

ANNUAL REPORT 2023-24

#InvestForGood

DSP
ASSET MANAGERS

Notice of Third Annual General Meeting of the Members of DSP Asset Managers Private Limited

Notice is hereby given that the Third Annual General Meeting of the Members of DSP Asset Managers Private Limited will be held on Friday, July 26, 2024 at 11.00 a.m. at shorter notice at the Registered office of the Company at 10th Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021 to transact the following business :-

Ordinary Business:

- (1) To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon.

**BY ORDER OF THE BOARD OF DIRECTORS
OF THE COMPANY**

Sd/-

**Pritesh Majmudar (Dr.)
Company Secretary
FCS 6259
403, Girikujan Society, New Nagardas Cross Road,
Andheri (East), Near Chinai College,
Mumbai 400069**

REGISTERED OFFICE:

10th Floor, Plot 221/222, Mafatlal Centre,
Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021

Date: July 19, 2024
Place: Mumbai

NOTES:

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (ii) Instrument of proxy, for use at the above meeting, must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
- (iii) Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
- (iv) Relevant documents referred to in the accompanying Notice and the Explanatory Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the AGM.
- (v) The Statutory Registers maintained by the Company under the provisions of the Companies Act, 2013, will be available for inspection of members at the Annual General Meeting.
- (vi) The Members are requested to notify promptly any change in their address to the Company and are requested to register their e-mail address (if not provided earlier) and changes if any, therein, to enable the Company to send all communications to shareholders in electronic mode/e-mail.
- (vii) Members/proxies should bring duly attendance slip sent herewith to attend the meeting.
- (viii) Members are requested to bring their copy of the Annual Report at the Annual General Meeting.
Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least three days before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.
- (ix) The route map and prominent landmark along with the formats of the attendance slip (along with instructions thereto) and Proxy form are enclosed herewith.
- (x) Members of the Company had appointed M/s B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022) as the Statutory Auditor of the Company for a period of five years to hold the office from the conclusion of the 1st Annual General Meeting till the conclusion of Sixth Annual General Meeting of the Company

**BY ORDER OF THE BOARD OF DIRECTORS
OF THE COMPANY**

**Sd/-
Pritesh Majmudar (Dr.)
Company Secretary
FCS 6259
403, Girikujan Society, New Nagardas Cross Road,
Andheri (East), Near Chinai College,
Mumbai 400069**

REGISTERED OFFICE:

10th Floor, Plot 221/222, Mafatlal Centre,
Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021

Date: July 19, 2024

Place: Mumbai

DSP ASSET MANAGERS PRIVATE LIMITED

CIN: U65990MH2021PTC362316

Registered Office: 10th Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021

ATTENDANCE SLIP

3rd ANNUAL GENERAL MEETING ON FRIDAY, JULY 26, 2024

| | | |
|---------------------------|---|--|
| Name | : | |
| Address | : | |
| DP ID No. | : | |
| Client ID | : | |
| No. of Equity Shares held | : | |

I certify that I am a registered member/proxy for the Registered Member of the Company.

I hereby record my presence at the **3rd ANNUAL GENERAL MEETING** of the Company to be held at the Registered office of the Company at 10th Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021 on Friday, July 26, 2024 at 11.00 a.m. at shorter notice.

Member's/Proxy's Signature

NOTES:

1. Members/Proxy holders are requested to bring the attendance slip with them when they come to the meeting and hand it over at the entrance after affixing signature.
2. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Form No. MGT-11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN of Company : U65990MH2021PTC362316

Name of Company : DSP Asset Managers Private Limited

Address of its Registered Office: 10th Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021.

Name of the shareholder(s)

Registered address

E-mail Id

Folio No / Client ID

DP ID

I/We, being the shareholder(s) of shares of the above named company, hereby appoint:

Name

Address

Email-id Signature Or failing him

.....

Name

Address

Email-id Signature Or failing him

.....

Name

Address

Email-id Signature Or failing him

.....

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company to be held on Friday, July 26, 2024 at 11.00 a.m. at 10th Floor, Plot 221/222, Mafatlal Centre, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resol ution No. | Type of Resolution | Resolutions |
|-----------------------|------------------------|--|
| | | Ordinary Business |
| 1 | Ordinary Resolution | To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon. |

Signed this day of 2024

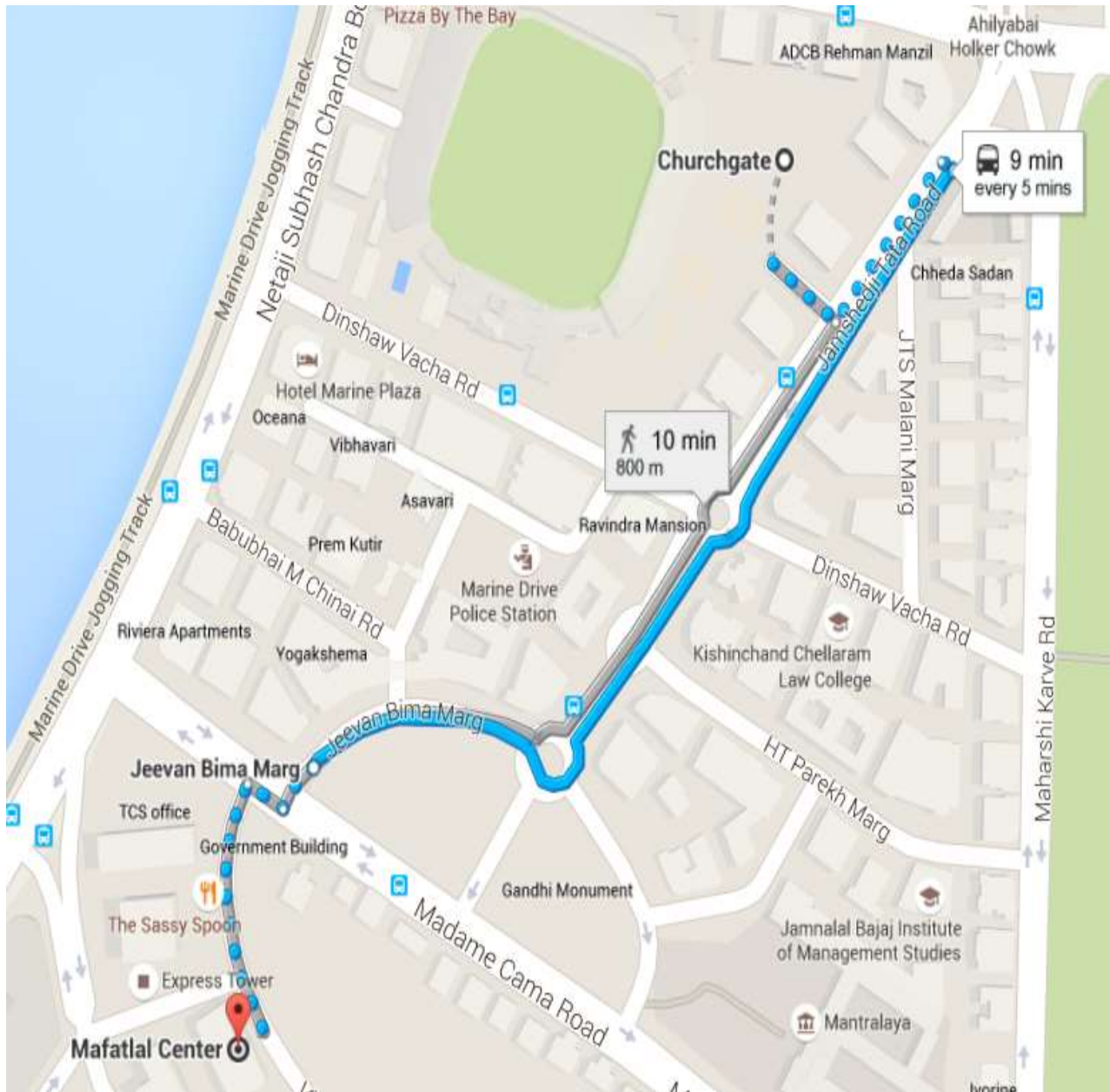
Affix

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Map of the Venue of the Annual General Meeting



Directors' Report
DSP ASSET MANAGERS PRIVATE LIMITED

To the Members,

Your Directors are pleased to present the Third Annual Report together with the Audited Financial Statements of your Company for the period ended March 31, 2024.

1. Company Profile:

DSP Asset Managers Private Limited ('the Company') is registered under the Companies Act, 2013 ('the Act') and was carrying on Asset Management business during the year ended March 31, 2024.

Pursuant to Demerger/Scheme of Arrangement ('Demerger'/ 'Scheme') between DSP Investment Managers Private Limited ('DSPIM'/ 'Transferor Company') and the Company, during the said financial year, the Company provided:

- Investment Management Services to:
 - DSP Mutual Fund
 - DSP India Fund, DSP India Investment Fund (both based in Mauritius) & DSP ICAV, an umbrella type Irish Collective Asset-Management Vehicle.
 - DSP Alternative Investment Fund Category III (DSPAIF – C - III) (SEBI registration no. IN/AIF3/13-14/0059)
- Investment management and trade execution related services to offshore sovereign funds
- Non-binding advisory services to offshore funds/ offshore investment manager, who is managing an offshore fund which will invest through FPI route.

Pursuant to the aforesaid Demerger/Scheme, the asset management business has been transferred from DSPIM to DSPAM w.e.f. April 1, 2023.

2. Share Capital:

Pursuant to aforementioned Demerger/Scheme during the said Financial Year there is a change in the Issued, Subscribed and Paid-up capital of the Company against the previous year. The Company as on March 31, 2023 had Issued, Subscribed and Paid-up capital of Rs. 10,000 comprising of 1000 shares of face value of Rs. 10/- each, and pursuant to Demerger/Scheme the Company had reduced the paid up capital of the Company of Rs. 10,000 comprising of 1000 shares of face value of Rs. 10/- each.

Pursuant to Demerger/Scheme, as on March 31, 2024, the Company had Issued, Subscribed and Paid-up Capital of Rs. 250 Crores comprising of 25 crores equity shares of face value of Rs. 10/- each. The Company has received the subscription money of Rs. 250 crores from the subscribers of the Memorandum of Association of the Company. The Subscribers of the Company are as follows:

| Name of Subscribers | No of shares allotted | Face value per share |
|------------------------------------|------------------------------|-----------------------------|
| DSP Adiko Holdings Private Limited | 13,50,00,000 | 10 |
| DSP HMK Holdings Private Limited | 8,50,00,000 | 10 |
| Ms. Aditi Kothari Desai | 1,50,00,000 | 10 |
| Ms. Shuchi Kothari | 1,50,00,000 | 10 |
| Total | 25,00,00,000 | 10 |

3. Financial Results:

The summarized standalone financial results for the period ended on March 31, 2024, are as under:

| Particulars | As on March 31, 2024 | As on March 31, 2023 |
|---|-----------------------------|-----------------------------|
| | (Rs. In million) | (Rs. In million) |
| Income | 8,285.45 | 6,529.61 |
| Profit before tax | 4,052.23 | 3,631.08 |
| Provision of Taxation | 951.54 | 845.82 |
| Profit After Taxation | 3,100.69 | 2,785.26 |
| Other Comprehensive income | (10.19) | (23.35) |
| Balance brought forward | 6,343.45 | 3,581.54 |
| Balance carried to Balance Sheet | 9,433.96 | 6,343.45 |

The summarized consolidated financial results for the period ended on March 31, 2024, are as under:

| Particulars | As on March 31, 2024 | As on March 31, 2023 |
|--|----------------------|----------------------|
| | (Rs. In million) | (Rs. In million) |
| Income | 8355.94 | 6581.36 |
| Profit before tax | 4044.76 | 3649.85 |
| Provision of Taxation | 956.02 | 847.97 |
| Profit After Taxation | 3088.74 | 2801.99 |
| Other Comprehensive income | (10.62) | (23.35) |
| Balance brought forward | 6414.24 | 3638.81 |
| Profit after Comprehensive income | 3078.12 | 2778.54 |
| Non-Controlling Interest | Nil | Nil |
| NCI acquired during the year* | Nil | 3.11 |
| Balance carried to Balance Sheet* | 9492.37 | 6414.24 |

The net worth of the Company as on March 31, 2024 was Rs.11,992.37 millions

4. State of the Company's Affairs:

The financial statements of the Company reflect the performance of the Company on a consolidated basis. The financial statements for the financial year ended on March 31, 2024 and March 31, 2023 have been prepared in accordance with Indian Accounting Standards (IndAS) as prescribed under the Companies Act, 2013 read with rules framed thereunder ("Act") and other accounting principles generally accepted in India. During the financial year under review, the total income has increased from Rs.6581.36 million to Rs.8355.94 million and the total expenses have increased from Rs.2931.4 million to Rs.4311.19 million as compared to the previous financial year. The Company has made a Profit after tax of Rs.3088.74 million as compared to the previous financial year profit after tax of Rs.2801.99 million.

5. Consolidated Financial Statements:

In terms of Section 129(3) of the Act the Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

6. Change in nature of business:

During the year under purview, there has been no change in nature of business of the Company.

7. Dividends:

Though your Company continued to register profits during the financial year ended March 31, 2024, your Directors consider it prudent to conserve resources and therefore do not recommend any dividend for the financial year ended March 31, 2024.

8. Unpaid Dividend and IEPF:

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

9. Transfer to Reserve:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

10. Business Review:

a. Mutual Fund:

The Company manages funds of the Scheme(s) of the Mutual Fund in accordance with the provisions of the Investment Management Agreement executed by the Company with DSP Trustee Private Limited (the Trust Deed constituting the Mutual Fund, Mutual Fund Regulations, and the investment objectives & strategy of the Scheme(s)). The DSP Mutual Fund managed 64 open ended schemes and 4 closed ended schemes as on March 31, 2024.

The Company manages assets of the following open ended schemes of the Mutual Fund:

| Sr No. | Name of Scheme(s) | AUM of Scheme* (Rs in Crores) |
|--------|--|----------------------------------|
| 1 | DSP Quant Fund | 1,212.50 |
| 2 | DSP Nifty IT ETF | 48.27 |
| 3 | DSP Nifty Midcap 150 Quality 50 Index Fund | 209.97 |
| 4 | DSP Short Term Fund | 2,995.79 |
| 5 | DSP Banking & Financial Services Fund | 556.07 |
| 6 | DSP Savings Fund | 3,699.48 |

| | | |
|----|--|-----------|
| 7 | DSP Banking & PSU Debt Fund | 2,375.57 |
| 8 | DSP World Energy Fund | 137.46 |
| 9 | DSP Nifty 1D Rate Liquid ETF (erstwhile known as DSP Liquid ETF) | 1,293.33 |
| 10 | DSP US Flexible# Equity Fund | 889.25 |
| 11 | DSP BSE Sensex ETF^^ | 6.89 |
| 12 | DSP Global Innovation Fund of Fund | 766.49 |
| 13 | DSP Nifty 50 Equal Weight Index Fund | 1,195.48 |
| 14 | DSP TOP 100 Equity Fund | 3,550.89 |
| 15 | DSP Bond Fund | 359.45 |
| 16 | DSP Nifty Bank ETF | 215.62 |
| 17 | DSP Nifty PSU Bank ETF | 16.57 |
| 18 | DSP Dynamic Asset Allocation Fund | 3,076.06 |
| 19 | DSP ELSS Tax Saver Fund | 14,077.22 |
| 20 | DSP Equity & Bond Fund | 8,805.40 |
| 21 | DSP Strategic Bond Fund | 931.75 |
| 22 | DSP Credit Risk Fund | 195.23 |
| 23 | DSP Liquidity Fund | 6,732.35 |
| 24 | DSP Natural Resources and New Energy Fund | 990.95 |
| 25 | DSP Healthcare Fund | 2,352.34 |
| 26 | DSP 10Y G-Sec Fund | 49.34 |
| 27 | DSP Nifty Smallcap250 Quality 50 Index Fund | 62.06 |
| 28 | DSP Gold ETF Fund of Fund | 0.06 |
| 29 | DSP BSE Liquid Rate ETF^^ | 10.45 |
| 30 | DSP Equity Opportunities Fund | 10,812.60 |
| 31 | DSP US Treasury Fund of Fund | 73.80 |
| 32 | DSP World Agriculture Fund | 16.96 |
| 33 | DSP Nifty SDL Plus G-Sec Sep 2027 50:50 Index Fund | 81.37 |
| 34 | DSP Nifty Midcap 150 Quality 50 ETF | 80.93 |
| 35 | DSP Nifty Next 50 Index Fund | 468.29 |
| 36 | DSP Overnight Fund | 1,230.14 |
| 37 | DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund | 349.47 |
| 38 | DSP Global Allocation Fund of Fund^ | 58.96 |
| 39 | DSP India T.I.G.E.R. Fund | 3,364.52 |
| 40 | DSP Midcap Fund | 15,968.66 |
| 41 | DSP Gold ETF | 313.40 |
| 42 | DSP Small Cap Fund | 13,038.77 |
| 43 | DSP Flexi Cap Fund | 9,977.49 |

| | | |
|----|--|----------|
| 44 | DSP World Mining Fund | 152.70 |
| 45 | DSP Corporate Bond Fund | 2,617.33 |
| 46 | DSP Gilt Fund^ (erstwhile known as DSP Government Securities Fund) | 755.40 |
| 47 | DSP Nifty 50 Index Fund | 505.40 |
| 48 | DSP Silver ETF | 99.49 |
| 49 | DSP Ultra Short Fund | 2,227.76 |
| 50 | DSP Multicap Fund | 809.72 |
| 51 | DSP NIFTY 50 EQUAL WEIGHT ETF | 174.18 |
| 52 | DSP Nifty Private Bank ETF | 114.01 |
| 53 | DSP Low Duration Fund | 4,204.65 |
| 54 | DSP Floater Fund | 878.78 |
| 55 | DSP Focus Fund | 2,188.98 |
| 56 | DSP Nifty Healthcare ETF | 8.26 |
| 57 | DSP Multi Asset Allocation Fund | 1,218.48 |
| 58 | DSP Nifty 50 ETF | 252.31 |
| 59 | DSP World Gold Fund of Fund^ | 797.41 |
| 60 | DSP Equity Savings Fund | 965.11 |
| 61 | DSP Value Fund | 807.70 |
| 62 | DSP Arbitrage Fund | 3,308.11 |
| 63 | DSP Regular Savings Fund | 174.03 |
| 64 | DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund | 2,293.22 |

*AUM as on March 31, 2024: Rs. 1,37,200.68 crores

^ Scheme name changed pursuant to Fundamental Attribute change of the scheme.

^^ Scheme name changed pursuant to demerger of the tie-up between S&P and BSE

The Company also manages close ended debt oriented schemes viz. Fixed Maturity Plans i.e., DSP FMP - Series 264 - 60M - 17D, DSP FMP Series - 267 - 1246 Days, DSP FMP Series - 268 - 1281 Days and DSP FMP Series - 270 - 1144 Days. Further, DSP FMP -Series 269-160 days has been matured effective May 31, 2023.

#The term “Flexible” in the name of the Scheme signifies that the Investment Manager of the Underlying Fund can invest either in growth or value investment characteristic securities placing an emphasis as the market outlook warrants.

b. Alternative Investment Fund:

The Investment Manager manages 2 open ended schemes and 1 closed ended scheme as on March 31, 2024, which were launched by DSP Alternative Investment Fund - Category III ('AIF Fund'), a SEBI registered Category III Alternative Investment Fund set-up under the AIF Regulations. The details of the same are as follows:

- DSP India Enhanced Equity Fund, an open ended scheme was the first scheme offered by DSP AIF Fund in May 2014;
- DSP India Enhanced Equity SatCore Fund, an open ended scheme was launched in February 2017;
- DSP High Conviction Fund Series 2, a close-ended scheme was launched in March 2022;

c. DSP Global Funds ICAV:

In order to expand its footprint globally, DSP Group, has setup DSP Global Funds ICAV (the "ICAV"), an umbrella type Irish Collective Asset-management Vehicle, authorised by the Central Bank of Ireland ("Central Bank") to carry on business as an ICAV and the two sub-funds under ICAV namely, DSP India Equity Fund and DSP India Bond Fund (collectively referred as "ICAV Funds" or any new sub-fund setup under the umbrella of ICAV) are registered with SEBI as Category I FPI under the SEBI's FPI regime, for investing in Indian securities market.

The Company acts as an Investment Manager to ICAV Funds in terms of no objection received from SEBI vide its letter dated October 27, 2015 for providing management and advisory services to pooled assets (broad based funds).

The Company continues to qualify with the conditions to be considered as an 'Eligible Fund Manager' for the purposes of section 9A of the IT Act read with rule 10V and rule 10VA of the Indian Income-Tax Rules, 1962.

