

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)**

1. We have reviewed the accompanying Statement of unaudited Consolidated financial results of **Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited)** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Securities and Exchange Board of India operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities:

Subsidiaries
Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)
Nuvama Financial Services Inc. (formerly known as Edelweiss Financial Services Inc.)
Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)
Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)
Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)
Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited)
Pickright technologies Private Limited

Associate

Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
 - 7 subsidiaries, whose unaudited interim financial results include total revenues of Rs 138.82 crore, total net profit after tax of Rs. 27.04 crore, and total comprehensive income of Rs. 26.82 crore for the quarter ended June 30, 2023, as considered in the Statement which have been reviewed by their respective independent auditors.
 - 1 associate, whose unaudited interim financial results include Group's share of net profit of Rs. 2.15 crore and Group's share of total comprehensive income of Rs. 2.15 crore for the quarter ended June 30, 2023, as considered in the Statement whose interim financial results, other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associates is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

7. Our conclusion on the Statement in respect of matters stated in para 6 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 23102102BGXJIQ1990

Place: Mumbai

Date: August 02, 2023

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Corporate Identity Number : U67110MH1993PLC344634

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

Tel: +91 22 6620 3030

Website: www.nuvama.com

Consolidated Financial Results for the quarter ended June 30, 2023

(₹ in Crore)

Particulars	Quarter ended			Year ended
	June 30, 2023 (Unaudited)	March 31, 2023 (Audited)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1 Revenue from operations				
(a) Fee and commission income	331.91	335.91	300.40	1,322.95
(b) Interest income	207.53	191.75	132.23	660.67
(c) Dividend income	0.03	0.05	0.63	0.83
(d) Net gain on fair value changes	63.96	85.08	27.42	230.27
(e) Net income pertaining to Demerged Undertaking (refer note 8 below)	44.28	-	-	-
Total revenue from operations	647.71	612.79	460.68	2,214.72
2 Other income	1.50	6.85	2.15	15.67
3 Total Income (1 + 2)	649.21	619.64	462.83	2,230.39
4 Expenses				
(a) Finance costs	119.04	98.59	81.78	396.41
(b) Employee benefits expense	195.23	195.24	175.58	728.70
(c) Depreciation and amortisation expense	22.28	31.38	15.31	88.58
(d) Impairment on financial instruments	6.16	9.06	(3.20)	8.24
(e) Other expenses	156.04	171.60	124.85	603.32
Total expenses	498.75	505.87	394.32	1,825.25
5 Profit before share in profit of associate and tax (3 - 4)	150.46	113.77	68.51	405.14
6 Share in profit of associate	2.15	(1.74)	0.14	0.95
7 Profit before tax (5 + 6)	152.61	112.03	68.65	406.09
8 Tax expense				
(a) Current tax	41.99	44.65	28.12	100.68
(b) Deferred tax	(12.36)	(18.02)	(6.52)	0.34
9 Net profit for the period / year (7 - 8)	122.98	85.40	47.05	305.07
10 Other comprehensive income	(0.22)	(1.72)	1.60	3.11
11 Total comprehensive income (9 + 10)	122.76	83.68	48.65	308.18
12 Net profit for the period / year attributable to:				
Owners of the Company	123.07	85.42	47.05	305.09
Non controlling interests	(0.09)	(0.02)	-	(0.02)
13 Other comprehensive income for the period / year attributable to:				
Owners of the Company	(0.22)	(1.72)	1.60	3.11
Non controlling interests	0.00	(0.00)	-	(0.00)
14 Total comprehensive income for the period / year attributable to:				
Owners of the Company	122.85	83.70	48.65	308.20
Non controlling interests	(0.09)	(0.02)	-	(0.02)
15 Earnings Per Share (₹) (Face Value of ₹ 10/- each)				
- Basic (Refer note 4)	35.10	24.37	17.18	92.07
- Diluted (Refer note 4)	34.83	24.37	17.18	92.07

(0.00 indicates amount less than Rs. 0.01 crore)

Notes:

1. Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (the 'Company') has prepared consolidated financial results (the 'Statement') for the quarter ended June 30, 2023 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies ('Indian Accounting Standards' / 'IND AS') Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable.
2. The consolidated financial results of the Company and its subsidiaries (together referred to as 'Group') and associate for the quarter ended June 30, 2023 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on August 01, 2023 and August 02, 2023 respectively.
3. The above consolidated financial results for the quarter ended June 30, 2023 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
4. Earnings per share for the quarters ended June 30, 2023, March 31, 2023 and June 30, 2022 are not annualised.
5. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
6. NSE Clearing Ltd (NCL) conducted an inspection in the matter of trading member Vrise Securities Pvt Ltd and issued a show cause notice to Nuvama Clearing Services Ltd (Formerly Edelweiss Custodial Services Ltd) (NCSL), a subsidiary of the Company. The MCSGF Committee of NSE Clearing Limited issued order to reinstate securities worth Rs. 29.33 crore. NCSL had filed an appeal against the impugned order of NCL with Securities Appellate Tribunal (SAT) and SAT by its order had granted a stay on the matter. The hearing has been concluded and reserved for the final order. NCSL has assessed such liability to be remote. Accordingly, there is no adjustment required in the consolidated financial results for the quarter ended June 30, 2023.
7. NCSL has challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against one of the trading member Anugrah Share & Brokers Pvt Ltd for which NCSL was a Clearing Member was under process, the Court contended that it had no objection to setting aside the lien order issued by the investigating agency, upon NCSL providing an undertaking to keep sufficient assets unencumbered. NCSL has since provided undertaking to keep sufficient assets amounting to Rs. 460.69 crore unencumbered and the said lien order has been set aside. Subsequently, the Misc. Application filed by NCSL before 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai has now been transferred to the City Civil & Sessions Court under M.P.I.D. Act. The matter has been listed for further hearing.

NSE Clearing Ltd (NCL) had conducted an inspection in the matter of trading member Anugrah Share & Brokers Pvt Ltd (Anugrah) and issued a show cause notice to NCSL. The MCSGF Committee of NCL has directed NCSL to adhere to instructions of National Stock Exchange (NSE) / NCL. NCSL filed an appeal against the impugned order with Securities Appellate Tribunal (SAT) and SAT by its order had granted a stay on the matter. The hearing has been concluded and reserved for the final order.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of Anugrah against Anugrah and its associates. NCSL has been made party to the same. Some of the Writ Petitions have been tagged together and common orders have been passed to be heard together. The matters are under process for further hearing.

Various FIR/Complaints have been filed before EOW at Mumbai/Amravati/Hyderabad/Cyberabad by various end clients of Anugrah against Anugrah and its associates. NCSL has been made party to the same. The investigation are under process and NCSL is providing relevant documents/clarifications to the investigating authorities as and when called for.

NCSL believes that it has acted in accordance with the agreement entered with the trading member i.e. Anugrah and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the consolidated financial results for the quarter ended June 2023.

8. The Board of Directors of the Company at its meeting held on May 13, 2022, had approved the Scheme of arrangement between Edelweiss Financial Services Limited('EFSL') and Nuvama Wealth Management Limited ('NWML') and their respective shareholders and creditors, under section 230 to 232 read with applicable provisions of the Companies Act, 2013, which, inter-alia, envisaged demerger of Wealth Management Business Undertaking (including Merchant banking business) of EFSL into the Company (i.e. 'Demerged Undertaking' as defined in the Scheme). The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme vide its order dated April 27, 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on May 12, 2023 and filed with the Registrar of Companies on May 18, 2023 (Effective date of the Scheme). Subsequently, NWML received requisite registration from SEBI and complied with conditions of SEBI by June 30, 2023. Consequently, during the quarter ended June 30, 2023, the Company has accounted for the said Demerged Undertaking in its books of accounts in accordance with the Scheme, arrangement between EFSL; NWML and its shareholders to implement the scheme, and the provisions of IND AS as follows:

(i) Profit after tax of Demerged Undertaking from March 26, 2021 till May 18, 2023 amounting to Rs. 36.43 crore has been accounted as Net income pertaining to Demerged Undertaking.

(ii) the business of the Demerged Undertaking was carried on by EFSL in trust for the Company from May 19, 2023 to June 30, 2023 and accordingly, the Profit before tax of the Demerged Undertaking amounting to Rs. 7.85 crore from May 19, 2023 to June 30, 2023 has been accounted as Net income pertaining to Demerged Undertaking.

9. Previous period / year figures have been regrouped / reclassified wherever necessary to conform to current period's / year's presentation.

For and on behalf of the Board of Directors

Ashish Kehair
Managing Director & CEO
DIN: 07789972

Mumbai, August 02, 2023