.28

All derivatives which are entered into for trading purpose are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

Commitments	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	-	336.00	-	336.00
Total	-	-	-	-	336.00	-	336.00



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

52 Fair Value Measurement

52.1 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, as explained in Note 52.4

52.2 Valuation governance :

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 responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

52.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 19.1.

Particulars	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Investments				
Debt securities	-	-	1,808.22	1,808.22
Mutual Funds	-	-	-	-
Total Investments	-	-	1,808.22	1,808.22
Loans				
Loans classified as FVTPL	-	-	1,734.36	1,734.36
Total loans measured at fair value	-	-	1,734.36	1,734.36
Total financial assets measured at fair value on a recurring basis	-	-	3,542.58	3,542.58

Particulars	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Investments				
Debt securities	-	-	2,251.01	2,251.01
Mutual Funds	117.64	-	-	117.64
Total Investments	117.64	-	2,251.01	2,368.65
Loans				
Loans classified as FVTPL	-	-	2,219.22	2,219.22
Total loans measured at fair value	-	-	2,219.22	2,219.22
Total financial assets measured at fair value on a recurring basis	117.64	-	4,470.23	4,587.87



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

52.4 Fair valuation techniques :

Investments

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the debt securities are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Debt securities with significant unobservable valuation inputs are classified as Level 3.

Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Company has determined fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

Debt securities

Whilst most of these Instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. 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. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

Equity Instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at Instrument level. Such unlisted equity securities are classified at Level 3

Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1



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

52.5 Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.6 Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

As at 31 March 2024

Particulars	Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	102.07	94.80	-	-	94.80
Financial liabilities					
Debt securities	2,900.22	2,900.22	-	-	2,900.22
Borrowing (other than debt securities)	8,559.22	8,559.22	-	-	8,559.22

As at 31 March 2023

Particulars	Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	102.07	98.80	-	-	98.80
Financial liabilities					
Debt securities	3,284.90	3,284.90	-	-	3,284.90
Borrowing (other than debt securities)	7,568.10	7,568.10	-	-	7,568.10

52.7 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 as explained in Notes 52.4

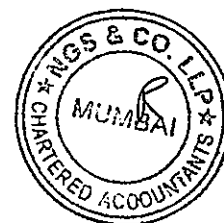
Financial assets at amortised cost

The fair values 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.

52.8 Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and

	Financial assets	
	Loans at FVTPL	Investments
As at 01 April 2023	2,219.21	2,251.01
Purchases	-	676.30
Sales / Redemption	(82.90)	(872.43)
Interest Income	-	0.21
Gains / (losses) for the period recognised in profit or loss -Unrealised	(401.95)	(263.03)
Gains / (losses) for the period recognised in profit or loss -Realised	-	16.16
As at 31 March 2024	1,734.36	1,808.22
As at 01 April 2022	3,361.82	1,301.86
Purchases	-	1,531.34
Sales / Redemption	(1,564.60)	(353.34)
Accrued Interest Income	221.32	0.27
Gains / (losses) for the period recognised in profit or loss -Unrealised	24.96	(229.12)
Gains / (losses) for the period recognised in profit or loss -Realised	175.71	-
As at 31 March 2023	2,219.21	2,251.01



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

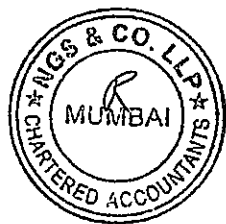
52.9 Unobservable Inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data (Continued)

As at 31 March 2024

Type of Financial Instruments	Fair value of asset as on 31 March 2024	Valuation Techniques	Significant Unobservable Input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in non-convertible debentures	1,369.91	Discounted projected cash flow	Expected gross recoveries	Rs. 3,30,300 to Rs. 5,11,770	5%	-	5%	-
			Discount rates	11.50% to 12.50%	50 basis point	-	50 basis point	-
Investments in nifty linked debentures	438.31	Fair value of Index	Price per debenture	Rs. 1,00,515 to Rs. 12,46,850 per debenture	5%	21.92	5%	(21.92)
Loans classified as FVTPL	1,734.36	Comparable transaction value	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value

As at 31 March 2023

Type of Financial Instruments	Fair value of asset as on 31 March 2023	Valuation Techniques	Significant Unobservable Input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in non-convertible debentures	1,869.79	Discounted projected cash flow	Expected gross recoveries	Rs. 4,93,677 to Rs. 6,17,127	5%	-	5%	-
			Discount rates	11.50% to 12.50%	50 basis point	-	50 basis point	-
Investments in nifty linked debentures	381.22	Fair value of Index	Price per debenture	Rs. 1,00,480 to Rs. 1,00,485 per debenture	5%	19.06	5%	(19.06)
Loans classified as FVTPL	2,219.21	Comparable transaction value	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

53 Details of Benami Property held

There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

54 Details of borrowings from banks or financial institutions on the basis of security of current assets

The Company has been sanctioned loan from financial institutions during the previous year on the basis of security of current assets. BPEA Credit India Fund III (Barings) is a financial institution from which money has been borrowed against security of current assets.

55 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender.

56 Relationship with Struck off Companies

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

57 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

58 Undisclosed income

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

59 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

60 Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person

During the year the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

61 Corporate Social Responsibility (CSR)

Section 135 of Companies Act, 2013 is not applicable to the Company for the current financial year.

62 Revaluation of PPE

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.

63 Declaration of Dividend

During the year Company has not declared or paid any dividend.

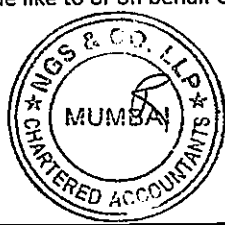
64 Utilisation of Borrowed funds and share premium

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

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries



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

65 Details of Ratios

Particulars	31-Mar-24	31-Mar-23
Debt-equity Ratio (Refer note 1 and 2)	(1.73)	(2.58)
Total debt to Total Assets Ratio (Refer note 3)	2.29	1.61
Debt Service Coverage Ratio (Refer note 4)	(0.60)	0.16
Return on Equity (Refer note 5)	(45%)	(32%)

Notes

- 1 Debt-equity ratio = Debt securities + Borrowings (other than debt securities) / Net Worth
- 2 Net worth = Equity Share Capital + Instrument entirely in equity nature + Other equity
- 3 Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets
- 4 Debt Service Coverage Ratio = Profits before interest and tax / (Interest expenses + Principal Repayment in next six months)
- 5 Return on Equity = Net Profit After Tax / Average Shareholder's Equity
- 6 Current ratio, Return on capital employed ratio, Inventory turnover ratio, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio and Return on investment are not applicable owing to the business

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

The accompanying notes are an integral part of financial statements.

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W/W100013



R.P. Soni
Partner
Membership No: 104796
Mumbai
08 May 2024



For and on behalf of the Board of Directors



Ravindra Dhobale
Executive Director &
Chief Financial Officer
DIN: 05147051



Tarun Khurana
Director
DIN: 03280026



Chirag Shah
Company Secretary
Mumbai
08 May 2024