DSP India Equity Fund was launched on March 15, 2021. **The AUM of the DSP India Equity Fund was ~27.66US\$ mn as of 30 June 2024.**

11. Subsidiary/joint ventures/associate companies & its performance:

During the year, the Company have two Subsidiaries namely DSP Pension Fund Managers Private Limited (DSPPFM) and DSP Fund Managers IFSC Private Limited (DSPIFSC).

The summarized financial results of DSPPFM for the year ended March 31, 2024 are as under:

| Particulars | Year ended March 31, 2024 (Rs.in million) |
|--------------------------|---|
| Income | 63.3 |
| Profit before tax | 3.82 |
| Provision of Taxation | (4.48) |

| | |
|---|--------|
| Profit After Taxation | (0.66) |
| Balance brought forward | 173.11 |
| Balance carried to Balance Sheet | 172.3 |
| Net worth | 617.3 |

The summarized financial results of DSP Fund Managers IFSC Private Limited for the year ended March 31, 2024 is as under:.

| Particulars | Year ended March 31, 2024 (Rs.in million) |
|---|--|
| Income | 56.51 |
| Profit before tax | (112.89) |
| Provision of Taxation | nil |
| Profit After Taxation | (112.89) |
| Balance brought forward | (1.05) |
| Balance carried to Balance Sheet | (116.81) |
| Net worth | 358.32 |

The statement containing the salient features of the financial statement of subsidiaries of the Company in the prescribed format AOC-1 is appended as **Annexure I** to the Report. Further, the audited financial statements in respect of subsidiaries of the Company are available at the Registered Office of the Company for review of members.

During the year, the Company did not have any Joint Ventures or Associate Companies. Hence the details of performance and financial position of Joint Ventures or Associate Companies are not offered.

12. Material changes:

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

13. Board of Directors:

The Board of Directors of the Company currently comprises of seven Directors.

As per article 58 of Articles of Association of your company, the following are the first directors of the Company:

- i. Mr. Hemendra Kothari
- ii. Ms. Aditi Kothari Desai

The Board at its meeting held on April 1, 2023 had appointed Mr. Subhash S. Mundra (DIN: 00979731), Mr. Dhananjay Mungale (DIN: 00007563) and Mr. Ramadorai Subramanian (DIN: 00000002) as an Additional Independent Directors (pursuant to Mutual Fund Regulations) on the Board of the Company. The Board in the said meeting have designated Mr. Hemendra Kothari (DIN: 00009873) as Non-Executive Chairman of the Company and designated Mr. Kalpen Parekh (DIN: 07925034) as Managing Director and Chief Executive Officer. The Board in the said meeting have also appointed Ms. Aditi Kothari Desai (DIN: 00426799), as an Executive Director of the Company and designated as Vice Chairperson of the Company.

Later, the Board vide circular resolution passed on April 27, 2023, have appointed Mr. Vishwanathan Iyer (DIN: 02497985) as an Additional Independent Director (pursuant to Mutual Fund Regulations) on the Board of the Company with effect from May 1, 2023. The Company had approved the appointment of Mr. Subhash Mundra (DIN: 00979731), Mr. Dhananjay Mungale (DIN: 00007563) and Mr. Ramadorai Subramanian (DIN: 00000002) and Mr. Vishwanathan Iyer (DIN: 02497985), as Directors on the Board as per Section 152 of the Companies Act, 2013 at the Annual General Meeting July 26, 2023.

Committee(s) of Directors:

Pursuant to aforementioned Demerger/Scheme with effect from April 01, 2023 and considering the Companies Act 2013 & Rules made thereunder, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, SEBI (Alternative Investment Funds) Regulations, 2012 and amendment thereof including various circulars/guidelines/letters/notifications issued by Securities and Exchange Board of India, Association of Mutual Funds in India and other applicable regulatory Bodies, the Company was required to constitute the following committees and approve the terms of reference of committees. The Board has constituted following Committee(s) of Directors at its meeting held on April 1 2023:

1. Audit Committee

The Audit Committee comprises of Mr. Dhananjay Mungale – Chairman (Independent Director), Mr. Subhash Mundra and Mr. Ramadorai Subramanian (Independent Director).

The terms of reference of the Audit Committee includes reviewing the half yearly and annual financial statements of Mutual Fund, annual financial statements of the Company, internal control systems, internal audit plan, SEBI inspection reports, audit reports and observations of statutory and internal auditors, implementation of audit recommendations as well as compliance of regulations with regard to operations of the Company, the Mutual Fund and the Alternative Investment Fund.

2. Corporate Social Responsibility ('CSR') Committee

The CSR Committee comprises of Mr. Hemendra Kothari (Chairman), Mr. Ramadorai Subramanian (Independent Director) and Mr. Dhananjay Mungale (Independent Director).

The terms of reference of the CSR Committee includes formulation and recommendation of CSR Policy and Annual Action Plan of the Company, recommendation of expenditure for CSR activities, monitoring implementation of the CSR projects/ activities undertaken by the Company and to implement CSR Policy.

3. Nomination & Remuneration Committee ('NRC'):

The NRC comprises of Mr. S. Ramadorai (Chairman), Mr. Dhananjay Mungale (Independent Director) and Mr. Hemendra Kothari.

The terms of reference of NRC include review of succession planning for the Key Management Personnel (KMP), review the compensation of MD & CEO, review the compensation and appointment of Executive Director, determination of all the terms and implementation of the Employee Stock Option Scheme in line with the provisions of the Companies Act, 2013 and applicable regulations.

4. Risk Management Committee ('RMC'):

The RMC comprises of Mr. S.S. Mundra (Chairman), Mr. Kalpen Parekh (Managing Director & Chief Executive Officer) Mr. S. Ramadorai (Independent Director).

The terms of reference of RMC includes review of the following policies:

- i. Risk Management Policy
- ii. Investment policy,
- iii. Credit risk policy,
- iv. Liquidity risk policy,
- v. Operational risk management policy (including Incident reporting and escalation matrix),
- vi. Outsourcing policy,
- vii. Business Continuity and Disaster Recovery Plan
- viii. Such other policies as may be prescribed by SEBI from time to time

Various committees as mentioned above including, Executive Risk Management Committee, Investment Committee for DSP Mutual Fund, Investment Committee for DSP Alternative Investment Fund, Credit Committee, Stewardship Committee, Information Technology Strategy Committee, Technology Advisory Committee, STR Committee, Valuation Committee and Executive Committee were constituted w.e.f. April 01, 2023.

5. Unit Holder Protection Committee:

Unit Holder Protection Committee ('UHPC') of the Company was constituted at the Board meeting held on October 19, 2023 pursuant to Regulation 25(24) of SEBI Mutual Fund Regulations, 1996 read along with SEBI circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/117 dated July 07, 2023 ('SEBI Circular') on roles and responsibilities of Trustees and Board of Directors of Asset Management Companies (AMCs) of Mutual Funds.

The UHPC comprises of Mr. Vishwanathan Iyer (Chairman), Mr. Subhash Mundra (Independent Director), Mr. Dhananjay Mungale (Independent Director) and Mr. Kalpen Parekh (MD & CEO).

The terms of reference of UHPC includes protection of interest of unit holders, ensuring adoption of sound and healthy market practices, compliance with laws and regulations and other related processes and such other responsibilities as provided in SEBI circular and the Board of Directors of DSPAM, from time to time may also assign such other responsibilities to the UHPC, as deemed fit.

14. Meetings of the Board:

A. Board of Directors Meetings:

Five meetings of Board of Directors were held during the financial year ended March 31, 2024. These meetings were held on April 01, 2023, April 14, 2023, July 19, 2023, October 19, 2023, and January 18, 2024.

B. Committee of Directors Meetings:

Four meetings of Audit Committee of the Company were held during the financial year ended March 31, 2024. These meetings were held on April 14, 2023, July 19, 2023, October 18, 2023 and January 17, 2024.

Four meetings of Risk Management Committee of the Company were held during the financial year ended March 31, 2024. These meetings were held on April 14, 2023, July 19, 2023, October 18, 2023 and January 17, 2024.

Three meetings of Corporate Social Responsibility Committee of the Company were held during the financial year ended March 31, 2024. These meetings were held on April 13, 2023, July 19, 2023 and October 18, 2023.

Three meetings of Nomination & Remuneration Committee were held during the financial year ended March 31, 2024. These meetings were held on April 13, 2023, July 25, 2023 and January 17, 2024.

One meeting of Unit Holder Protection Committee was held during the financial year ended March 31, 2024. These meeting was held on January 17, 2024.

The details of attendance of the Directors in the meeting of the Board of Directors and Committee(s) of Directors during the financial year ended March 31, 2024 given below:

| Sr. No. | Name | Designation | No. of Board meetings attended | No. of Audit Committee meetings Attended | No. of CSR Committee meetings attended | No. of NRC Committee meetings attended | No. of RMC meeting attended | No. of Unit Holder Protection Committee Meeting attended |
|--------------------------------------|---------------------------|---|--------------------------------|--|--|--|-----------------------------|--|
| 1 | Mr. Hemendra Kothari | Director | 5 | N.A. | 3 | 3 | N.A. | N.A. |
| 2 | Mr. Vishwanathan Iyer | Independent Director^ | 3 | N.A. | N.A. | N.A. | N.A. | 1 |
| 3 | Mr. Ramadorai Subramaniam | Independent Director^ | 5 | 4 | 3 | 3 | 4 | N.A. |
| 4 | Ms. Aditi Kothari Desai | Director | 5 | N.A. | N.A. | N.A. | N.A. | N.A. |
| 5 | Mr. Dhananjay Mungale | Independent Director^ | 5 | 4 | 3 | 3 | N.A. | 1 |
| 6 | Mr. Subhash S Mundra | Independent Director^ | 5 | 4 | N.A. | N.A. | 4 | 1 |
| 7 | Mr. Kalpen Parekh | Managing Director & Chief Executive Officer | 5 | N.A. | N.A. | N.A. | 4 | 1 |
| Total Number of meetings held | | | 5 | 4 | 3 | 3 | 4 | 1 |

N.A. – Not a member of the Committee

^ Independent Director in terms of SEBI (Mutual Funds) Regulations, 1996

15. Key Managerial Personnel:

The Board at its meeting held on April 1, 2023 had appointed Dr. Pritesh Majmudar as Company Secretary of the Company and appointed Mr. Kalpen Parekh as Managing Director and Chief Executive Officer of the Company w.e.f. April 01, 2023. Furthermore, the Board at its meeting held on October 19, 2023 had appointed Mr. Akilandeshwaran Iyer as Chief Financial Officer of the Company with effect from October 19, 2023.

16. Independent Directors:

The Company being Private Limited Company, provisions of Section 149 of the Act for appointment of Independent Directors does not apply to the Company. Hence, the statement on declaration to be given by Independent Director is not offered. Also, statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year along with details of re-appointment of independent directors under provisions of section 149(10) of the Companies Act, 2013 are not offered.

However, the Company has appointed Independent Directors as per the requirements of SEBI (Mutual Funds) Regulations, 1996 as amended till date and Circulars issued thereunder and the requisite declarations from such Directors have been obtained at the time of their respective appointments.

17. Auditors:

M/s. B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022) were appointed as the Statutory Auditor of the Company for a period of five years to hold the office from 1st Annual General Meeting till the conclusion of 6th Annual General Meeting of the Company at such remuneration plus GST as applicable and reimbursement of out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

18. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by Statutory Auditors and Secretarial Auditors if any:

There are no qualifications, reservations, adverse remark or disclaimer made by the Statutory Auditor. The observations and comments given by the Statutory Auditors in their report read together with notes on financial statements are self-explanatory and hence does not require any further comments in terms of Section 134 of the Act. Further, Secretarial audit is not applicable to the Company, hence the comments are not offered.

19. Conservation of Energy, Technology Absorption and Exports/Foreign Exchange Earnings and Outgo:**a. Energy Conservation and Technology Absorption:**

The Company does not carry any manufacturing activity. Hence, the particulars required to be furnished in the Directors' Report under section 134(3)(m) of the Act read with Rule 8(3)(A) and (B) of the Companies (Accounts) Rules, 2014 relating to energy conservation and technology absorption are not applicable to the Company.

b. Foreign Exchange earnings and outgo:

The earnings in foreign currency for the FY 2023-24 is Rs.909.37 million and the total expenditure incurred in foreign currency is Rs.73.54 million as per the audited financials.

20. Directors Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March 2024, the Board of Directors hereby confirms that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the March 31, 2024 and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

22. Corporate Social Responsibility:

Pursuant to section 135 of the Act and the Rules, the CSR activities/initiatives undertaken by the Company and a brief outline on Corporate Social Responsibility ('CSR') Policy of the Company are annexed herewith as **Annexure II** and **Annexure III** respectively.

23. Annual Return and Web Link of Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act the Annual Return as on the financial year ended March 31, 2024 is placed on the Company's website at <https://www.dspim.com/mandatory-disclosures/amc-financials>.

24. Particulars of Contract and arrangements with related parties:

All transactions/contracts/arrangements entered into by the Company with related party (ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

25. Risk management:

Your Company has committed to the highest standard of risk management. To this effect the following measures has been taken for the Mutual Fund and the AIF Fund:

- I. Appointment of an independent internal audit firm for Mutual Fund and AIF Fund.
- II. Further company have implemented an enterprise risk management framework encompassing the following components for the Mutual Fund and subset of the same for all other line of businesses:
 1. Governance and Organization
 2. Identification of Risks
 3. Measurement and Management of Risks
 4. Reporting of Risks and Related Information

Our robust risk management framework includes several key policies designed to mitigate various risks:

- Risk Management Framework and Policy
- Operating Event Management Policy
- Investment Risk Management Policy
- Liquidity Risk Management Policy
- Stress Testing Policy
- Stewardship Policy
- Cyber Security and Cyber Resilience Policy
- Information Security Policy
- Anti-Money Laundering Policy
- Personal Securities Transaction Policy
- Anti-Fraud Policy
- Business Continuity Plan and Disaster Recovery Policy
- Such other policies as may be prescribed by regulatory authority from time to time

Our risk management framework is guided by a comprehensive set of principles and standards that include policies, procedures, and clearly defined roles and responsibilities for management, the Board of the Asset Management Company, and the Board of Trustees.

Additionally, our sponsor company maintains an independent internal enterprise risk management function, reporting directly to the Managing Director and CEO. This structure helps mitigate conflicts of interest and aligns with good governance practices.

Further, the Legal and Compliance Department of the Company obtains Compliance Certification from concerned Heads of functions confirming compliance with the applicable Acts, Rules, and Regulation applicable to the respective department on quarterly basis.

26. Internal Financial Controls:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

27. Reporting of Fraud:

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

28. Prevention of Sexual Harassment of Women at Workplace:

In line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy on prohibition of sexual harassment at workplace which is applicable to the Company and duly constituted the Internal Complaints Committee (“ICC”).

There was no case filed of any sexual harassment by any employee of Company including visitors or other non-employee during the year under review.

29. Whistle Blower Policy:

As a good Corporate Governance, the Company has established a robust Whistle blower policy to conduct its business activities in the highest professional manner consistent with the values and principles.

Any employee of the Company who becomes aware of illegal or unethical conduct is required to report such a matter to the Head of Human Resources and Compliance officer of the Company by raising Whistle-blower through an e-mail.

30. Loans, guarantee, security acquisition and Investment made by the company:

There are no loans, guarantee, security and acquisition made by the company during the financial year ended March 31, 2024.

The details of Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements.

31. Particulars of Employees:

The details of employees in receipt of remuneration pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

32. Registrar and Transfer Agents:

M/s. KFin Technologies Private Limited are the Registrar and Transfer Agents of the Company.

33. Employee Stock Option Scheme:

With the objective of rewarding and motivating employees for their long association and in recognition of their dedicated service to the Company and also to attract and retain the best talent, erstwhile, DSP Investment Managers Pvt. Ltd. introduced 'Employees Stock Option Scheme 2019' ('ESOP 2019') to grant Stock Options to certain employees of the Company and its subsidiaries. Pursuant to demerger, the Company adopted Employees Stock Option Scheme 2023 ('ESOP Scheme'), which is similar to ESOP 2019. The Board of Directors of the Company ('Board') have constituted the Nomination and Remuneration Committee ('NRC') and at its meeting held on April 01, 2023, and gave powers to formulate an Employees Stock Options Scheme for the Company.

Based on the recommendation of NRC, the Board of Directors and shareholders of the Company at their Board meeting and Extra-Ordinary General Meeting held on April 14, 2023 and May 02, 2023, respectively approved the amended ESOP Scheme. NRC has approved the settlement of all the Stock Options in cash, till further notice. Further, as an employee friendly measure, the Exercise window is open throughout the year and the Company intends to get the Fair Valuation of shares on half yearly basis. The ESOP Scheme authorizes the NRC to determine the grant price of the stock options, vesting period and other conditionality's as provided in the ESOP Scheme.

A summary on Stock options is highlighted below:

| Total no. of Options | 1,04,16,667 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 | Tranche 6 |
|-----------------------------|--------------------|------------------|------------------|------------------|------------------|------------------------------|------------------|
| Grant Price | | 70.4 | 70.4 | 70.4 | 150.16 | 122.02, 140.05, 141.03 | |
| Options Granted: | | | | | | | |
| 01-Apr-23* | 61,90,800 | 56,79,600 | - | 3,58,400 | 1,52,100 | | |

| | | | | | | | |
|--|-----------|-----------|---|----------|----------|-----------|---|
| 24-Jun-23 | 13,84,200 | | | | | 13,84,200 | |
| | | | | | | | |
| Total Options Granted | 75,74,300 | 56,79,600 | - | 3,58,400 | 1,52,100 | 13,84,200 | - |
| | | | | | | | |
| Less: Options Lapsed | 6,05,800 | 4,87,000 | - | 21,400 | 67,300 | 30,100 | |
| | | | | | | | |
| Balance Outstanding [Granted] | 69,68,500 | 51,92,600 | - | 3,37,000 | 84,800 | 13,54,100 | - |
| | | | | | | | |
| No. of Options Vested | | | | | | | |
| 31-Dec-23 | 26,41,800 | 26,41,800 | - | - | - | - | - |
| | | | | | | | |
| No. of Options Exercised | | | | | | | |
| Q1 of 2024 | - | 0 | 0 | 0 | 0 | 0 | 0 |
| * Options grandfathered from DSP Investment Managers Private Limited | | | | | | | |

34. Disclosure Under Section 43(A)(ii) of the Act:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

35. Disclosure Under Section 54(1)(D) of the Act:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

36. Disclosure Under Section 67(3) of the Act:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

37. Amount transferred to Investor Education and Protection Fund:

The Company was not required to transfer any funds to the investor education and protection fund as per the provisions of Section 125 of the Act during the financial year under review.

38. Disclosure regarding the appointment of Cost Auditor:

Pursuant to the provisions of Section 148(1) and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to appoint Cost auditor.

39. General:

Your Directors state that no disclosure or reporting is required in respect of the following items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act - as the Company has not accepted any deposits during the year.
- b. Details of significant and material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future – as no significant and material order has been passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.
- c. A statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual Directors has been made- is not applicable during the year under review.
- d. Details of recommendations of composition of Audit Committee and Vigil Mechanism under provisions of section 177(8) and 177(10) of the Companies Act, 2013- is not applicable to the Company.
- e. Details of ratio of the remuneration of each director to the median employee's remuneration and such other details under provisions of section 197(12) & 197(14) are not applicable to the Company.
- f. Details of Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act are not applicable to the Company.
- g. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year: No application was filed for Corporate Insolvency Resolution Process, by a financial or operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal.
- h. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- There was no instance of one-time settlement with any Bank or Financial Institution.

40. Appreciation:

The Directors would like to express their appreciation to the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Association of Mutual Funds of India (AMFI), Indian Private Equity and Venture Capital Association (IVCA), and the Trustees for their continued support and guidance.

The Directors would also like to thank the Auditors, Custodian, Fund Administration, Registrar & Transfer Agent of the schemes, KYC Registration Agencies, Bankers, Distributors, Brokers, Stock Exchanges, Depositories and all other service providers for their valuable support.

The Directors wish to thank all unit holders for their strong support.

The Directors wish to place on record their appreciation to each and every employee of the Company for their valuable contribution to the growth of the Company.

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari
Chairman & Director
DIN- 00009873
Sea view, 57 Worli Sea face,
Mumbai – 400025

Place: Mumbai

Date: July 19, 2024

Sd/-

Kalpen Parekh
Managing Director & Chief Executive Officer
DIN- 07925034
602, CTS-808, Siddhachal Building,
6th Floor, Vile Parle (E),
Mumbai- 400057

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in lakhs)

| A. | Name of the subsidiary | DSP Pension Fund Managers Private Limited | DSP Fund Managers IFSC Private Limited |
|-----|---|---|--|
| 1. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April to March 2024 | April to March 2024 |
| 2. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR |
| 3. | Share capital | 4450 | 3700 |
| 4. | Reserves & surplus | 1722.97 | (116.81) |
| 5. | Total assets | 6593.47 | 3711.58 |
| 6. | Total Liabilities | 420.50 | 128.39 |
| 7. | Investments | 6370.81 | 3525.05 |
| 8. | Turnover | 632.92 | 56.51 |
| 9. | Profit before taxation | 38.17 | (112.89) |
| 10. | Provision for taxation | 44.75 | nil |
| 11. | Profit after taxation | 6.58 | (112.89) |
| 12. | Proposed Dividend | NA | NA |
| 13. | % of shareholding | 100% | 100% |

1. Names of subsidiaries which are yet to commence operations- Nil

2. Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B”: Associates and Joint Ventures – NOT APPLICABLE

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sr. No. | Name of associates/Joint Ventures | Name |
|---------|--|------|
| 1 | Latest audited Balance Sheet Date | - |
| 2 | 2. Shares of Associate/Joint Ventures held by the company on the year end (No., Amount of Investment in Associates/Joint Venture, Extend of Holding%) | - |
| 3 | Description of how there is significant influence | - |
| 4 | Reason why the associate/joint venture is not consolidated | - |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet | - |
| 6 | Profit/Loss for the year | - |
| 7 | Considered in Consolidation | - |
| 8 | Not Considered in Consolidation | - |

1. Names of associates or joint ventures which are yet to commence operations - NA

2. Names of associates or joint ventures which have been liquidated or sold during the year- NA

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari
Chairman & Director
DIN- 00009873
Sea view, 57 Worli Sea face,
Mumbai – 400025

Sd/-

Kalpen Parekh
Managing Director & Chief Executive Officer
DIN- 07925034
602, CTS-808, Siddhachal Building,
6th Floor, Vile Parle (E),
Mumbai- 400057

Place: Mumbai

Date: July 19, 2024

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1) A brief outline of the company's CSR policy.

The Company commits to conduct its business in a responsible, fair, transparent, and ethical manner and extend its' responsibility to create a meaningful social impact to the local communities by undertaking CSR activities in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and rules issued thereunder.

In order to create a meaningful impact, during normal circumstances, the company will concentrate its CSR efforts in the following four areas, which will account for upto 95% of its' fund allocations:

- i. **Education (upto 20%)**: Special emphasis on Primary education for underprivileged children.
- ii. **Wildlife & Environment (40%)**: Projects focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.
- iii. **Adolescence & Women empowerment (upto 10%)**: Projects aimed at restoring gender equality – focusing on health, education, financial literacy, skill development, vocational training, etc. – and empowering them to make positive life choices.
- iv. **Health including Mental Wellness (upto 25%)**: Projects aimed to improve the health including but not limited to mental wellness, provide necessary support (diagnosis, counselling, intervention, medication, etc)

2) The Composition of the CSR Committee:

| Sr.No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the Year | Number of Meetings of CSR Committee attended during the Year |
|--------|---------------------------|-------------------------------------|--|--|
| 1. | Mr. Hemendra Kothari | Chairman of CSR Committee and Board | 3 | 3 |
| 2. | Mr. Ramadorai Subramanian | Independent Director | 3 | 3 |
| 3. | Mr. Dhananjay Mungale | Independent Director | 3 | 3 |

- 3) Website link for Composition of CSR committee, CSR Policy and CSR projects approved by the Board: <https://www.dspim.com/mandatory-disclosures/corporate-social-responsibility>
- 4) Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.: Not Applicable
- 5) (a) Average net profit of the company as per sub-section (5) of section 135-

CSR Obligation for the Financial Year 2023-24:

| Sr. No | Particulars | Amount (In Rs. Lakhs) |
|---------------|--|----------------------------------|
| b) | Two percent of average net profit of the company as per section 135(5) | 343.39 |
| c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | Nil |
| d) | Amount required to be set off for the financial year | Nil |
| e) | Total CSR Obligation ((b)+(c)-(d)) | 343.39 |

- 6) a) Amount spent on CSR against ongoing projects for the Financial Year 2023-23: Nil

| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) | (10) | (11) | |
|--------|---------------------|---|---------------------|--------------------------|------------------|--|--|--|--|---|--|-------------------------|
| Sr. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the project. | Project duration | | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| | TOTAL | Nil | | | | | | | | | | |

Amount spent on CSR against other than ongoing projects for the Financial Year 2023-24:

| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) | (10) | (11) | |
|--------|--|---|-------------------------|--------------------------|------------------|--|--|--|--|--|--|-------------------------|
| Sr. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area a (Yes / No) | Location of the project. | Project duration | | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| 1. | Education of children from underprivileged background | (ii)- promoting education | Yes | Karnataka | Bangalore | | 26,86,178 | 26,86,178 | Nil | No | Parikrma Humanity Foundation | CSR00000519 |
| 2. | Child friendly education through innovative pedagogy for the urban, under-served community with the principle “education for the community, by the community.” | (ii)- promoting education | Yes | Maharashtra | Mumbai | | 25,00,000 | 25,00,000 | Nil | No | Muktangan Education Trust | CSR00000732 |

| | | | | | | | | | | | | |
|----|--|--|-----|-----------------------|------------------------|--|-----------|-----------|-----|----|--|-------------|
| 3. | English Literacy Program'- Support in eliminating 'Poor English Capabilities' - that prohibits regional language school students from accessing professional education & hence better employment | (ii)- promoting education | Yes | Rajasthan, Bihar & UP | Alwar, Prayagraj, | | 44,14,727 | 44,14,727 | Nil | No | LeapFor Word | CSR00001037 |
| 4. | Empowering adolescent girls by providing education, delaying early marriage, age of pregnancy , encouraging skill development & | (iii)- promoting gender equality, empowering women | Yes | Delhi | Harijan Basti, Gurgaon | | 20,00,000 | 20,00,000 | Nil | No | Martha Farrell Foundation | CSR00008405 |
| 5. | To develop life skills and improve educational attainment for children from underprivileged communities in India | (ii)- promoting education | Yes | Maharashtra | Mumbai | | 25,00,000 | 25,00,000 | Nil | No | Organization for Social Change Awareness and Responsibility (OSCAR) Foundation | CSR00003865 |

| | | | | | | | | | | | | |
|----|--|---|-----|-------------|--------|--|-----------|-----------|-----|----|---|-------------|
| 6. | Training sessions to be imparted by internal & external speakers to train the nutritionists on varied topics | (i)- Eradicating hunger, poverty and malnutrition | Yes | Maharashtra | Mumbai | | 9,12,500 | 9,12,500 | Nil | No | Cuddles Foundation | CSR00001473 |
| 7. | Support at Malnutrition Management Centers, Kasara | (i)- Eradicating hunger, poverty and malnutrition | Yes | Maharashtra | Mumbai | | 9,12,500 | 9,12,500 | Nil | No | SNEHA | CSR00002137 |
| 8. | Strengthen capacity of government officials to ensure teachers are effectively supported and students have access to high quality learning | (ii)- promoting education | Yes | Haryana | All | | 43,73,963 | 43,73,963 | Nil | No | Leadership for Skilled Education Foundation | CSR00001132 |

| | | | | | | | | | | | | |
|-----|---|--|-----|----------------------|--|--|--------------------|--------------------|-----|----|-----------------------------|-------------|
| 9. | Building Enforcement Capacity to Combat Wildlife Crime' | (iv) Ensuring environmental sustainability | Yes | Maharashtra, Gujarat | Pench, Panna, Sanjay Dubri, Tadoba-Andhari, Navegaon-Nagzira, and Sahyadri | | 76,77,917 | 76,77,917 | Nil | No | Wildlife Conservation Trust | CSR00003682 |
| 10. | Health of Frontline Forest Staff | (iv) Ensuring environmental sustainability | Yes | Madhya Pradesh | Pench, Satpura, Kanha, Sanjay Dubri, Panna, Bandhavgarh | | 26,99,593 | 26,99,593 | Nil | No | Wildlife Conservation Trust | CSR00003682 |
| 11. | Holistic support to 15 girl children of women working in red light areas. | (iii)- promoting gender equality, empowering women | Yes | Maharashtra | Mumbai | | 20,77,188 | 20,77,188 | Nil | No | Sahaara Charitable Society | CSR00004895 |
| | TOTAL | | | | | | 3,27,54,566 | 3,27,54,566 | | | | |

b) Amount spent in Administrative Overheads: - Rs. 17,17,450/-

c) Amount spent on Impact Assessment, if applicable - Not Applicable

d) Total amount spent for the Financial Year 2023-24- -: Rs. 3,44,72,016

e) CSR Amount spent or unspent for the Financial Year: Nil

| | | | | |
|---|---|------------------|---|------------------|
| | Amount Unspent | | | |
| Total Amount Spent for the Financial Year | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | |
| | Amount | Date of transfer | Amount | Date of transfer |
| Nil | | | | |

f) Excess amount for set off, if any- 1,23,016/-

| Sr. No | Particulars | Amount (in Rs.) |
|--------|---|-----------------|
| 1 | Two percent of average net profit of the company as per section 135(5) | 3,43,49,000 |
| 2 | Total amount spent for the Financial Year | 3,44,72,016 |
| 3 | Excess amount spent for the financial year [(2)-(1)] | 1,23,016 |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| 5 | Amount available for set off in succeeding financial years [(3)-(4)] | 1,23,016 |

7) Details of CSR amount spent/unspent for the preceding three financial years:

| Sr. No | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Balance Amount in unspent CSR Account under Sub-section (6) of Section 135 (in Rs.) | Amount Spent in the Financial Year(in Rs) | Amount transferred to any Fund specified under Schedule VII as per Section 135(6) if any | | Amount remaining to be spent in succeeding financial years | Deficiency, if any |
|--------|--------------------------|---|---|---|--|------------------|--|--------------------|
| | | | | | Amount (in Rs.) | Date of Transfer | | |
| | FY-1 (FY21-22) | 10,22,192 | 10,22,192 | 10,22,192 | NIL | | NIL | |

| | | | | | | | |
|--|----------------|-----|--|--|--|--|--|
| | FY-2 (FY22-23) | NIL | | | | | |
| | FY-3 (FY23-24) | NIL | | | | | |

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2023-24: NO

- Yes
- No

9) Specify the reason(s) if the Company has failed to spend two percent of the average net profits as per Section 135(5): Not Applicable

For and on behalf of the Board of Directors

Sd/-

Hemendra Kothari
Chairman & Director
DIN- 00009873
Sea view, 57 Worli Sea face,
Mumbai – 400025

Sd/-

Kalpen Parekh
Managing Director & Chief Executive Officer
DIN- 07925034
602, CTS-808, Siddhachal Building,
6th Floor, Vile Parle (E),
Mumbai- 400057

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY (U/S 135 OF THE COMPANIES ACT, 2013)

I. Background:

The Companies Act, 2013 (The Act) requires both public and private companies in India which have either (i) net worth of INR 500 crores or more or (ii) turnover of INR 1000 crores or more or (iii) net profit of INR 5 crores or more, within the immediately preceding financial year, to contribute 2% of their average net profits of the three preceding financial years to Corporate Social Responsibility initiatives or specify their reasons for not spending that amount in their Board of Director's annual reports.

II. Policy Statement

DSP Asset Managers Private Limited (the "Company/AMC") commits to conduct its business in a responsible, fair, transparent, and ethical manner and extend its' responsibility to create a meaningful social impact to the local communities by undertaking CSR activities in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and rules issued thereunder.

III. Focus areas:

- a. In order to create a meaningful impact, during normal circumstances, the company will concentrate its CSR efforts in the following four areas, which will **account upto 95%** of its' fund allocations:
 - i. **Education (upto 20%):** Special emphasis on Primary education for underprivileged children.
 - ii. **Wildlife & Environment(upto 40%):** Projects focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.
 - iii. **Adolescence & Women empowerment (upto 10%):** Projects aimed at restoring gender equality – focusing on health, education, financial literacy, skill development, vocational training, etc. – and empowering them to make positive life choices.
 - iv. **Health including Mental Wellness (upto 25%):** Projects aimed to improve the health including but not limited to mental wellness, provide necessary support (diagnosis, counselling, intervention, medication, etc)
- b. The Company shall also undertake other CSR projects/activities as listed in Schedule VII of the Act. However, allocation of funds to such projects/activities **shall not exceed 10%** of the yearly CSR budget.
- c. In the event of any natural calamities, pandemic or any other abnormal situations, the Company, with the approval of the Board, will focus on the urgent and emergency needs arising from these events which will lead to allocation of a significant portion of the CSR budget towards such activities thereby reducing the allocation to areas outlined in in paragraph III.a.
- d. The CSR projects/activities shall be undertaken in locations within India.

- e. The above thresholds may vary from time to time basis the approval by Board of Directors of the Company.

IV. CSR Organization:

- a. **CSR Committee:** The Board of Directors of the AMC has constituted a Corporate Social Responsibility Committee of Directors (“CSR Committee”) whose duties include:
 - i. developing a CSR policy,
 - ii. prepare and recommend to the Board an annual action plan for the CSR activities,
 - iii. recommending CSR activities to be undertaken and the amount of spending on each activity,
 - iv. lay down process for undertaking, implementing and monitoring CSR activities.
 - v. The Committee shall recommend contribution of upto 5% of total CSR expenditure of the Company in one financial year for building the CSR capacities of personnel for AMC.
- b. **CSR Cares:** This shall comprise of employees from various functions and shall have the following duties and responsibilities:
 - vi. Recommend Policy changes to the CSR committee.
 - vii. Develop CSR strategies and project identification mechanism.
 - viii. Evaluation of NGOs, their proposals and allocation of funds.
 - ix. Coordinate CSR activities.
 - x. Administration of CSR budget and its allocation.
 - xi. Periodic assessment of the activities of NGOs supported by the Company and the impact generated.
 - xii. Periodic reporting to the CSR committee.

V. Annual CSR Plan:

The Annual CSR Plan shall be placed before the Board of Directors of the Company based on recommendation of the CSR Committee which shall outline:

- i. Project Proposals
- ii. Targeted Beneficiaries and their key needs
- iii. Alignment with Schedule VII
- iv. Project Goals and milestones
- v. Activities and Timelines including expected closure dates
- vi. CSR Budget with projections

- vii. Monitoring mechanism
- viii. Progress reporting and frequency of reports
- ix. Risks and mitigation strategies
- x. Any other information as may be required by the CSR Committee

VI. Modalities of Execution

- a. The day-to-day implementation and execution of CSR activities shall be carried out through the CSR Cares.
- b. Execution will largely be in the form of support to non-profit and voluntary organizations (NGOs) focusing on activities included in paragraph III above.
- c. The Company will also support non-profit organizations which play the role of a catalyst in the themes/sectors identified in paragraph III (a) above by working with both philanthropists and social entrepreneurs and bring together knowledge, funding and people. Their activities could be in the form of providing research on social issues to funders, conducting workshops and training for NGOs to build skills, providing a platform or forum for philanthropists to identify competent NGOs and for NGOs to raise funds.
- d. All such organizations shall have an established track record as specified in the Act (currently three years).
- e. The Company shall consider the following modes of support.
 - i. financial support (monetary donations, grants,)
 - ii. Sponsorship to workshops and training programs for NGOS to provide skill sets necessary to build and maintain a sustainable and scalable organization and accelerate their impact.
 - iii. in-kind giving
 - iv. other material support
 - v. employee volunteering (making time, skills, mentoring, etc.)
- f. The Company could seek assistance from firms specializing in the social sector for research on social issues, to identify NGOs with good track record, good governance standards, and a sustainable model, and for monitoring of projects.
- g. The Company will also encourage its employees to contribute to CSR initiatives by matching charitable donations rupee for rupee through a Matching Donation Program.
- h. The Company will encourage its employees to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.
- i. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - i. Projects or activities not falling within Schedule VII
 - ii. Activities undertaken in pursuance of normal course of business
 - iii. Projects or programs or activities that benefit only the employees of the Company and their families
 - iv. Direct or indirect contribution to any political party

- v. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its funds or services.
- vi. Activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at International level.
- vii. Activities carried out for fulfilment of any statutory obligations under any law (such as Labour Laws, Land Acquisition Act., etc.) in force in India.

VII. CSR Budget

- a. At the commencement of each fiscal year the Board will approve an amount which shall not be less than as prescribed by the Act (Currently, a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years). Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude (a) profits arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.
- b. The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company and may be utilized either by transferring such amount to the same activity/project or transferring it to the Unspent CSR Account and spend it in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c. Further, any amount spent in excess of its obligation may be set off against the requirement to spend up to immediate succeeding three financial years' subject to the conditions that:
 - i. Such Excess Amount shall not include any surplus, and
 - ii. The Board of the Company has passed resolution to give this a effect.
- d. Contributions by employees may also be received and utilized in respect of the CSR activities undertaken.
- e. The Company will aim to grow this core amount over time and, depending on the profitability of the Company, may make specific one-off donations.

Independent Auditor's Report

To the Members of DSP Asset Managers Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of DSP Asset Managers Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 opinion on the standalone financial statements.

Management's and Board of Directors Responsibilities for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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 the Board of Directors 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.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)**DSP Asset Managers Private Limited****Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. 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

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors from 1 April 2024 to 10 April 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the standalone 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 to the standalone 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which, along with access management tools, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further,

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Membership No.: 109928

Date: 19 July 2024

ICAI UDIN:24109928BKDBJQ8248

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) 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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) 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 proceedings initiated or 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 is a service company, primarily rendering asset management and investment advisory services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) 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 been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has made investments in, and granted unsecured loans to other parties, in respect of which the requisite information is as below. During the year, the Company has not provided any guarantee or security, or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or made investments in or granted any loans, secured or unsecured, to companies, firms or limited liability partnerships.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to parties other than subsidiaries, joint ventures and associates as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

| Particulars | Loans (Rs. Lakhs) |
|---|-------------------|
| Aggregate amount during the year Others | 173 |
| Balance outstanding as at balance sheet date Others* | 206 |

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and the terms and conditions of the grant of unsecured loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Professional Tax, Labour Welfare Fund, Income-Tax, Cess or other statutory dues have

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

generally been regularly deposited with the appropriate authorities, though there have been delays in a few cases of Goods and Service Tax, Professional Tax and Income- Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Professional Tax, Labour Welfare Fund, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Service Tax, Goods and Services Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remark |
|----------------------|--------------------|-----------------------|------------------------------------|--|--|
| Income Tax Act, 1961 | Income Tax | 0.89 | Assessment Year (AY) 2006-2007 | Commissioner of Income Tax (Appeals) (CIT) | Disallowance of expenses under section 14A of the Income Tax Act, 1961, Short credit of TDS granted and Levy of interest under section 234B and 234C of the Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 28.21 | AY 2012-2013 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961, and Levy of interest under section 234B and 234C of the Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 32.65 | AY 2013-2014 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961 and Levy of interest under section 234B and 234C of the Income Tax Act, 1961 |

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remark |
|----------------------|--------------------|-----------------------|------------------------------------|--------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 38.35 | AY 2014-2015 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961, short credit of TDS granted and Levy of interest under section 234B and 234C of the Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 32.57 | AY 2018-2019 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961 and disallowance of deduction claimed under section 80G of Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 125.66 | AY 2020-2021 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961, disallowance of deduction claimed under section 80G of Income Tax Act, 1961, disallowance of gratuity paid during the year and disallowance of Income Computation and Disclosure Standards ('ICDS') adjustment for depreciations |

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remark |
|--------------------------------|----------------------|-----------------------|------------------------------------|---|---|
| | | | | | per books and as per Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 150.80 | AY 2021-2022 | CIT | Incorrect computation of surcharge and interest |
| Income Tax Act, 1961 | Income Tax | 47.29 | AY 2021-2022 | CIT | Disallowance of expenses under section 14A of the Income Tax Act, 1961 |
| Income Tax Act, 1961 | Income Tax | 66.34 | AY 2021-2022 | CIT | Incorrect computation of surcharge and interest |
| Finance Act, 1994 | Service Tax | 24.12 | Financial Year (FY) 2004-2009 | Supreme Court (Audit) GR V- Central Excise | Interest on delayed payment of Service Tax |
| Finance Act, 1994 | Service Tax | 17.90 | FY 2014-2017 | Commissioner of Central Goods and Service Tax | Service Tax on transaction charges |
| Goods & Services Tax Act, 2017 | Goods & Services Tax | 10.15 | FY 2018-2019 | Sales Tax Officer Delhi | Excess claim of Input Tax Credit ('ITC') on reverse charge supplies and ITC claimed on ineligible supplies mentioned in section 17(5) of Goods & Services Tax Act, 2017 |

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

Income Tax Act, 1961 as income during the year.

- (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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) 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 been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company did not raise any funds during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Date: 19 July 2024

Membership No.: 109928

ICAI UDIN:24109928BKDBJQ8248

Annexure B to the Independent Auditor's Report on the standalone financial statements of DSP Asset Managers Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of DSP Asset Managers Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Membership No.: 109928

Date: 19 July 2024

ICAI UDIN:24109928BKDBJQ8248

| DSP Asset Managers Private Limited | | | |
|--|----------|---|----------------------|
| Standalone Balance Sheet as at March 31, 2024 | | | |
| (Rs. in Lakhs) | | | |
| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
| Assets | | | |
| I Financial Assets | | | |
| (a) Cash and cash equivalents | 5 | 560.76 | 437.96 |
| (b) Receivables | | | |
| (i) Trade Receivables | 6 | 8,789.77 | 6,206.39 |
| (ii) Other Receivables | 7 | 848.16 | 0.06 |
| (c) Investments | 8 | 1,23,442.74 | 83,463.93 |
| (d) Other Financial Assets | 9A | 586.34 | 534.31 |
| II Non-Financial Assets | | | |
| (a) Current Tax Assets (Net) | 10A | 1,421.62 | 851.98 |
| (b) Deferred Tax Assets (Net) | 10B | 2,466.75 | 3,386.84 |
| (c) Property, Plant and Equipment | 11 | 1,711.79 | 1,316.92 |
| (d) Other Intangible Assets | 12 | 90.53 | 57.91 |
| (e) Right-of-use Assets | 34 | 2,570.81 | 2,370.87 |
| (f) Other Non-Financial Assets | 9B | 1,191.46 | 1,442.68 |
| Total Assets | | 1,43,680.73 | 1,00,069.85 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| I Financial Liabilities | | | |
| (a) Payables | 13 | | |
| (1) Trade Payables | | | |
| (i) Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 221.38 | 139.40 |
| (ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 967.97 | 1,288.45 |
| (2) Other Payables | | | |
| (i) Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 13.14 | 3.17 |
| (ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 4,841.26 | 156.45 |
| (b) Other Financial Liabilities | 13A | 1,444.50 | 1,350.56 |
| (c) Lease Liabilities | 34 | 2,988.03 | 2,701.40 |
| II Non-Financial Liabilities | | | |
| (a) Provisions | 14 | 10,315.44 | 3,240.18 |
| (b) Other Non-Financial Liabilities | 15 | 3,549.37 | 2,755.63 |
| Total Liabilities | | 24,341.09 | 11,635.24 |
| III Equity | | | |
| (a) Equity Share Capital | 16 | 25,000.00 | 0.10 |
| (b) Share Pending issuance | 16A | - | 25,000.00 |
| (c) Other Equity | 17 | 94,339.64 | 63,434.51 |
| Total Equity | | 1,19,339.64 | 88,434.61 |
| Total Liabilities and Equity | | 1,43,680.73 | 1,00,069.85 |
| Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements. | | | |
| As per our report attached of even date | | | |
| For B S R & Co. LLP | | For and on behalf of the Board of Directors | |
| Chartered Accountants | | | |
| Firm Registration No. 101248W/W-100022 | | | |
| Sameer Mota | | Kalpen Parekh | |
| Partner | | Managing Director & | |
| Membership No. 109928 | | Chief Executive Officer | |
| | | DIN: 07925034 | |
| | | Dhananjay Mungale | |
| | | Director | |
| | | DIN: 00007563 | |
| | | Akilandeshwaran Iyer | |
| | | Chief Financial Officer | |
| | | Pritesh Majmudar | |
| | | Company Secretary | |
| | | Membership No: FCS 6259 | |
| Mumbai | | Mumbai | |
| July 19, 2024 | | July 19, 2024 | |

DSP Asset Managers Private Limited

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

(Rs. in Lakhs)

| | Particulars | Note No. | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--------|---|----------|------------------------------|------------------------------|
| | Revenue from Operations | | | |
| | Fees and Commission Income | 18 | 70,704.21 | 58,592.28 |
| | Net gain on Fair Value Changes | 19 | 12,150.27 | 6,703.80 |
| (I) | Total Revenue from operations | | 82,854.48 | 65,296.08 |
| (II) | Other Income | 20 | 15.52 | 272.36 |
| (III) | Total Income (I+II) | | 82,870.00 | 65,568.44 |
| | Expenses | | | |
| (i) | Finance Costs | 21 | 270.16 | 257.31 |
| (ii) | Fees and Commission Expenses | 22 | 798.76 | 1,097.78 |
| (iii) | Employee Benefits Expenses | 23 | 29,277.96 | 15,996.20 |
| (iv) | Depreciation, Amortisation and Impairment | 24 | 1,423.46 | 1,626.11 |
| (v) | Other Expenses | 25 | 10,577.36 | 10,280.26 |
| (IV) | Total Expenses | | 42,347.70 | 29,257.66 |
| (V) | Profit Before Tax (III-IV) | | 40,522.30 | 36,310.78 |
| (VI) | Tax Expense: | | | |
| | (1) Current Tax | 26 | 8,561.08 | 7,773.94 |
| | (2) Deferred Tax Charge | 27 | 954.34 | 684.27 |
| | | | 9,515.42 | 8,458.21 |
| (VII) | Profit After Tax (V- VI) | | 31,006.88 | 27,852.57 |
| (VIII) | Other Comprehensive Income | | | |
| | Items that will not be reclassified to profit or loss | 28 | | |
| | (i) Remeasurement loss of the defined benefit plans | | (136.10) | (312.06) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 34.25 | 78.54 |
| | Other Comprehensive Income (net of tax) | | (101.85) | (233.52) |
| (IX) | Total Comprehensive Income | | 30,905.03 | 27,619.05 |
| (X) | Earnings per equity share (Face Value Rs. 10) | | | |
| | Basic (Rs.) | 29 | 12.40 | 11.14 |
| | Diluted (Rs.) | 29 | 12.40 | 11.14 |

Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota

Partner

Membership No. 109928

Kalpen Parekh

Managing Director &
Chief Executive Officer

DIN: 07925034

Dhananjay Mungale

Director

DIN: 00007563

Akilandeshwaran Iyer

Chief Financial Officer

Mumbai
July 19, 2024

Pritesh Majmudar

Company Secretary

Membership No: FCS 6259

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---------------------------|-------------|---------------------------|-------------|
| Cash flows from operating activities | | | | |
| Profit before tax | | 40,522.30 | | 36,310.78 |
| Adjustments for: | | | | |
| Dividend income | (3.58) | | (2.76) | |
| Interest income on loans to employees | (8.08) | | (4.60) | |
| Interest on securities | (0.01) | | (0.03) | |
| Interest expense on lease liability (financial liability measured at Amortised Cost) | 270.16 | | 257.31 | |
| Excess of Lease Liability over WDV of corresponding Right to use Assets on account of early closure of Leases | (2.86) | | (80.73) | |
| Net loss on account of property, plant and equipment discarded | 13.60 | | 40.79 | |
| Net gain on financial instruments at fair value through profit and loss | (12,150.27) | | (6,703.80) | |
| Reversal of provision for security deposit | - | | (5.90) | |
| Depreciation on Property, Plant and Equipment and amortisation on Other Intangible Assets | 494.18 | | 725.86 | |
| Amortisation of Right-of-Use Assets | 929.28 | (10,457.58) | 900.25 | (4,873.61) |
| | | 30,064.72 | | 31,437.17 |
| Operating profit before working capital changes | | | | |
| Adjustments for changes in working Capital | | | | |
| (Increase) / Decrease in Trade Receivables | (2,583.38) | | 1,206.17 | |
| (Increase) / Decrease in Other Receivables | (848.10) | | 1,025.76 | |
| Decrease in Other financial assets | 17.47 | | 75.24 | |
| (Increase) / decrease in Other non - financial assets | 257.44 | | (368.28) | |
| Increase / (decrease) in Trade Payables | 4,456.28 | | (41.33) | |
| Increase in Other Financial Liabilities | 93.94 | | - | |
| Increase in Provisions | 6,939.16 | | 544.13 | |
| Increase / (Decrease) in Other non - financial liabilities | 793.74 | 9,126.55 | (115.79) | 2,325.90 |
| Cash generated from operations | | 39,191.27 | | 33,763.07 |
| Income taxes paid (net of refunds) | | (9,130.72) | | (7,656.24) |
| Net cash generated from operating activities | | 30,060.55 | | 26,106.83 |
| Cash flows from investing activities | | | | |
| Payments to acquire investments | (85,274.18) | | (94,283.38) | |
| Proceeds on sale of investments | 57,445.64 | - | 70,049.19 | |
| Dividend income | 3.58 | | 2.76 | |
| Interest income on loans to employees | 8.08 | | 4.60 | |
| Interest on securities | 0.01 | | 0.03 | |
| Payments for property, plant and equipment | (987.50) | | (797.05) | |
| Proceeds from disposal of property, plant and equipment | 46.01 | | 24.33 | |
| Loans given to employees | (172.88) | | (142.66) | |
| Repayment of loans by employees | 103.38 | | 83.82 | |
| Net cash used in investing activities | | (28,827.86) | | (25,058.36) |
| Cash flows from financing activities | | | | |
| Lease payments | (1,109.89) | | (1,147.74) | |
| Net cash used in financing activities | | (1,109.89) | | (1,147.74) |
| Net Increase/(decrease) in cash and cash equivalents | | 122.80 | | (99.27) |
| Cash and cash equivalents at the beginning of the year | | 437.96 | | 537.23 |
| Cash and cash equivalents at the end of the year | | 560.76 | | 437.96 |

Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements.

The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS -7 "Cash flow Statement."

As per our report attached of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota
Partner
Membership No. 109928

Kalpen Parekh
Managing Director &
Chief Executive Officer
DIN: 07925034

Dhananjay Mungale
Director
DIN: 00007563

Mumbai
July 19, 2024

Akilandeshwaran Iyer
Chief Financial Officer

Pritesh Majmudar
Company Secretary
Membership No: FCS 6259

Mumbai
July 19, 2024

Equity share capital

(Rs. in Lakhs)

| Particulars | Balance at the beginning of the year | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the reporting year | Changes in equity share capital during the year | Balance at the end of the reporting year |
|---|--------------------------------------|--|---|---|--|
| Equity Shares of Rs.10 each (March 31, 2023: Rs.10 each), fully paid-up | | | | | |
| As at March 31, 2023 | 0.10 | - | - | - | 0.10 |
| As at March 31, 2024 | 0.10 | - | - | 24,999.90 | 25,000.00 |

Other equity

(Rs. in Lakhs)

| Particulars | Share Pending issuance | Reserves and Surplus | Items of Other Comprehensive Income (OCI) | Capital Reserve | Total |
|---|------------------------|----------------------|---|-----------------|-------------|
| | Share Pending issuance | Retained Earnings | Re-measurement gain/(loss) of defined benefit plans, net of tax | Capital Reserve | |
| Balance as at March 31, 2022 | 25,000.00 | 35,859.34 | (43.88) | - | 60,815.46 |
| Profit for the year | - | 27,852.57 | - | - | 27,852.57 |
| Other Comprehensive Income | - | - | (233.52) | - | (233.52) |
| Balance as at March 31, 2023 | 25,000.00 | 63,711.91 | (277.40) | - | 88,434.51 |
| Profit for the year | - | 31,006.88 | - | - | 31,006.88 |
| Other Comprehensive Income | - | - | (101.85) | - | (101.85) |
| Shares issued/cancelled during the year | (25,000.00) | - | - | 0.10 | (24,999.90) |
| Balance as at March 31, 2024 | - | 94,718.79 | (379.25) | 0.10 | 94,339.64 |

Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota
Partner
Membership No. 109928

Kalpen Parekh
Managing Director &
Chief Executive Officer
DIN: 07925034

Dhananjay Mungale
Director
DIN: 00007563

Akilandeswaran Iyer
Chief Financial Officer

Pritesh Majmudar
Company Secretary
Membership No: FCS 6259

Mumbai
July 19, 2024

Mumbai
July 19, 2024

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

1) Corporate Information

DSP Asset Managers Private Limited ('the Company') was incorporated in India on June 17, 2021 and the Registered office of the Company is at Mumbai, Maharashtra.

The Company operates as an 'Asset Management Company' for the schemes of DSP Mutual Fund ('MF'), registered with the Securities and Exchange Board of India ('SEBI'), in India. The Company also provides investment management services to the schemes of DSP Alternative Investment Fund Category III ('AIF'), certain offshore funds, segregated mandates and non-binding investment advisory services to offshore entities.

These financial statements have been approved by the Board of Directors in the board meeting dated July 19, 2024.

2) Basis of Preparation of Financial Statements

Statement of Compliance

The standalone financial statements (the 'financial statements') of the Company have been prepared on a going concern basis in accordance with the provision of the Companies Act, 2013 (the 'Act') and the Indian Accounting Standards (hereinafter referred to as 'Ind AS') as prescribed under section 133 of the Act and other relevant provisions of the Act, as amended from time to time. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act. The Company has elected to present cash flows from operating activities using the indirect method and items of income or expense associated with investing or financing cash flows are presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements.

The financial statements have been prepared on the historical cost basis except for the following items:

- for certain financial instruments that are measured at fair values at the end of each reporting period
- net defined benefit (assets)/ liabilities -fair value of plan assets less present value of defined benefit obligations
- cash settled share-based payments - fair value of the options as on the reporting date

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

Indian Rupee (INR) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, management has determined that the standalone financial statement are presented in Indian Rupees (INR). All amounts have been rounded off to the nearest lakhs up to two decimal places unless otherwise indicated.

3) Material accounting policies

a. Property, plant and equipment

Items of Property, plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and impairment loss, if any. The historical cost of Property, Plant and Equipment comprises of its purchase price and cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

The capital advances include cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method as prescribed under Schedule II of the Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Companies Act, 2013 and adopted by management for various blocks of assets in as under: -

| Asset | Useful life of asset (Years) |
|--------------------------------|------------------------------|
| Office Equipments | 5 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Computers and Other Equipments | 3 and 6 |

Leasehold improvements are amortised over the lower of the lease period and management's estimate of the useful life of the asset.

b. Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over useful life of three years. The estimated useful life if any and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

An intangible asset is derecognised when no future economic benefit is expected from use. Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

c. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

d. Employee benefits

Short Term Benefits:

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plan

The Company has defined contribution plans for post-employment benefits in the form of Provident fund.

Under the Provident Fund plan, the Company contributes to a Government administered Provident Fund on behalf of employees. The Company has no further legal or constructive obligation to pay further amount to the provident fund. The Company's contribution to the Government Provident Fund is charged to the Statement of Profit and Loss in the period during which the related services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest recognised in OCI. The Company determines the net interest expense/ income on the net benefit liability/ asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/ asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

Other Long Term employee benefit obligation

Compensated Absences

Other long term employee benefits include accumulated compensated absences that are entitled to be carried forward for future availment subject to the Company's policies. The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Employee Stock Option Plan ('ESOP') (cash-settled)

The fair value of options granted under ESOP is recognized as an employee benefits expense in the Statement of Profit and Loss with corresponding liability created under the Provision for Employee Benefits. The total amount to be expensed is determined by reference to the fair value of the options at each reporting date. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market vesting and service conditions. It recognizes the impact of the revision, in the Statement of Profit and Loss, with a corresponding adjustment in Provision for Employee Benefits. The liability is remeasured at each reporting date based on the fair value of ESOP. Any changes in the liability are recognized in the Statement of Profit and Loss.

The amount of the cash payment is determined as the difference between the exercise price and the latest available fair value of share of the Company as on the date of exercise.

e. Foreign currency transactions

The Company's financial statements are presented in Rupees, which is also its functional currency. Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

f. Revenue recognition

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115- Revenue from Contracts with Customers, to determine when to recognise revenue and at what amount. Revenue is measured based on the transaction price (net of variable consideration) specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it can be reliably measured and it is, probable that future economic benefits will flow to the Company.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

The company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements.

The contracts include a single performance obligation that is satisfied over time and the fees earned is considered as variable consideration that is included in the transaction price to the extent that no significant revenue reversal is expected to occur.

Streams of revenue

(i) Fees from Mutual Fund Operations:

Investment management fees are recognised net of taxes on an accrual basis as a percentage of the daily net assets of the schemes of DSP Mutual Fund, in accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 as amended from time to time (the 'SEBI Regulations').

(ii) Alternate Investment Fund (Category III):

Investment management fees are recognized net of taxes on an accrual basis as a percentage of the net assets of the AIF schemes, in accordance with the Private Placement Memorandum (PPM) and Contribution Agreement (CA) signed by the contributors. Performance fee, if any, is accrued in accordance with the PPM and CA signed by the contributors.

(iii) Fees from Offshore Investment Management Operations:

Offshore investment management fees are computed in accordance with the relevant scheme documents or agreed side letters with clients and are based on the assets under management of the funds as computed and provided by independent third party fund accountants.

(iv) Non-Binding Investment Advisory Services:

Non-Binding Investment Advisory fees are computed in accordance with the relevant agreements and are based on the assets under management of the funds as computed and provided by independent third party fund accountants / custodians.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

(v) Recognition of dividend income, interest income or expense

Dividend income is recognized in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be reliably measured.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

g. Fees and Commission Expenses

The referral fees relating to AIF services paid to distributor are charged to the Statement of Profit and Loss net of Goods and Services Tax on an accrual basis in the year in which it is incurred as per the terms of the contract with each distributor.

h. Scheme Expense

New fund offer expenses, and other expenses not chargeable to schemes, in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India ('AMFI'), are borne by the Company in Statement of Profit and Loss.

i. Leases

Accounting under Ind AS 116 'Leases'

As a lessee:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset (ROU asset) is initially measured at cost at the commencement date. The cost comprises of the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs, and restoration costs.

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate and this rate is defined as 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.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

j. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

k. Tax Expense

Income tax comprises of current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the OCI or in equity, in which case, the tax is also recognized in OCI or in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received, after considering the uncertainty if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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

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

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

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

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

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

I. Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

m. Provisions, Contingent Liabilities and Contingent Assets

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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of economic resources is considered remote.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Provisions, contingent assets, contingent liabilities and commitments are reviewed at each Balance Sheet date.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

n. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivables without a significant financing component) or financial liability is 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 measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in the Statement of Profit and Loss.

Financial assets

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at FVTPL on initial recognition):

Financial assets carried at amortized cost (AC)

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

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

Investments in equity instruments are measured at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in the fair value of equity investments which are not held for trading in OCI. Debt instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument that meets the amortized cost or FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. Further, net gains or losses on financial assets at FVTPL include interest and dividend income. The net gain recognized in Statement of Profit and Loss is included in the 'Revenue from Operations' line item and in case of net loss recognized in Statement of Profit and Loss is included in the 'Expenses' line item. The transaction cost directly attributable to the acquisition of financial asset at FVTPL is immediately recognized to Statement of Profit and Loss.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those that are classified as at FVTPL.

Impairment of financial assets

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. The Company recognises loss allowances using the expected credit loss (ECL) model on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Investment in subsidiaries

Investment in equity instruments issued by subsidiaries are measured at cost less impairment loss, if any.

Business Model Assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ('SPPI') test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through profit and loss statement that are derecognised prior to their maturity to understand 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

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

Others

Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss

Financial liabilities and equity instruments

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL

Equity instruments

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss .

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Notes to Standalone Financial Statements for the year ended March 31, 2024

Off-setting financial instruments

Financial assets and liabilities are offset, and the net amount is presented in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of its value in use and its fair value less its cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment loss is recognized immediately as income in the Statement Profit and Loss.

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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.

1. Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Notes to Standalone Financial Statements for the year ended March 31, 2024

2. Useful lives of property, plant and equipment and Intangible assets:

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end. This reassessment may result in change in depreciation/amortization expense in future periods.

3. Provisions and contingent liabilities:

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are 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 future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

4. Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. Fair value measurement of financial instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6. Employee Benefits:

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

7. Impairment of investments in subsidiaries

The Company reviews the carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for in the Statement of Profit and Loss.

DSP Asset Managers Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2024

4A) Recent pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification on accounting standards which would have been applicable to the Company from April 1, 2024.

5. Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balances with Banks in Current Accounts | 560.76 | 437.96 |
| Total | 560.76 | 437.96 |

6. Trade Receivables

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Trade Receivables | | |
| Unsecured, considered good | 8,789.77 | 6,206.39 |
| Less: Allowance for doubtful trade receivables | - | - |
| Total | 8,789.77 | 6,206.39 |

No receivable is due from directors or other officers of the Company.

The credit period is upto 45 days. No interest is charged on trade receivables.

A significant portion of the Company's services is to the DSP Mutual Fund and DSP AIF to which the Company is an Investment Manager. DSP Mutual Fund and DSP AIF accounted for approximately 87.14% and approximately 93.07% of the Company's revenues for the years ended March 31, 2024 and March 31, 2023, respectively. Accounts receivable from DSP Mutual Fund and DSP AIF approximated 85.87% and 83.19% of total accounts receivable as at March 31, 2024 and March 31, 2023, respectively.

Based on the certainty of the recovery basis past experience, the high credit worthiness of the customers and confirmations received from them, there is no need to create any provision for credit losses.

Trade Receivables Ageing

As at March 31, 2024

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 8,783.87 | - | 5.90 | - | - | 8,789.77 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| vii) Unbilled revenue | - | - | - | - | - | - |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 6,206.39 | - | - | - | - | 6,206.39 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| vii) Unbilled revenue | - | - | - | - | - | - |

7. Other Receivables

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Other Receivables | | |
| Other Receivables (Refer Note below) | 848.16 | 0.06 |
| Total | 848.16 | 0.06 |

Note- Other receivable includes investment amount of Rs 848.11 lakhs which matured in September 2023 (Refer Note 38)

8. Investments

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|--|-----------------|--------------------|--|-----------------|------------------|
| | Fair Value through profit and loss account | At cost | Total | Fair Value through profit and loss account | At cost | Total |
| | 1 | 2 | (3=1+2) | 1 | 2 | (3=1+2) |
| Units of Mutual Funds schemes | 1,03,267.44 | - | 1,03,267.44 | 68,679.77 | - | 68,679.77 |
| Investments in equity shares of Companies | 451.28 | - | 451.28 | 444.48 | - | 444.48 |
| Compulsory Convertible Preference Shares | 6,326.99 | - | 6,326.99 | 5,142.30 | - | 5,142.30 |
| Subsidiaries | - | 9,172.12 | 9,172.12 | - | 5,472.12 | 5,472.12 |
| Investments in Debt securities (Refer Note 38) | - | - | - | 848.11 | - | 848.11 |
| Units of Alternative Investment Fund (AIF) | 4,224.91 | - | 4,224.91 | 2,877.15 | - | 2,877.15 |
| Total (A) | 1,14,270.62 | 9,172.12 | 1,23,442.74 | 77,991.81 | 5,472.12 | 83,463.93 |
| (i) Investments outside India | - | - | - | - | - | - |
| (ii) Investments in India | 1,14,270.62 | 9,172.12 | 1,23,442.74 | 77,991.81 | 5,472.12 | 83,463.93 |
| Total (B) | 1,14,270.62 | 9,172.12 | 1,23,442.74 | 77,991.81 | 5,472.12 | 83,463.93 |
| Less: Allowance for Impairment loss (C) | - | - | - | - | - | - |
| Total – Net D= (A)-(C) | 1,14,270.62 | 9,172.12 | 1,23,442.74 | 77,991.81 | 5,472.12 | 83,463.93 |

9A. Other Financial Assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| A. Security Deposits | | |
| Considered Good | 379.99 | 397.46 |
| Considered Doubtful | - | - |
| Less : Allowances for doubtful deposits | - | - |
| Net Doubtful | - | - |
| Total (A) | 379.99 | 397.46 |
| B. Loans to employees | | |
| Loans Receivables considered good - Unsecured; | | |
| Loans and advances to employees | 206.35 | 136.85 |
| Less: Allowance for doubtful loans | - | - |
| Total (B) | 206.35 | 136.85 |
| Total (C= A+B) | 586.34 | 534.31 |

9B. Other Non-Financial Assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|----------------------|----------------------|
| Prepaid expenses | 613.45 | 887.18 |
| Capital advances | 6.22 | - |
| Advance to suppliers | 222.61 | 323.46 |
| Balances with Government authorities | 322.11 | 219.04 |
| Others | 27.07 | 13.00 |
| Total | 1,191.46 | 1,442.68 |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

10A. Current Tax Assets (Net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|----------------------|----------------------|
| Current tax assets | | |
| Advance Tax and Tax refund receivable | 60,318.53 | 56,801.13 |
| Income Tax Provision set off | (58,896.91) | (55,949.15) |
| Total | 1,421.62 | 851.98 |

10B. Deferred Tax Assets (Net)

The following is the analysis of deferred tax assets presented in the balance sheet:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|----------------------|----------------------|
| Deferred tax assets | 6,104.89 | 5,048.88 |
| Deferred tax liabilities | (3,638.14) | (1,662.04) |
| Total | 2,466.75 | 3,386.84 |

(Rs. in Lakhs)

| 2023-24 | Opening balance as at April 1, 2023 | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance as at March 31, 2024 |
|---|-------------------------------------|--|--|--------------------------------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Written down value of Property, Plant and Equipment | 361.16 | (27.97) | - | 333.19 |
| Fair valuation of investments in non-convertible debentures | 2,835.87 | - | - | 2,835.87 |
| Fair valuation of investments | (1,065.34) | (1,925.78) | - | (2,991.12) |
| Right-of-use Assets | (596.70) | (50.32) | - | (647.02) |
| Lease Liabilities | 679.89 | 72.14 | - | 752.03 |
| Provision for Cash Settled Share Based Payment Liability | - | 876.25 | - | 876.25 |
| Provision for Bonus | 339.77 | 23.78 | - | 363.55 |
| Provision for Gratuity | 509.70 | 54.56 | 34.25 | 598.51 |
| Provision for Leave Encashment | 305.79 | 35.06 | - | 340.85 |
| Demerger Related Expense | 16.70 | (12.06) | - | 4.64 |
| Total | 3,386.84 | (954.34) | 34.25 | 2,466.75 |

(Rs. in Lakhs)

| 2022-23 | Opening balance as at April 1, 2022 | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance as at March 31, 2023 |
|---|-------------------------------------|--|--|--------------------------------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Written down value of Property, Plant and Equipment | 304.77 | 56.39 | - | 361.16 |
| Fair valuation of investments in non-convertible debentures | 2,835.87 | - | - | 2,835.87 |
| Fair valuation of investments | (267.23) | (798.11) | - | (1,065.34) |
| Right-of-use Assets | (557.99) | (38.71) | - | (596.70) |
| Lease Liabilities | 658.83 | 21.06 | - | 679.89 |
| Provision for Bonus | 339.77 | - | - | 339.77 |
| Provision for Gratuity | 399.37 | 31.79 | 78.54 | 509.70 |
| Provision for Leave Encashment | 279.18 | 26.61 | - | 305.79 |
| Demerger Related Expense | - | 16.70 | - | 16.70 |
| Total | 3,992.57 | (684.27) | 78.54 | 3,386.84 |

11. Property, Plant and Equipments

| Particulars | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|--|--------------------------------|-------------------|------------------------|------------------------------------|----------|----------|--------------------------------|-------------------|------------------------|------------------------------------|----------|----------|
| | Computers and other Equipments | Office Equipments | Furniture and Fixtures | Improvements to Leasehold property | Vehicles | Total | Computers and other Equipments | Office Equipments | Furniture and Fixtures | Improvements to Leasehold property | Vehicles | Total |
| Balance at the beginning of the year | 1,756.25 | 814.51 | 138.52 | 873.99 | 601.61 | 4,184.88 | 1,639.13 | 718.70 | 125.05 | 897.26 | 539.81 | 3,919.95 |
| Additions during the year | 510.11 | 59.59 | 3.28 | 29.57 | 305.09 | 907.64 | 172.04 | 179.43 | 27.67 | 241.19 | 148.30 | 768.63 |
| Disposals during the year | (153.37) | (34.24) | (6.39) | (26.57) | (84.48) | (305.05) | (54.92) | (83.62) | (14.20) | (264.46) | (86.50) | (503.70) |
| Balance at the end of the year | 2,112.99 | 839.86 | 135.41 | 876.99 | 822.22 | 4,787.47 | 1,756.25 | 814.51 | 138.52 | 873.99 | 601.61 | 4,184.88 |
| Accumulated depreciation as at the beginning of the year | 1,303.23 | 552.85 | 57.40 | 671.74 | 282.74 | 2,867.96 | 1,148.89 | 556.19 | 53.15 | 601.35 | 262.72 | 2,622.30 |
| Depreciation for the year | 144.98 | 128.56 | 13.41 | 93.59 | 72.62 | 453.16 | 202.76 | 72.38 | 11.46 | 334.85 | 62.79 | 684.24 |
| Depreciation on Disposals during the year | (140.01) | (31.30) | (6.04) | (17.37) | (50.72) | (245.44) | (48.42) | (75.72) | (7.21) | (264.46) | (42.77) | (438.58) |
| Accumulated depreciation as at the end of the year | 1,308.20 | 650.11 | 64.77 | 747.96 | 304.64 | 3,075.68 | 1,303.23 | 552.85 | 57.40 | 671.74 | 282.74 | 2,867.96 |
| Net carrying amount as at the end of the year | 804.79 | 189.75 | 70.64 | 129.03 | 517.58 | 1,711.79 | 453.02 | 261.66 | 81.12 | 202.25 | 318.87 | 1,316.92 |

12. Other Intangible Assets

| (Rs. in Lakhs) | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| | Software | Software |
| Balance at the beginning of the year | 729.26 | 692.72 |
| Additions during the year | 73.64 | 36.54 |
| Disposals during the year | - | - |
| Balance at the end of the year | 802.90 | 729.26 |
| Accumulated amortisation as at the beginning of the year | 671.35 | 629.73 |
| Amortisation during the year | 41.02 | 41.62 |
| Disposals during the year | - | - |
| Accumulated amortisation as at the end of the year | 712.37 | 671.35 |
| | | |
| Net carrying amount as at the end of the year | 90.53 | 57.91 |

The amortisable amount of intangible assets is allocated over the best estimate of its useful life of three years on a straight-line basis.

13. Payables

| (Rs. in Lakhs) | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| (I) Trade Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 221.38 | 139.40 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 967.97 | 1,288.45 |
| (II) Other Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 13.14 | 3.17 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 4,841.26 | 156.45 |
| Total | 6,043.75 | 1,587.47 |

Total outstanding dues of micro enterprises, small enterprises and medium enterprises (Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| (a) the principal amount remaining unpaid to any supplier at the end of each accounting year; | 234.52 | 142.57 |
| (b) the interest due on above and remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (e) the amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| (f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Total | 234.52 | 142.57 |

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Trade Payables Ageing for following periods from due date of payment

As at March 31, 2024 (Rs. in Lakhs)

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|-------------|-----------|-------------------|-----------------|
| (i) Micro, Small and Medium Enterprises | 233.49 | 1.03 | - | - | 234.52 |
| (ii) Others | 5,536.74 | 3.16 | - | - | 5,539.90 |
| (iii) Disputed dues – Micro, Small and Medium Enterprises | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| (v) Unbilled dues | 269.33 | - | - | - | 269.33 |
| Total | 6,039.56 | 4.19 | - | - | 6,043.75 |

As at March 31, 2023 (Rs. in Lakhs)

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|-------------|-----------|-------------------|-----------------|
| (i) Micro, Small and Medium Enterprises | 142.57 | - | - | - | 142.57 |
| (ii) Others | 1,319.85 | 8.50 | - | - | 1,328.35 |
| (iii) Disputed dues – Micro, Small and Medium Enterprises | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| (v) Unbilled dues | 116.55 | - | - | - | 116.55 |
| Total | 1,578.97 | 8.50 | - | - | 1,587.47 |

13A. Other Financial Liabilities

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Provision for Variable Incentive Compensation Plan (Performance Bonus) | 1,444.50 | 1,350.00 |
| Advance from Related Party- Director | - | 0.56 |
| Total | 1,444.50 | 1,350.56 |

Movement for Provision for Variable Incentive Compensation Plan (Performance Bonus)

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 1,350.00 | 1,350.00 |
| Paid out of provision | (1,350.00) | (1,350.00) |
| Additional provision made | 1,444.50 | 1,350.00 |
| Closing Provision | 1,444.50 | 1,350.00 |

14. Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Provision for Employee Benefits | | |
| Provisions for Compensated Absences | 1,354.28 | 1,214.99 |
| Provisions for Gratuity | 2,378.07 | 2,025.19 |
| Cash Settled Share Based Payment Liability | 6,583.09 | - |
| Total | 10,315.44 | 3,240.18 |

Movement for Provisions for Compensated Absences

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 1,214.99 | 1,109.25 |
| Paid out of provision | (86.89) | (150.71) |
| Additional provision made | 226.18 | 256.45 |
| Closing Provision | 1,354.28 | 1,214.99 |

Movement for Provisions for Gratuity

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 2,025.19 | 1,586.80 |
| Paid out of provision | (100.11) | (110.02) |
| Additional provision made | 452.99 | 548.41 |
| Closing Provision | 2,378.07 | 2,025.19 |

Movement for Cash settled share based payment liability

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | - | - |
| Paid out of provision | - | - |
| Additional provision made | 6,583.09 | - |
| Closing Provision | 6,583.09 | - |

15. Other Non-financial Liabilities

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------|----------------------|----------------------|
| Statutory liabilities | 3,549.37 | 2,755.63 |
| Total | 3,549.37 | 2,755.63 |

16. Equity Share Capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| (a) Authorised Capital | | |
| Equity shares of the par value of Rs.10 each (50,00,10,000 as at March 31, 2024 and 50,00,10,000 as at March 31, 2023) | 50,001.00 | 50,001.00 |
| (b) Issued , subscribed and fully paid up | | |
| Equity shares of Rs.10 each fully paid-up (25,00,00,000 as at March 31, 2024 and 1,000 as at March 31, 2023) | 25,000.00 | 0.10 |

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 1,000 | 1,000 |
| Shares Cancelled during the year pursuant to Scheme of Demerger | (1,000) | - |
| Shares issued during the year | 25,00,00,000 | - |
| Balance at the end of the year | 25,00,00,000 | 1,000 |

(d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs, 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

(e) Details of shares held by each shareholder holding more than 5% shares:

| Name of the Shareholders | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
|------------------------------|-----------------------------|--------------|-----------------------------|--------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| DSP ADIKO Holdings Pvt. Ltd. | 13,50,00,000 | 54.00% | - | - |
| DSP HMK Holdings Pvt. Ltd. | 8,50,00,000 | 34.00% | - | - |
| Mr. Hemendra M. Kothari | - | - | 500 | 50.00% |
| Ms. Aditi Kothari Desai | 1,50,00,000 | 6.00% | 500 | 50.00% |
| Ms. Shuchi Kothari | 1,50,00,000 | 6.00% | - | - |

(f) Details of shares held by Holding Company

Out of the equity shares issued by the Company, shares held by Holding Company are as below:

| Name of the Shareholder | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
|------------------------------|-----------------------------|--------------|-----------------------------|--------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| DSP ADIKO Holdings Pvt. Ltd. | 13,50,00,000 | 54.00% | - | 0.00% |

16A. Share Pending Issuance

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| 25,00,00,000 Equity shares of the par value of Rs.10 each | - | 25,000.00 |

17. Other Equity

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|----------------------|----------------------|
| Retained Earnings | 94,718.79 | 63,711.91 |
| Capital Reserve | 0.10 | - |
| Other Comprehensive Income | (379.25) | (277.40) |
| Total | 94,339.64 | 63,434.51 |

Other equity movement

Retained Earnings

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|----------------------|----------------------|
| Balance at beginning of the year | 63,711.91 | 35,859.34 |
| Profit for the year | 31,006.88 | 27,852.57 |
| Balance at end of the year | 94,718.79 | 63,711.91 |

Other Comprehensive Income

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Re-measurement loss of defined benefit plans (net of tax) | | |
| Balance at beginning of the year | (277.40) | (43.88) |
| Movement during the year | (101.85) | (233.52) |
| Balance at end of the year | (379.25) | (277.40) |

Capital Reserve

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Balance at beginning of the year | - | - |
| Movement during the year due to Cancellation of shares | 0.10 | - |
| Balance at end of the year | 0.10 | - |

Nature and purpose of reserve

Retained Earnings

Retained earnings are the profits that the Company has earned to date, less any dividends or any other distribution paid to the shareholders, net of utilisation as permitted under applicable regulations.

Capital Reserves

Capital Reserves has been created for the shares cancelled during the year.

Other Comprehensive Income

Other comprehensive income comprises of remeasurement of the net defined benefit obligation, which includes actuarial gains and losses, the return on plan assets. The income tax related to the same also recognized in other comprehensive income.

18. Fees and Commission Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Asset Management Fees | 61,610.56 | 54,531.91 |
| Offshore Investment Management Fees | 5,457.70 | 2,513.55 |
| Offshore Non Binding Advisory Fees | 3,635.95 | 1,546.82 |
| Total | 70,704.21 | 58,592.28 |

19. Net Gain on Fair Value Changes

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net gain on financial instruments at fair value through Statement of Profit and Loss | | |
| On financial instruments measured at fair value through Statement of Profit and Loss | 12,150.27 | 6,703.80 |
| Total net gain on fair value changes | 12,150.27 | 6,703.80 |
| Fair Value changes- realised | 1,121.89 | 4,742.20 |
| Fair Value changes- un realised | 11,028.38 | 1,961.60 |
| Total | 12,150.27 | 6,703.80 |

20. Other Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net gain on foreign currency transaction and translation | 14.59 | 219.13 |
| Interest income on loans to employees | 8.08 | 4.60 |
| Dividend Income | 3.58 | 2.76 |
| Excess of Lease Liability over written down value of corresponding Right to use | 2.86 | 80.73 |
| Assets on account of early closure of Leases | | |
| Reversal of provision of security deposits | - | 5.90 |
| Interest on securities | 0.01 | 0.03 |
| Net loss on account of property, plant and equipment discarded | (13.60) | (40.79) |
| Total | 15.52 | 272.36 |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

21. Finance costs

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Interest expense on lease liability (financial liability measured at Amortised Cost) (Refer note 34) | 270.16 | 257.31 |
| Total | 270.16 | 257.31 |

22. Fees and Commission Expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---------------|------------------------------|------------------------------|
| Referral Fees | 798.76 | 1,097.78 |
| Total | 798.76 | 1,097.78 |

23. Employee Benefits Expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Salaries and wages* | 21,565.06 | 15,020.07 |
| Contribution to provident and other funds | 436.85 | 51.74 |
| Expenses related to post-employment defined benefit plan | 316.89 | 548.41 |
| Expenses related to compensated absences | 226.18 | 256.45 |
| Share based payments - cash settled | 6,583.09 | - |
| Staff welfare expenses | 149.89 | 119.53 |
| Total | 29,277.96 | 15,996.20 |

*It includes Exgratia payment of Rs 3,507.88 lakhs paid to employees.

24. Depreciation, Amortisation and Impairment

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Depreciation on Property, Plant and Equipment | 453.16 | 684.24 |
| Amortisation of Other Intangible Assets | 41.02 | 41.62 |
| Amortisation of Right-of-Use Assets (Refer note 34) | 929.28 | 900.25 |
| Total | 1,423.46 | 1,626.11 |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

25. Other expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Legal and Professional charges | 3,189.22 | 3,244.44 |
| Subscriptions and membership charges | 1,921.40 | 1,696.89 |
| Advertisement and publicity | 1,861.96 | 1,308.21 |
| Technology and Infrastructure Cost | 1,014.82 | 1,054.73 |
| Repairs and maintenance | 778.49 | 765.96 |
| Bad debts (net of recovery) | (359.65) | 469.90 |
| Travelling and Conveyance | 500.78 | 383.53 |
| Insurance | 319.35 | 216.31 |
| Power and Fuel | 161.26 | 161.04 |
| Scheme expenses | 102.84 | 141.38 |
| Communication Costs | 142.92 | 125.93 |
| Printing and stationery | 121.64 | 70.82 |
| Auditor's fees and expenses (Refer Note 25B) | 43.79 | 59.86 |
| Corporate Social Responsibility Expense (Refer Note 25A) | 344.72 | - |
| Director's fees, allowances and expenses (pertains to Independent directors) | 80.00 | - |
| Other expenses | 353.82 | 581.26 |
| Total | 10,577.36 | 10,280.26 |

Note 25A. Expenses towards Corporate Social Responsibility

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Details of Corporate Social Responsibility (CSR) expenditure : | | |
| a) Gross amount required to be spent by the Company during the year | 343.49 | - |
| b) Amount spent during the year on | | - |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 344.72 | - |
| c) Surplus arising out of CSR projects or programs or activities of previous financial years | - | - |
| d) Amount available for set off in succeeding Financial years | 1.23 | - |
| e) Shortfall at the end of the year | - | - |
| <i>Nature of CSR activities include promoting education, Wildlife conservation, Environment, Adolescence & Women empowerment.</i> | | |

Note 25B. Payments to the auditors

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---------------------------|------------------------------|------------------------------|
| Audit Fee | 36.50 | 55.86 |
| Tax Audit Fee | 4.50 | 4.00 |
| Reimbursement of expenses | 2.79 | - |
| Total | 43.79 | 59.86 |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

26. Current Tax

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amount recognised in the Statement of Profit and Loss | | |
| Current tax for the year | 8,430.84 | 7,773.94 |
| Current tax income for earlier years | 130.24 | - |
| Total current tax | 8,561.08 | 7,773.94 |

27. Deferred Tax

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amount recognised in the Statement of Profit and Loss | | |
| Deferred Tax Charge for the year | 954.34 | 684.27 |
| Total Deferred tax | 954.34 | 684.27 |

28. Other Comprehensive Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| The tax charge arising on income and expenses recognised in other comprehensive income is as follows | | |
| Items that will not be reclassified to profit or loss | | |
| (i) Remeasurement loss on defined benefit plans | (136.10) | (312.06) |
| (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | 34.25 | 78.54 |
| Total | (101.85) | (233.52) |

28A. The reconciliation of income tax expense to accounting profit:

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Profit before tax | 40,522.30 | 36,310.78 |
| Income tax expense calculated at 25.168% | 10,198.65 | 9,138.70 |
| Effect of income that is exempt from taxation | | |
| Effect of expenses that are not deductible in determining taxable profit | 4.39 | 67.77 |
| Effect of tax on income chargeable at different rates including exempt income / loss | (817.86) | (760.97) |
| Adjustments recognised in the current year in relation to the current tax of prior years | 130.24 | 12.71 |
| Tax expense recognised in the Statement of Profit and Loss | 9,515.42 | 8,458.21 |
| Tax expense recognised in other comprehensive income | 34.25 | 78.54 |
| Total tax expense | 9,481.17 | 8,379.67 |
| Effective Tax Rate | 23.40% | 23.08% |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

29. Earnings per share

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Basic earnings per share | Rs. per share | Rs. per share |
| Profit for the year attributable to owners of the Company (Rs. in Lakhs) | 31,006.88 | 27,852.57 |
| Weighted average number of equity shares outstanding (in Lakhs) | 2,500.00 | 2,500.00 |
| Basic (in Rs.) | 12.40 | 11.14 |
| Diluted earnings per share | | |
| Profit for the year attributable to owners of the Company (Rs. in Lakhs) | 31,006.88 | 27,852.57 |
| Weighted average number of equity shares outstanding (in Lakhs) | 2,500.00 | 2,500.00 |
| Weighted average number of equity shares outstanding for diluted EPS (in Lakhs) | 2,500.00 | 2,500.00 |
| Diluted EPS (in Rs.) | 12.40 | 11.14 |

Note- For the year ended March 31, 2023 Shares were pending issuance pursuant to Scheme of Arrangement

30. Contingent Liabilities and Commitments

i) Contingent Liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Claims against the Company not acknowledged as debts | 0.30 | 0.30 |
| Claims relating to Service Tax matters | 153.79 | 149.08 |
| Claims relating to Goods and Services Tax (GST) matters | 10.15 | - |
| Claims relating to Income Tax matters | 522.78 | 305.65 |
| Total | 687.02 | 455.03 |

ii) Commitments

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 94.85 | - |
| Total | 94.85 | - |
| Property, Plant and Equipment | 40.80 | - |
| Other Intangible assets | 54.05 | - |

31. Employee benefit plans

Brief description of the Plans:

Defined contribution plans:

The Company makes Provident Fund contributions which are defined contribution plans. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 436.85 Lakhs (for the year ended March 31, 2023: Rs. 310.22 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.

Defined Benefit Plans:

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service.

Other Long Term Benefit plans

The Company operates a compensated absences scheme for employees. The employees are entitled to compensated absences benefits based on the last drawn salary i.e. Cost to Company and number of days of leave accumulated based on the policy of the Company.

The Defined Benefit Plan and Other long Term Benefit Plans typically expose the Company to actuarial risks such as: interest rate risk, demographic risk and salary inflation risk

| | |
|-------------------------------|---|
| Interest rate risk: | The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase. |
| Demographic risk: | This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. |
| Salary Inflation risk: | All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation. |

(a) The disclosure as required by Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:

The principal assumptions used for the purpose of the actuarial valuations were as follows:

| Particulars | Valuations as at | |
|-----------------------------------|--|--|
| | March 31, 2024 | March 31, 2023 |
| Financial Assumptions | | |
| Discount Rate | 7.20% | 7.40% |
| Increment rate | 11.45% | 10.00% |
| Demographic Assumptions | | |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Ult table | Indian Assured Lives Mortality (2012-14) Ult table |
| Retirement Age | 58 years | 58 years |
| Leave Availment whilst in Service | 1.96% | 2.13% |
| Leaving Service Rates | | |
| (i) Upto Age 40 Years | 24.00% | 22.00% |
| (ii) Age 41 Years to Age 50 Years | 13.00% | 10.00% |
| (iii) Age 51 Years & Above | 8.00% | 3.00% |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plan are as follows:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Current service cost | 176.81 | 137.96 |
| Net interest on net defined benefit obligation | 142.68 | 98.40 |
| Liabilities settled | (2.60) | - |
| Cost recognised in Statement of Profit and Loss | 316.89 | 236.36 |
| Actuarial loss due to Defined benefit obligation (DBO) experience | (3.32) | 163.87 |
| Actuarial loss due to Defined benefit obligation (DBO) assumption changes | 139.42 | 148.19 |
| Cumulative Actuarial loss recognised via OCI at year end | 136.10 | 312.06 |
| Total Defined Benefit Cost | 452.99 | 548.42 |

The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plan is as follows:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|----------------------|----------------------|
| Defined benefit obligation (DBO) | 2,378.07 | 2,025.19 |

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

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| DBO at end of beginning of the year | 2,025.19 | 1,586.80 |
| Current service cost | 176.81 | 137.96 |
| Interest cost on the DBO | 142.68 | 98.40 |
| Actuarial loss - experience | (3.32) | 163.87 |
| Actuarial loss - assumptions | 139.42 | 148.19 |
| Liabilities settled | (2.60) | - |
| Benefits paid | (100.11) | (110.03) |
| DBO at end of the year | 2,378.07 | 2,025.19 |

Reconciliation of Net Balance Sheet Position:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net defined benefit liability at the end of previous year | 2,025.19 | 1,586.80 |
| Service cost | 176.81 | 137.96 |
| Net interest on net defined benefit liability | 142.68 | 98.40 |
| Amount recognised in OCI | 136.10 | 312.06 |
| Liabilities settled | (2.60) | - |
| Benefits paid | (100.11) | (110.03) |
| Net defined benefit liability at end of current year | 2,378.07 | 2,025.19 |

The Gratuity Scheme is un-funded.

Reconciliation of OCI Position:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Opening amount recognized in OCI (a) | (277.40) | (43.88) |
| Remeasurements during the period due to | | |
| Changes in financial assumptions (b) | (230.46) | (98.36) |
| Changes in demographic assumptions (c) | 91.04 | (49.83) |
| Experience adjustments (d) | 3.32 | (163.87) |
| OCI Impact during the year (e=b+c+d) | (136.10) | (312.06) |
| Tax Impact (f) | 34.25 | 78.54 |
| Closing amount recognized in OCI (g=a+e+f) | (379.25) | (277.40) |

Sensitivity Analysis

Method used for sensitivity analysis:

The benefit obligation results of gratuity scheme are particularly sensitive to discount rate and future salary escalation rate.

The following table summarizes the change in DBO and impact in percentage terms compared with the reported define benefit obligation at the end of the reporting year arising on account of an increase or decrease in the reported assumption by changes in the below mentioned three parameters.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous year in the methods and assumption used in preparing the sensitivity analysis.

Discount Rate

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Effect on DBO due to 50bp increase in Discount Rate | (75.64) | (73.78) |
| Impact of increase in 50 bps on DBO | (3.18%) | (3.64%) |
| Effect on DBO due to 50bp decrease in Discount Rate | 79.86 | 78.32 |
| Impact of increase in 50 bps on DBO | 3.36% | 3.87% |

Salary escalation rate

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Effect on DBO due to 50bp increase in Salary Escalation Rate | 76.35 | 76.05 |
| Impact of increase in 50 bps on DBO | 3.21% | 3.76% |
| Effect on DBO due to 50bp decrease in Salary Escalation Rate | (73.11) | (72.41) |
| Impact of increase in 50 bps on DBO | (3.08%) | (3.58%) |

Expected future benefits payable - Maturity profile of defined benefit obligation

(Rs. in Lakhs)

| Projected Benefits Payable in Future Years From the Date of Reporting | Estimated as at March 31, 2024 | Estimated as at March 31, 2023 |
|---|--------------------------------|--------------------------------|
| 1st Following Year | 349.71 | 192.84 |
| 2nd Following Year | 311.94 | 255.60 |
| 3rd Following Year | 223.65 | 242.75 |
| 4th Following Year | 224.20 | 151.49 |
| 5th Following Year | 271.42 | 199.57 |
| 6th Following Year | 178.28 | 170.51 |
| 7th Following Year | 246.17 | 115.75 |
| 8th Following Year | 189.15 | 196.74 |
| 9th Following Year | 233.44 | 134.16 |
| Sum of Years 10 and above | 1,908.96 | 2,247.22 |

Other Disclosures

a) The weighted average duration of the obligations as at March 31, 2024 is 6.54 years (March 31, 2023: 7.51 Years).

32. Related Party Transactions

i) Name of the related party and nature of relationship where control exists:

| Significant Holding: Name of Related Parties | Type of Relationship | Ownership interest | |
|---|--------------------------------------|---------------------------|-----------------------|
| | | March 31, 2024 | March 31, 2023 |
| DSP ADIKO Holdings Pvt. Ltd. | Holding Company | 54% | 0% |
| DSP HMK Holdings Pvt. Ltd. | Company having significant influence | 34% | 0% |

Fellow Subsidiaries

Reclamation Properties (India) Pvt. Ltd.
DSP Trustee Pvt. Ltd.

Enterprise where control exists :

Subsidiaries

DSP Pension Fund Managers Private Limited
DSP Fund Managers IFSC Private Limited

Country of incorporation

India
India (GIFT City Gandhinagar)

Key Management Personnel (KMP)

| | |
|---------------------------|-------------------------|
| Mr. Hemendra Kothari | Chairman |
| Ms. Aditi Kothari Desai | Executive Director |
| Mr. Dhananjay Mungale | Independent Director |
| Mr. Subhash S Mundra | Independent Director |
| Mr. Ramadorai Subramaniam | Independent Director |
| Mr. Vishwanathan Iyer | Independent Director |
| Mr. Kalpen Parekh | Managing Director & CEO |

Enterprise in which KMP can exercise significant influence

Impact Foundation (India)
Wildlife Conservation Trust
CompoundExpress Private Limited (w.e.f. November 10, 2023)
Reclamation Realty (India) Pvt. Ltd.

Other Related Parties

Mutual Funds and Alternate Investment Funds managed by the Company

DSP Mutual Fund
DSP India Enhanced Equity Fund
DSP AIF Core Fund
DSP India Enhanced Equity SatCore Fund
DSP High Conviction Fund
DSP High Conviction Fund Series 2

ii) Transactions during the year with Related Parties :

Rs. in Lakhs

[illegible]

ii) Transactions during the year with Related Parties :

Rs. in Lakhs

| Sr no | Nature of Transaction | Holding Company | Company having significant influence | Subsidiary | | Mutual Funds and Alternate Investment Funds managed by the Company | | Fellow Subsidiaries | KMP and Enterprise in which KMP can exercise significant influence. | Total |
|---|---|----------------------------|--------------------------------------|----------------------------------|-------------------------------------|--|----------|---------------------|---|-------------|
| | | DSP Adiko Holdings Pvt Ltd | DSP HMK Holdings Pvt Ltd | DSP Fund Managers IFSC Pvt. Ltd. | DSP Pension Fund Managers Pvt. Ltd. | DSP Mutual Fund | AIF | | | |
| 7 | Purchases of units of mutual fund schemes and AIF (Refer Note xi below) | | | | | | | | | |
| | For the year ended March 24 | - | - | - | - | 80,533.29 | 329.98 | - | - | 80,863.27 |
| | For the year ended March 23 | - | - | - | - | 87,745.77 | 329.98 | - | - | 88,075.75 |
| 8 | Investment in subsidiaries | | | | | | | | | |
| | For the year ended March 24 | - | - | 3,700.00 | - | - | - | - | - | 3,700.00 |
| | For the year ended March 23 | - | - | - | 2,397.50 | - | - | - | - | 2,397.50 |
| 9 | Purchase of shares of Subsidiary | | | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | - | - | - | - |
| | For the year ended March 23 | 693.56 | 693.56 | - | - | - | - | - | - | 1,387.12 |
| 10 | Redemption of units of mutual fund schemes and AIF (Refer Note x below) | | | | | | | | | |
| | For the year ended March 24 | - | - | - | - | 56,596.32 | - | - | - | 56,596.32 |
| | For the year ended March 23 | - | - | - | - | 59,327.20 | 8,955.98 | - | - | 68,283.18 |
| 11 | Dividend on Units of Mutual Fund schemes | | | | | | | | | |
| | For the year ended March 24 | - | - | - | - | 3.58 | - | - | - | 3.58 |
| | For the year ended March 23 | - | - | - | - | 2.76 | - | - | - | 2.76 |
| iii) Outstanding balances as at March 31 with Related Parties : | | | | | | | | | | |
| <u>Outstanding at the year end</u> | | | | | | | | | | |
| 12 | Investments in subsidiaries / mutual fund / AIF (Refer Note viii below) | | | | | | | | | |
| | As at 31st March 24 | | | 3,700.00 | 5,472.12 | 1,03,267.44 | 2,823.67 | - | - | 1,15,263.23 |
| | As at 31st March 23 | - | - | | 5,472.12 | 68,681.45 | 2,083.98 | - | - | 76,237.55 |
| 13 | Receivables (Refer Note iii below) | | | | | | | | | |
| | As at 31st March 24 | | | 14.80 | 52.43 | 6,127.79 | 1,432.82 | 3.80 | - | 7,631.64 |
| | As at 31st March 23 | - | - | - | 3.41 | 4,978.72 | 634.11 | - | - | 5,616.24 |
| 14 | Trade payables (Refer Note xii below) | | | | | | | | | |
| | As at 31st March 24 | - | - | 25.00 | - | - | - | - | 0.61 | 25.61 |
| | As at 31st March 23 | - | - | - | - | 20.13 | - | 22.27 | - | 42.40 |

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024
Related Party Transaction (Further break-up)

| | | Rs. in Lakhs | |
|-----------------------|--|--------------|----------|
| Nature of transaction | | 2023-24 | 2022-23 |
| (i) | Asset Management fees | | |
| | DSP India Enhanced Equity Fund | 469.15 | 330.81 |
| | DSP AIF Core Fund | - | 311.94 |
| | DSP India Enhanced Equity SatCore Fund | 1,892.43 | 1,555.07 |
| | DSP High Conviction Fund | - | 78.96 |
| | DSP High Conviction Fund Series 2 | 769.83 | 449.52 |
| (ii) | Rent | | |
| | Reclamation Properties (India) Pvt. Ltd. | 365.23 | 387.68 |
| | Reclamation Realty (India) Pvt. Ltd. | 60.91 | 152.90 |
| (iii) | Balance as at year end- Receivables | | |
| | DSP India Enhanced Equity Fund | 234.98 | 24.74 |
| | DSP AIF Core Fund | 5.90 | 5.90 |
| | DSP India Enhanced Equity SatCore Fund | 1,112.43 | 83.55 |
| | DSP High Conviction Fund Series 2 | 79.51 | 51.69 |
| | DSP High Conviction Fund | - | 468.23 |
| | DSP Trustee Private Limited | 3.80 | - |
| (iv) | Remuneration | | |
| | Ms. Aditi Kothari Desai | 273.90 | 235.42 |
| | Mr. Kalpen Parekh | 1,054.55 | 624.65 |
| (v) | Corporate Social Responsibility (CSR expense) | | |
| | Wildlife Conservation Trust | 99.00 | - |
| (vi) | Director's Sitting Fees | | |
| | Mr. Dhananjay Mungale | 22.50 | - |
| | Mr. Subhash S Mundra | 23.50 | - |
| | Mr. Ramadorai Subramaniam | 25.50 | - |
| | Mr. Vishwanathan Iyer | 8.50 | - |
| (vii) | Recovery of expenses (Other Expenses) | | |
| | CompoundXpress Private Limited | 705.00 | - |
| | Reclamation Properties (India) Pvt. Ltd. | 14.54 | 14.95 |
| | Reclamation Realty (India) Pvt. Ltd. | 9.21 | 5.33 |
| | DSP Trustee Private Limited | - | 22.49 |
| | DSP India Enhanced Equity Fund | 0.06 | - |
| | DSP India Enhanced Equity SatCore Fund | 0.10 | - |
| | DSP Trustee Private Limited | (3.52) | (3.95) |
| | DSP High Conviction Fund Series 2 | 0.29 | 0.90 |
| | Ms. Aditi Kothari Desai (Amount less than thousand) | - | - |
| (viii) | Investment balance in AIF | | |
| | DSP India Enhanced Equity SatCore Fund | 1,605.39 | 1,415.72 |
| | DSP High Conviction Fund Series 2 | 1,218.28 | 668.26 |
| (ix) | Recovery of Scheme Expenses (Placement fees) | | |
| | DSP High Conviction Fund Series 2 | - | (314.73) |

DSP Asset Managers Private Limited**Notes to Standalone Financial Statements for the year ended March 31, 2024**

Rs. in Lakhs

| | | |
|---|--------|----------|
| (x) Investments sold during the year | | |
| DSP Core Fund | - | 2,334.66 |
| DSP High Conviction Fund | - | 6,621.32 |
| (xi) Investments made during the year | | |
| DSP High Conviction Fund Series 2 | 329.98 | 329.98 |
| (xii) Balance as at year end -Trade payables | | |
| DSP Trustee Private Limited | - | 22.27 |
| Reclamation Realty (India) Pvt. Ltd. | 0.61 | - |

Note:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Compensation of key managerial personnel

The remuneration of key management personnel during the year is as follows:

Rs. in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Remuneration and Director's Sitting Fees | 1320.93 | 853.12 |
| Post-employment benefits # Other Long Term Employee Benefits | 7.52 | 6.95 |
| Total | 1,328.45 | 860.07 |

Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

33. Operating Segment

The principal business of the Company is Asset Management services. All other activities of the Company revolve around its main business. The Managing Director and Chief Executive Officer of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. The Company operates only in one Business Segment i.e. Asset Management, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Information about services

(Rs. in Lakhs)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Asset Management Fees | 61,610.56 | 54,531.91 |
| Offshore Investment Management Fees | 5,457.70 | 2,513.55 |
| Offshore Non Binding Advisory Fees | 3,635.95 | 1,546.82 |
| Total | 70,704.21 | 58,592.28 |

Information about revenue from external customers in various geographical areas

The Company operates in geographical areas - India (country of domicile) and others (outside India).

The Company's revenue from external customers by location of operations are detailed below.

(Rs. in Lakhs)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|--------------|------------------------------|------------------------------|
| - India | 61,610.56 | 54,531.91 |
| - Others | 9,093.65 | 4,060.37 |
| Total | 70,704.21 | 58,592.28 |

Information about major customers

Revenue includes sales of Rs.58,479.15 Lakhs (for the year ended March 31, 2023: Rs.51,805.61 Lakhs) which arose from service to DSP Mutual Fund which account for 82.71% (for the year ended March 31, 2023: 88.42%) of the total revenue. No other single customer other than above contributed 10% or more to the Company's revenue for the year March 31, 2024 and for the year ended March 31, 2023.

34. Disclosures required under Ind AS 116 "Leases"

The Company has taken office premises on lease. The lease term in respect of these leases range from 1 to 10 years. In respect of the said leases, the additional information is as under:

(Rs. in Lakhs)

| Payments recognised as an expense | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amortisation charge for right-of-use assets | 929.28 | 900.25 |
| Total cash outflow for leases | 1,109.89 | 1,147.74 |
| The below provides details regarding the contractual maturities of lease liabilities on undiscounted basis: | | |
| not later than one month; | 94.63 | 64.42 |
| later than one month and not later than three months; | 188.96 | 128.93 |
| later than three months and not later than one year; | 849.64 | 543.78 |
| later than one year and not later than five years; and | 2,142.20 | 2,235.00 |
| later than five years | 203.35 | 351.75 |

The movement in right-of-use assets and lease liabilities during the year ended March 31, 2024 and March 31, 2023 are as follows:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | Right-of-use assets | Lease liabilities | Right-of-use assets | Lease liabilities |
| Balance at the beginning | 2,370.87 | 2,701.40 | 2,217.06 | 2,617.74 |
| Addition during the year | 1,182.92 | 1,187.31 | 1,217.82 | 1,217.82 |
| Change on account of early closure of lease | (53.70) | (60.95) | (163.76) | (243.73) |
| Amortisation | (929.28) | - | (900.25) | - |
| Finance cost | - | 270.16 | - | 257.31 |
| Lease rent payment | - | (1,109.89) | - | (1,147.74) |
| Balance at the end | 2,570.81 | 2,988.03 | 2,370.87 | 2,701.40 |

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for increase in rent.

(iii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions.

(iv) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

35. Fair Value Disclosures

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

a) Summarised Category Classification of Financial Assets and Financial Liabilities

| Particulars | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|------------------------------------|----------------------|------------------|--|--|--|--------------------|----------------------|------------------|--|--|--|------------------|
| | Carrying Cost | Amortised cost | At fair value through profit and loss account (classified under level 1 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 2 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 3 hierarchy- Refer note b below) | Total | Carrying Cost | Amortised cost | At fair value through profit and loss account (classified under level 1 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 2 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 3 hierarchy- Refer note b below) | Total |
| Financial Assets | | | | | | | | | | | | |
| Cash and cash equivalents | 560.76 | 560.76 | - | - | - | 560.76 | 437.96 | 437.96 | - | - | - | 437.96 |
| Trade Receivables | 8,789.77 | 8,789.77 | - | - | - | 8,789.77 | 6,206.39 | 6,206.39 | - | - | - | 6,206.39 |
| Other Receivables | 848.16 | 848.16 | - | - | - | 848.16 | 0.06 | 0.06 | - | - | - | 0.06 |
| Investments | 1,07,029.76 | 9,172.12 | 1,03,267.44 | - | 11,003.18 | 1,23,442.74 | 76493.12 | 5472.12 | 68,679.77 | - | 9,312.04 | 83,463.93 |
| Other Financial Assets | 586.34 | 586.34 | - | - | - | 586.34 | 534.31 | 534.31 | - | - | - | 534.31 |
| Total Financial Assets | 1,17,814.79 | 19,957.15 | 1,03,267.44 | - | 11,003.18 | 1,34,227.77 | 83,671.84 | 12,650.84 | 68,679.77 | - | 9,312.04 | 90,642.65 |
| Financial Liabilities | | | | | | | | | | | | |
| Trade Payables and other payables | 6,043.75 | 6,043.75 | - | - | - | 6,043.75 | 1,587.47 | 1,587.47 | - | - | - | 1,587.47 |
| Lease Liabilities | 2,988.03 | 2,988.03 | - | - | - | 2,988.03 | 2,701.40 | 2,701.40 | - | - | - | 2,701.40 |
| Other Financial Liabilities | 1,444.50 | 1,444.50 | - | - | - | 1,444.50 | 1,350.56 | 1,350.56 | - | - | - | 1,350.56 |
| Total Financial Liabilities | 10,476.28 | 10,476.28 | - | - | - | 10,476.28 | 5,639.43 | 5,639.43 | - | - | - | 5,639.43 |

Note: Investments representing equity interest in subsidiary and others are carried at cost less any provision for impairment.

Trade receivables, cash and cash equivalents, Other Receivables and Other Financial assets are carried at amortised cost which is a reasonable approximation of its fair value largely due to the short term maturities of these instruments.

Trade Payables, Lease Liabilities and Other financial liabilities are carried at amortised cost which is a reasonable approximation of its fair value.

Accordingly, fair value hierarchy for these financial instruments have not been presented above.

b) Fair Value Hierarchy and Method of Valuation

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2024 and March 31, 2023.

| (Rs. in Lakhs) | | | | |
|---|----------------------|--|---------------|---------------|
| Financial assets/ (Financial liabilities) | Fair value hierarchy | Valuation technique(s) and Significant Unobservable input(s) | 31 March 2024 | 31 March 2023 |
| Investments in Mutual Funds | Level 1 | Market Approach -The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors. | 1,03,267.44 | 68,679.77 |
| Total | | | 1,03,267.44 | 68,679.77 |

| Financial assets/ (Financial liabilities) | Fair value hierarchy | Valuation technique(s) and Significant Unobservable input(s) | 31 March 2024 | 31 March 2023 |
|---|----------------------|--|---------------|---------------|
| Not Applicable | Level 2 | Not Applicable | - | - |
| Total | | | | - |

| (Rs. in Lakhs) | | | | |
|---|----------------------|---|---------------|---------------|
| Financial assets/ (Financial liabilities) | Fair value hierarchy | Valuation technique(s) and Significant Unobservable input(s) | 31 March 2024 | 31 March 2023 |
| Investments in Convertible preference shares, Equity instrument, Debt securities and AIFs | Level 3 | Net asset Value (NAV) provided by issuer fund and Fair value which is arrived at based on valuation from independent valuer for unlisted portfolio companies. | 11,003.18 | 9,312.04 |
| Total | | | 11,003.18 | 9,312.04 |

For Sensitivity Analysis Refer Note 36

Reconciliation of level 3 fair value measurement is as below :

| (Rs. in Lakhs) | | |
|---|-----------------------------------|-----------------------------------|
| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Balance at the beginning of the year | 9,312.04 | 12,619.04 |
| Additions during the year | 1,040.75 | 2,894.67 |
| Trasferred to other receivables (Refer note 38) | (848.11) | - |
| MTM gain recognized in OCI | - | - |
| MTM gain recognized in statement of profit and loss | 1,498.50 | 4,655.15 |
| Realised during the year | - | (10,856.83) |
| Balance at the end of the year | 11,003.18 | 9,312.04 |

36. Capital management and Risk management

I Capital Management

The Company's objective while managing the capital are to safeguard its ability to continue as a going concern and to maximize the shareholder value as well as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its business.

II Financial Risk Management Framework

The primary business of the Company is to manage the schemes of DSP Mutual Fund which requires specialized expertise in investment management. Since this is very crucial aspect which has an extremely significant bearing on the Company's performance, a risk management committee is in place to oversee the risks associated with this function. This committee reviews the progress of implementation with regards to risk management practices pertaining to mutual funds.

The Company's management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. A risk management committee is in place to oversee the risks associated with this function.

A LIQUIDITY RISK

(i) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, debt funds, equity funds and other highly rated securities under a limits framework, which governs the credit exposure to any one issuer as defined in its investment policy. The policy requires investments generally to be of investment grade, with the primary objective of minimizing the potential risk of principal loss.

(ii) Maturities of financial assets and financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts are gross and undiscounted:

The below excludes maturity analysis of lease liabilities which has been disclosed separately in Note 34. For additional details refer Note 40.

| Maturities of Financial Liabilities | As at March 31, 2024 | | | Total | Carrying amount |
|-------------------------------------|----------------------|-----------|-------------------|----------|-----------------|
| | Less than 1 year | 1-3 years | More than 3 years | | |
| | | | | | |
| Non-interest bearing | 6,039.56 | 4.19 | - | 6,043.75 | 6,043.75 |

(Rs. in Lakhs)

| Maturities of Financial Liabilities | As at March 31, 2023 | | | Total | Carrying amount |
|-------------------------------------|----------------------|-----------|-------------------|----------|-----------------|
| | Less than 1 year | 1-3 years | More than 3 years | | |
| | | | | | |
| Non-interest bearing | 1,578.97 | 8.50 | - | 1,587.47 | 1,587.47 |

(Rs. in Lakhs)

B MARKET RISKS

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated mainly in US Dollar, Australian Dollar and Pounds which arise mainly from receivables on account of advisory fees and outstanding of trade payables.

As at the end of the reporting period, the carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities are as follows:

| As at 31 March 2024 | Currency | In foreign currency in lakhs | Equivalent Rs in lakhs |
|------------------------------|----------|------------------------------|------------------------|
| Financial Assets | | | |
| Trade Receivables | USD | 14.07 | 1,173.10 |
| | AUD | 0.19 | 10.22 |
| Financial Liabilities | | | |
| Trade Payables | USD | 0.82 | 68.36 |
| | GBP | - | - |

| As at 31 March 2023 | Currency | In foreign currency in lakhs | Equivalent Rs in lakhs |
|------------------------------|----------|------------------------------|------------------------|
| Financial Assets | | | |
| Trade Receivables | USD | 12.82 | 1,054.17 |
| | AUD | 0.12 | 6.65 |
| Financial Liabilities | | | |
| Trade Payables | USD | 0.46 | 37.94 |
| | GBP | 0.01 | 0.91 |

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities is as follows:

| As at 31 March 2024 | | | |
|--|------------|------------|------------|
| Currencies | USD Impact | AUD Impact | GBP Impact |
| Exchange rate at the end of reporting period (Rs./USD) , (Rs./AUD) & (Rs./ GBP) | 83.37 | 54.31 | 105.25 |
| Net USD/ AUD/ GBP (Receivable) / Payable at the end of reporting period | (13.25) | (0.19) | - |
| Impact on profit & loss for the year if 5% increase in Exchange rate (Impact in Rs. Lakhs) | (55.24) | (0.51) | - |
| Impact on profit & loss for the year if 5% decrease in Exchange rate (Impact in Rs. Lakhs) | 55.24 | 0.51 | - |

| As at 31 March 2023 | | | |
|--|------------|------------|------------|
| Currencies | USD Impact | AUD Impact | GBP Impact |
| Exchange rate at the end of reporting period (Rs./USD) , (Rs./AUD) & (Rs./ GBP) | 82.22 | 55.02 | 101.47 |
| Net USD/ AUD/ GBP (Receivable) / Payable at the end of reporting period | (12.36) | (0.12) | 0.01 |
| Impact on profit & loss for the year if 5% increase in Exchange rate (Impact in Rs. Lakhs) | (50.81) | (0.33) | 0.05 |
| Impact on profit & loss for the year if 5% decrease in Exchange rate (Impact in Rs. Lakhs) | 50.81 | 0.33 | (0.05) |

(ii) Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in mutual funds, debt securities, Investments in convertible preference shares & Equity instrument caused by factors specific to an individual investment, its issuer and market. The Company's exposure to price risk arises from diversified investments in mutual funds, AIF's, Investments in Convertible preference shares, Equity instrument and Debt securities held by the Company and classified in the balance sheet at fair value through profit or loss and is as follows:

(Rs. in Lakhs)

| Particulars | As at 31-Mar-24 | | As at 31-Mar-23 | |
|--|-----------------|------------|-----------------|------------|
| | Increase | Decrease | Increase | Decrease |
| 5% movement | | | | |
| Units of Mutual Funds schemes | 5,163.37 | (5,163.37) | 3,433.99 | (3,433.99) |
| Investments in equity shares of Companies | 22.56 | (22.56) | 22.22 | (22.22) |
| Compulsory Convertible Preference Shares | 316.35 | (316.35) | 257.11 | (257.11) |
| Investments in Debt securities | - | - | 42.41 | (42.41) |
| Units of Alternative Investment Fund (AIF) | 211.25 | (211.25) | 143.86 | (143.86) |

To manage its price risk from instruments in Convertible preference shares, Equity instrument, debt securities, units of mutual capital fund and alternative investment funds, the Company diversifies its portfolio.

(iii) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial instruments.

C CREDIT RISKS

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from its investment transactions. The Company is exposed to credit risk from its operating activities (mostly trade receivables) and from its investing activities, which includes deposits with banks and financial institutions, and other financial assets measured at amortised cost. The carrying amount of the financial assets represents the maximum credit risk exposure.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, trade and other receivables and financial assets measured at amortised cost. Following is the exposure of the Company towards credit risk.

Following is the exposure of the Company towards credit risk. (Rs. in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------------------------|----------------|----------------|
| Maximum exposure to credit risk | 10,785.03 | 7,178.72 |

Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired.

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

The Company has three types of financial assets that are subject to the expected credit loss:

- Trade and other receivables
- Cash and cash equivalent
- Investment in debt securities measured at amortised cost

The amount of trade receivable for which the Company has assessed credit risk is on an individual basis

Trade and other receivables:

Major portion of trade receivables include the management fees receivable from the schemes of DSP Mutual Fund and DSP Alternate Investment Fund. Based on the past experience, management expects to receive these amounts in full.

(Rs. in Lakhs)

| Trade Receivables (Undisputed - considered good) outstanding from the date of transactions | As at March 31, 2024 | As at March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Less than 6 months | 8,783.87 | 6,206.39 |
| 6 months -1 year | - | - |
| 1-2 years | 5.90 | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 8,789.77 | 6,206.39 |

(Rs. in Lakhs)

| Other Receivables | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-----------------------------|-----------------------------|
| Less than 6 months | 848.16 | 0.06 |

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses.

Trade payables:

Major portion of trade payable consists of recurring monthly payments and other vendor payments. Based on the past experience the Company will pay off the due on time.

(Rs. in Lakhs)

| Trade Payable and Other Payables | As at March 31, 2024 | As at March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Less than 6 months | 6,038.62 | 1,578.97 |
| 6 months -1 year | 0.94 | - |
| 1-2 years | 4.19 | 8.50 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 6,043.75 | 1,587.47 |

Cash and cash equivalents:

The Company holds cash and cash equivalents of Rs. 560.76 lakhs as on March 31, 2024. The cash and cash equivalents are held with banks, which are rated AA- to AA+, based on CRISIL ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

37. Disclosures required under Ind AS 115 "Revenue from contracts with customers"

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Contract With Customers Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss | | |
| Revenue from operations | | |
| Fees and Commission income - Contract with Customers | 70,704.21 | 58,592.28 |

There were no impairment losses recognised on any contract asset / trade receivable in the reporting period.

Disaggregate Revenue

The table below presents disaggregated revenues from contracts with customers by geography and offerings. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue based on geography

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------|-----------------------------|-----------------------------|
| India | 61,610.56 | 54,531.91 |
| Africa | 2,497.74 | 62.84 |
| Europe | 2,959.97 | 2,450.71 |
| America | 3,599.50 | 1,521.72 |
| Australia | 36.44 | 25.10 |

Revenue based on offerings

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Management Services | 67,068.26 | 57,045.46 |
| Non-Binding Investment Advisory Services | 3,635.95 | 1,546.82 |

Contract balances

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Closing balances | | |
| Trade receivables - current | 8,789.77 | 6,206.39 |
| Trade receivables - non-current | - | - |
| Opening balances | | |
| Trade receivables - current | 6,206.39 | 7,412.56 |
| Trade receivables - non-current | - | - |

38. Note on non-convertible debentures

Non-Convertible Debentures (NCD's) of Accelerating Education and Development Private Limited

The Company holds investments in the form of Non-Convertible Debentures (NCD's) of Accelerating Education and Development Private Limited acquired in the Financial Year 2019-20 at a cost of Rs.12,116.89 lakhs with the intention to sell them in the near future and not to hold them till their maturity and classified the same as Investments, measured at fair value through profit or loss.

Per the terms of issue, the NCD's had quarterly payouts for Interest as well part payment of principal. However, the Issuer Company did not honour the dues on September 30, 2019 as also in the subsequent quarters.

Since the Company could not sell the NCDs before end of the financial year 2019-20 and due to non-payment of interest and principal over several quarters, as also looking at the bleak possibilities in the future and further based on Company's analysis on the fair valuation of the said NCD's as at March 31, 2020, the Company provided Rs.11,267.78 lakhs as an unrealised loss in its books of account for the same.

The security of Accelerating is unsold in open market as on March 31, 2024. Based on Company's analysis on the fair valuation of the said NCD's as at March 31, 2024, the Company has retained the provision made on March 31, 2020. The Company continues to make every possible effort to sell the NCD's. Since the security has matured in September 2023 the amount of investments is now shown as other receivables in Note 7.

39. Demerger

On October 4, 2022, DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} has received order from National Company Law Tribunal (NCLT) approving the Scheme of demerger ("Scheme") of Asset Management Business from DSPIM into DSP Asset Managers Private Limited (DSPAM). The appointed date for the scheme is April 1, 2021.

The Demerger had been approved by the Board of Directors of DSPIM vide resolutions dated October 21, 2021, the Board of Directors of DSPAM vide resolutions dated July 14, 2021 and the Board of Directors of Trustees vide resolutions dated October 22, 2021. NCLT approved the Scheme on October 4, 2022 and the certified copy of the Order received on October 20, 2022 has been filed by the Company with the Registrar of Companies, Maharashtra, on November 11, 2022. Securities and Exchange Board of India ("SEBI") vide its letter dated December 01, 2022 bearing reference no. SEBI/HO/OW/IMD RAC2/P/2022/60211/1 ("SEBI NOC") approved the Demerger with no objection to transfer the Asset Management Business of DSPIM to DSPAM.

Further, M/s. Natarajan & Co., Chartered Accountants ('Scrutinizer') was appointed as Scrutinizer by Trustees for conducting the postal ballot and e-voting process for seeking votes from the unitholders of the Fund. Scrutinizer vide their report dated March 31, 2023, certified that majority of votes were in favour of the Demerger.

Accordingly, the Demerger has been made effective during the year, pursuant to which the asset management business has been transferred from DSPIM into DSPAM as of the appointed dated i.e. April 1, 2021. The demerger has been accounted under the 'pooling of interests' method and in accordance with Appendix C of Ind AS 103 'Business Combinations', all the assets, liabilities (including corresponding reserves and surplus) of DSPIM have been transferred to and vested in the Company with effect from the appointed dates at their carrying values. The financial information in respect of prior periods have been restated from the beginning of the previous year i.e. April 1, 2021 as per requirements of Appendix C to Ind AS 103.

The details of the Company and the demerger of asset management business from DSPIM into DSPAM are as below:

| | |
|---|--|
| Name of transferor Company | DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} |
| General Nature of Business | Asset Management Services |
| Appointed date of Scheme | April 1, 2021 |
| Description and number of shares to be issued | 250,000,000 crores shares of Face value of Rs 10 each |
| % of Company's equity shares exchanged | 100% |

Summary of the assets, liabilities and reserves taken over on the appointed date are as mentioned below:

| Particulars | Amount Rs. in Lakhs |
|---------------------------|---------------------|
| Financial Assets | 33,178.45 |
| Non-financial Assets | 10,834.26 |
| Financial Liabilities | 6,247.87 |
| Non-financial Liabilities | 5,119.83 |
| Equity | 32,645.01 |

As per the scheme of arrangement, Upto the scheme becoming effective, The Transferor Company shall continue to carry on the remaining Undertaking and all assets, liabilities and obligations pertaining to the remaining Undertaking shall continue to belong to, be vested in and be managed by the Transferor Company. Accordingly, DSPIM has incurred all the expenses on behalf of the DSPAM upto the effective date i.e., April 1, 2023, these expenses are of in nature of regular business nature pertaining to asset management. business.

Upon this Scheme becoming effective and with effect from the Appointed Date, the whole of the mode of vesting and without any further deed or act and pursuant to Section 232 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, be demerged from the Transferor Company and be transferred to and vest in the Transferee Company at Book Value, as a going concern, so as to become as and from the Appointed Date the business, property and asset of the Transferee Company on a going concern basis with all rights, titles, interest, liabilities or obligation of the said undertaking and shall be free from all encumbrances except as otherwise provided under this Scheme.

DSP Asset Managers Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2024

40. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled which also indicate the current and non-current disclosure.

(Rs. in Lakhs)

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|------------------|--------------------|--------------------|------------------|------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Assets | | | | | | |
| Cash and cash equivalents | 560.76 | - | 560.76 | 437.96 | - | 437.96 |
| Trade Receivables | 8,789.77 | - | 8,789.77 | 6,206.39 | - | 6,206.39 |
| Other Receivables | 848.16 | - | 848.16 | 0.06 | - | 0.06 |
| Investments | 1,109.33 | 1,22,333.41 | 1,23,442.74 | 4,333.02 | 79,130.91 | 83,463.93 |
| Other Financial Assets | 119.30 | 467.04 | 586.34 | 89.70 | 444.61 | 534.31 |
| Current Tax Asset (Net) | - | 1,421.62 | 1,421.62 | - | 851.98 | 851.98 |
| Deferred Tax Asset (Net) | - | 2,466.75 | 2,466.75 | - | 3,386.84 | 3,386.84 |
| Property, Plant and Equipment | - | 1,711.79 | 1,711.79 | - | 1,316.92 | 1,316.92 |
| Other Intangible Assets | - | 90.53 | 90.53 | - | 57.91 | 57.91 |
| Right-of-use Assets | 917.81 | 1,653.00 | 2,570.81 | 929.28 | 1,441.59 | 2,370.87 |
| Other Non-financial Assets | 1,160.55 | 30.91 | 1,191.46 | 1,403.81 | 38.87 | 1,442.68 |
| Total assets | 13,505.68 | 1,30,175.05 | 1,43,680.73 | 13,400.22 | 86,669.63 | 1,00,069.85 |
| Liabilities | | | | | | |
| (I) Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 221.38 | - | 221.38 | 139.40 | - | 139.40 |
| (ii) total outstanding dues of enterprises other than micro enterprises and small enterprises | 967.97 | - | 967.97 | 1,288.45 | - | 1,288.45 |
| (II) Other Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 13.14 | - | 13.14 | 3.17 | - | 3.17 |
| (ii) total outstanding dues of enterprises other than micro enterprises and small enterprises | 4,841.26 | - | 4,841.26 | 156.45 | - | 156.45 |
| Lease Liabilities | 939.30 | 2,048.73 | 2,988.03 | 1,259.81 | 1,441.59 | 2,701.40 |
| Other Financial Liabilities | 1,444.50 | - | 1,444.50 | 1,350.56 | - | 1,350.56 |
| Provisions | 3,715.40 | 6,600.04 | 10,315.44 | 379.24 | 2,860.94 | 3,240.18 |
| Other Non-financial Liabilities | 3,549.37 | - | 3,549.37 | 2,755.63 | - | 2,755.63 |
| Total liabilities | 15,692.32 | 8,648.77 | 24,341.09 | 7,332.71 | 4,302.53 | 11,635.24 |
| Net | | | 1,19,339.64 | | | 88,434.61 |

41. Ratios

| Ratios | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Tier I CRAR* | NA | NA |
| Tier II CRAR* | NA | NA |
| Capital to Risk-Weighted Assets Ratio (CRAR)* | NA | NA |
| Liquidity Coverage Ratio [Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)] | 0.73 | 1.51 |

*Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

42. Additional regulatory information pursuant to the requirement in Division III of Schedule III to the Act:

- (i) As per Section 248 of the Act, there are no transactions and no balances outstanding with struck off companies.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property,
- (iii) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not revalued its property, plant and equipment's (including right-of-use assets) during the current or previous year.
- (vi) There is no Intangible assets under development as at March 31, 2024 and March 31, 2023. Further the Company has not revalued its intangible assets during the current or previous year.
- (vii) The Company is not a declared willful defaulter by any bank or financial institution or other lender.
- (viii) The Company has complied with the number of layers for investments made as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has entered into any scheme of arrangement which has an accounting impact in previous financial year.(Refer note 39).
- (x) The Company does not have any title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (xi) The Company does not have any Investment property.
- (xii) During the current year and previous year, the Company has not granted loans or advances in the nature of loans to promoters, directors, key managerial personnel's and related parties (as defined under the Act), either severally or jointly with any other person, that are:
- repayable on demand or
 - without specifying any terms or period of repayment
- (xiii) There is no capital work in progress as at March 31, 2024 and March 31, 2023.
- (xiii) The Company has not availed overdraft facility from bank on the basis of security of current assets during the current year and previous year.
- (xiv) There are no charges or satisfaction yet to be registered with ROC that are beyond the Statutory period by the Company.

43. Share-based payment arrangements

On October 4, 2022, DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} received order from National Company Law Tribunal (NCLT) approving the Scheme of demerger ("Scheme") of Asset Management Business from DSPIM into DSP Asset Managers Private Limited (DSPAM). The appointed date for the scheme is April 1, 2021. After the necessary approvals, demerger has become effective from April 1, 2023 (For detailed note on demerger, please refer Note 39)

As per the Scheme, the ESOPs issued by DSPIM were cancelled and new ESOPs were issued by DSPAM to the same eligible employees who earlier held ESOPs from DSPIM. The number of options, exercise price, the vesting period and all other terms of the ESOP scheme remain unchanged. The Erstwhile ESOP Scheme provided both the option, either to settle in shares or cash, NRC decided that current ESOP Scheme be settled in cash, till further notice.

A. Description of share-based payment arrangements

ESOP (cash-settled)

On April 1, 2023 and June 24, 2023 the Company granted 61.90 lakhs and 13.84 lakhs options respectively to employees that entitle them to a cash payment after the vesting date as mentioned in the grant offer letter. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

Details of the liabilities arising from the ESOPs were as follows.

(Rs. in Lakhs)

| Particulars | Note | 31-Mar-24 | 31-Mar-23 |
|--|------|-----------|-----------|
| Total carrying amount of liabilities for ESOPs | 14 | 6,583.09 | - |
| Total intrinsic value of liabilities for vested benefits | | 3,101.46 | - |

B. Measurement of fair values

Cash-settled share-based payment arrangement

The fair value of the ESOPs has been measured using the Black-Scholes Merton formula. The inputs used in the measurement of the fair values at grant date and measurement date of the ESOPs were as follows.

Measurement date : March 31, 2024

Grant date : April 1, 2023

| | 1 | | | 2 | | | 3 | | |
|---|--------|-----------|-----------|--------|-----------|-----------|--------|-----------|-----------|
| | <=4000 | > 4000 | > 4000 | <=4000 | > 4000 | > 4000 | <=4000 | > 4000 | > 4000 |
| | | Tranche 1 | Tranche 2 | | Tranche 1 | Tranche 2 | | Tranche 1 | Tranche 2 |
| Number of options >> | | | | | | | | | |
| Fair value as at March 31, 2024 | 122.29 | 124.87 | 125.46 | 127.64 | 128.60 | 131.32 | 71.84 | 71.71 | 70.36 |
| Share price | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 |
| Exercise price | 70.40 | 70.40 | 70.40 | 70.40 | 70.40 | 70.40 | 150.16 | 150.16 | 150.16 |
| Expected volatility (weighted average) | 27.89% | 27.57% | 28.34% | 29.89% | 29.72% | 29.44% | 29.45% | 29.52% | 29.51% |
| Expected life (weighted average) | 1.00 | 1.57 | 1.71 | 2.20 | 2.42 | 3.07 | 2.74 | 2.72 | 2.58 |
| Expected dividends | - | - | - | - | - | - | - | - | - |
| Risk-free interest rate (based on government bonds) | 6.90% | 6.92% | 6.92% | 6.93% | 6.94% | 6.95% | 6.94% | 6.94% | 6.94% |

| Grant date : June 24, 2023 | Number of options >> | 4 | | | 5 | | | 6 | | | 7 | | |
|---|----------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|
| | | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 |
| Fair value as at March 31, 2024 | | 98.07 | 98.17 | 97.34 | 79.29 | 81.80 | 93.29 | 95.81 | 98.08 | 103.08 | 78.97 | 83.30 | 95.83 |
| Share price | | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 |
| Exercise price | | 122.02 | 122.02 | 122.02 | 140.05 | 140.05 | 140.05 | 141.03 | 141.03 | 141.03 | 150.16 | 150.16 | 150.16 |
| Expected volatility (weighted average) | | 29.12% | 29.12% | 29.12% | 29.37% | 29.46% | 31.93% | 32.69% | 32.60% | 32.96% | 29.15% | 29.87% | 32.99% |
| Expected life (weighted average) | | 3.78 | 3.79 | 3.68 | 2.86 | 3.14 | 4.31 | 4.62 | 4.93 | 5.59 | 3.51 | 3.94 | 5.17 |
| Expected dividends | | - | - | - | - | - | - | - | - | - | - | - | - |
| Risk-free interest rate (based on government bonds) | | 6.96% | 6.96% | 6.96% | 6.95% | 6.95% | 6.97% | 6.97% | 6.97% | 6.97% | 6.96% | 6.96% | 6.97% |

Expected volatility has been based on an evaluation of the historical volatility of the Company’s share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

C. Reconciliation of ESOPs

The number and weighted-average exercise prices of ESOPs were as follows:

| Prticulars | 31-Mar-24 | | 31-Mar-23 | |
|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Number of options (in lakhs) | Weighted average exercise price | Number of options (in lakhs) | Weighted average exercise price |
| Options in lakhs | | | | |
| Granted during the year | 75.74 | 85.13 | - | - |
| Less: Forfeited during the year | 5.62 | 80.15 | - | - |
| Less: Exercised during the year | - | - | - | - |
| Outstanding at 31 March | 70.12 | 85.53 | - | - |
| Exercisable at 31 March | 51.93 | 70.40 | - | - |

The options outstanding as at March 31, 2024 had an exercise price in the range of INR 70.40 to INR 150.16 (31 March 2023: Not applicable). No options exercised during the year 2023-24

D. Expense recognised in Statement of Profit and Loss

For details of the related employee benefits expense, see Note 23.

44. Disclosure as required under Rule 11(e) and Rule 11 (f) of the Companies (Audit and Auditors) Rules, 2014.

(i) 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(s), including foreign entities ("Intermediaries") with the understanding, whether recording in writing or otherwise, that the intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries)

(ii) The Company has not received any fund from any other party(s) with the understanding that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) There is no dividend declared or paid during the year by the Company.

As per our report attached of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota

Partner

Membership No. 109928

Kalpen Parekh

Managing Director &
Chief Executive Officer
DIN: 07925034

Dhananjay Mungale

Director
DIN: 00007563

Akilandeswaran Iyer

Chief Financial Officer

Pritesh Majmudar

Company Secretary
Membership No: FCS 6259

Mumbai

July 19, 2024

Mumbai

July 19, 2024

Independent Auditor's Report

To the Members of DSP Asset Managers Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DSP Asset Managers Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation

Registered Office:

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

- a. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 6,593 Lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 633 Lakhs and net cash flows (before consolidation adjustments) amounting to Rs. (20) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company from 31 March 2024 to 10 April 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matter" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated 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 Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated 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 Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entities, including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the Holding company or subsidiary companies incorporated in Indian shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our other auditor notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Holding Company and its subsidiary companies incorporated in India has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, except for instances mentioned below, the Holding Company and its subsidiary companies incorporated in India whose financial statements

Independent Auditor's Report (Continued)

DSP Asset Managers Private Limited

have been audited under the Act, have used accounting softwares for maintaining its books of accounts, which along with access management tool, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares.

- i. In respect of one of the subsidiary company, due to absence of appropriate access management controls, the audit trail feature for the said software was not operating effectively throughout the year for all relevant transactions recorded in the software.
- ii. In respect of another subsidiary company, the records of user id who made the changes were not available in the accounting software used for maintaining books of account since the access roles were not defined for the users. However, the access for the accounting software was restricted to authorised persons only i.e. the core finance team.

Further, where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the provisions of Section 197 of the Act are not applicable to the Holding Company, its subsidiary companies incorporated in India since none of these companies is a public company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Membership No.: 109928

Date: 19 July 2024

ICAI UDIN:24109928BKDBJR2991

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of DSP Asset Managers Private Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the respective auditor in his report under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities | CIN | Holding Company/Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|---|-----------------------|---|--|
| 1 | DSP Asset Managers Private Limited | U65990MH2021PTC362316 | Holding Company | vii(a) |
| 2 | DSP Fund Managers IFSC Private Limited | U65990GJ2022PTC135942 | Subsidiary | vii(a) and xvii |
| 3 | DSP Pension Fund Managers Private Limited | U67190MH2012PTC238252 | Subsidiary | xvii |

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Membership No.: 109928

Date: 19 July 2024

ICAI UDIN:24109928BKDBJR2991

Annexure B to the Independent Auditor's Report on the consolidated financial statements of DSP Asset Managers Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of DSP Asset Managers Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of DSP Asset Managers Private Limited for the year ended 31 March 2024 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sameer Mota

Partner

Place: Mumbai

Membership No.: 109928

Date: 19 July 2024

ICAI UDIN:24109928BKDBJR2991

| DSP Asset Managers Private Limited Consolidated Balance Sheet as at March 31, 2024 <div>(Rs. in Lakhs)</div> | | | |
|--|----------|---|----------------------|
| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
| Assets | | | |
| I Financial Assets | | | |
| (a) Cash and cash equivalents | 5 | 3,338.03 | 482.16 |
| (b) Bank balance other than Cash and cash equivalents | 5A | 847.15 | - |
| (c) Receivables | | | |
| (i) Trade Receivables | 6 | 8,723.15 | 6,206.39 |
| (ii) Other Receivables | 7 | 848.16 | 0.06 |
| (d) Investments | 8 | 1,20,641.43 | 84,230.83 |
| (e) Other Financial Assets | 9A | 591.14 | 534.31 |
| II Non-Financial Assets | | | |
| (a) Current Tax Assets (Net) | 10A | 1,424.23 | 851.98 |
| (b) Deferred Tax Assets (Net) | 10B | 2,466.76 | 3,386.84 |
| (c) Property, Plant and Equipment | 11 | 1,789.88 | 1,332.99 |
| (d) Other Intangible Assets | 12 | 175.65 | 74.49 |
| (e) Right-of-use Assets | 34 | 2,635.67 | 2,370.87 |
| (f) Other Non-Financial Assets | 9B | 1,240.19 | 1,508.36 |
| Total Assets | | 1,44,721.44 | 1,00,979.28 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| I Financial Liabilities | | | |
| (a) Payables | 13 | | |
| (1) Trade Payables | | | |
| (i) Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 223.80 | 139.40 |
| (ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 995.65 | 1,288.45 |
| (2) Other Payables | | | |
| (i) Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 13.14 | 3.17 |
| (ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 4,816.76 | 202.25 |
| (b) Other Financial Liabilities | 13A | 1,543.02 | 1,350.56 |
| (c) Lease Liabilities | 34 | 3,055.26 | 2,701.40 |
| II Non-Financial Liabilities | | | |
| (a) Current Tax Liability (Net) | | - | 2.67 |
| (b) Provisions | 14 | 10,349.83 | 3,241.84 |
| (c) Deferred Tax Liability (Net) | | 197.07 | 150.16 |
| (d) Other Non-Financial Liabilities | 15 | 3,603.24 | 2,756.87 |
| Total Liabilities | | 24,797.77 | 11,836.77 |
| III Equity | | | |
| (a) Equity Share Capital | 16 | 25,000.00 | 0.10 |
| (b) Share Pending issuance | 16A | - | 25,000.00 |
| (c) Other Equity | 17 | 94,923.67 | 64,142.41 |
| Equity Attributable to owners | | | |
| (d) Non Controlling Interest | | - | - |
| Total Equity | | 1,19,923.67 | 89,142.51 |
| Total Liabilities and Equity | | 1,44,721.44 | 1,00,979.28 |
| Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements. | | | |
| As per our report attached of even date | | | |
| For B S R & Co. LLP Chartered Accountants Firm Registration No. 101248W/W-100022 | | For and on behalf of the Board of Directors | |
| Sameer Mota Partner Membership No. 109928 | | Kalpen Parekh Managing Director & Chief Executive Officer DIN: 07925034 | |
| | | Dhananjay Mungale Director DIN: 00007563 | |
| | | Akilandeswaran Iyer Chief Financial Officer | |
| | | Pritesh Majmudar Company Secretary Membership No: FCS 6259 | |
| Mumbai | | Mumbai | |
| July 19, 2024 | | July 19, 2024 | |

| | Particulars | Note No. | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--------|---|----------|------------------------------|------------------------------|
| | Revenue from Operations | | | |
| | Fees and Commission Income | 18 | 70,705.34 | 58,592.28 |
| | Net gain on Fair Value Changes | 19 | 12,782.06 | 6,948.93 |
| (I) | Total Revenue from operations | | 83,487.40 | 65,541.21 |
| (II) | Other Income | 20 | 72.03 | 272.36 |
| (III) | Total Income (I+ II) | | 83,559.43 | 65,813.57 |
| | Expenses | | | |
| (i) | Finance Costs | 21 | 273.37 | 257.31 |
| (ii) | Fees and Commission Expenses | 22 | 798.76 | 1,097.78 |
| (iii) | Employee Benefits Expenses | 23 | 29,745.32 | 16,037.22 |
| (iv) | Depreciation, Amortisation and Impairment | 24 | 1,453.98 | 1,626.73 |
| (v) | Other Expenses | 25 | 10,840.43 | 10,296.01 |
| (IV) | Total Expenses | | 43,111.86 | 29,315.05 |
| (V) | Profit Before Tax (III-IV) | | 40,447.57 | 36,498.52 |
| (VI) | Tax Expense: | | | |
| | (1) Current Tax | 26 | 8,558.41 | 7,776.61 |
| | (2) Deferred Tax Charge | 27 | 1,001.76 | 703.03 |
| | | | 9,560.17 | 8,479.64 |
| (VII) | Profit After Tax (V- VI) | | 30,887.40 | 28,018.88 |
| (VIII) | Other Comprehensive Income | | | |
| | Items that will be reclassified to Profit & Loss | | | |
| | (i) Foreign currency translation reserve | 28 | (1.93) | - |
| | Items that will not be reclassified to profit or loss | 28 | | |
| | (i) Remeasurement loss of the defined benefit plans | | (139.07) | (312.06) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 34.76 | 78.54 |
| | Other Comprehensive Income (net of tax) | | (106.24) | (233.52) |
| (IX) | Total Comprehensive Income | | 30,781.16 | 27,785.36 |
| | Profit attributable to : | | | |
| | - Owners of the Company | | 30,887.40 | 28,018.88 |
| | - Non- controlling interests | | - | - |
| | Other Comprehensive income attributable to | | | |
| | - Owners of the Company | | (106.24) | (233.52) |
| | - Non- controlling interests | | - | - |
| | Total comprehensive income attributable to | | | |
| | - Owners of the Company | | 30,781.16 | 27,785.36 |
| | - Non- controlling interests | | - | - |
| (X) | Earnings per equity share (Face Value Rs. 10) | | | |
| | Basic (Rs.) | 29 | 12.35 | 11.21 |
| | Diluted (Rs.) | 29 | 12.35 | 11.21 |

Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota

Partner

Membership No. 109928

Kalpen Parekh

Managing Director &

Chief Executive Officer

DIN: 07925034

Dhananjay Mungale

Director

DIN: 00007563

Mumbai
July 19, 2024Akilandeswaran Iyer
Chief Financial OfficerMumbai
July 19, 2024Pritesh Majmudar
Company Secretary
Membership No: FCS 6259

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|--|---------------------------|---|---------------------------|-------------|
| Cash flows from operating activities | | | | |
| Profit before tax | | 40,447.57 | | 36,498.52 |
| Adjustments for: | | | | |
| Dividend income | (3.58) | | (2.76) | |
| Interest income on loans to employees | (8.08) | | (4.60) | |
| Interest on securities | (56.52) | | (0.03) | |
| Interest expense on lease liability (financial liability measured at Amortised Cost) | 273.41 | | 257.31 | |
| Excess of Lease Liability over WDV of corresponding Right to use Assets on account of early closure of Leases | (2.86) | | (80.73) | |
| Unrealised foreign exchange gain | (0.44) | | | |
| Net loss on account of property, plant and equipment discarded | 13.60 | | 40.79 | |
| Net gain on financial instruments at fair value through profit and loss | (12,782.06) | | (6,948.93) | |
| Reversal of provision for security deposit | - | | (5.90) | |
| Depreciation on Property, Plant and Equipment and amortisation on Other Intangible Assets | 513.66 | | 726.48 | |
| Amortisation of Right-of-Use Assets | 940.32 | (11,112.55) | 900.25 | (5,118.12) |
| | | 29,335.02 | | 31,380.40 |
| Operating profit before working capital changes | | | | |
| Adjustments for changes in working Capital | | | | |
| (Increase) / Decrease in Trade Receivables | (2,516.15) | | 1,206.17 | |
| (Increase) / Decrease in Other Receivables | (848.10) | | 1,025.76 | |
| (Increase) / Decrease in Other financial assets | 13.28 | | 75.24 | |
| (Increase) / Decrease in Other non - financial assets | 215.40 | | (433.96) | |
| Increase / (Decrease) in Trade Payables | 4,415.11 | | (40.10) | |
| Increase / (Decrease) in Other Financial Liabilities | 193.02 | | (114.80) | |
| Increase in Provisions | 6,970.24 | | 545.89 | |
| Increase in Other non - financial liabilities | 846.37 | 9,289.17 | 0.10 | 2,264.30 |
| Cash generated from operations | | 38,624.19 | | 33,644.70 |
| Income taxes paid (net of refunds) | | (9,133.33) | | (7,656.25) |
| Net cash generated from operating activities | | 29,490.86 | | 25,988.45 |
| Cash flows from investing activities | | | | |
| Payments to acquire investments | (82,321.39) | | (94,165.88) | |
| Proceeds on sale of investments | 58,692.87 | | 70,015.92 | |
| Investments in fixed deposits | (833.74) | | - | |
| Dividend income | 3.58 | | 2.76 | |
| Interest income on loans to employees | 8.08 | | 4.60 | |
| Interest on securities | 41.27 | | 0.03 | |
| Payments for property, plant and equipment | (1,059.83) | | (754.68) | |
| Proceeds from disposal of property, plant and equipment | 27.40 | | 24.33 | |
| Loans given to employees | (172.88) | | (142.66) | |
| Repayment of loans by employees | 103.38 | | 83.82 | |
| Net cash used in investing activities | | (25,511.26) | | (24,931.76) |
| Cash flows from financing activities | | | | |
| Finance cost | (0.03) | | - | |
| Lease payments | (1,121.77) | | (1,147.74) | |
| Net cash used in financing activities | | (1,121.80) | | (1,147.74) |
| Net (decrease) / increase in cash and cash equivalents | | 2,857.80 | | (91.05) |
| Cash and cash equivalents at the beginning of the year | | 482.16 | | 573.21 |
| Foreign Currency Transaltion Reserve | | (1.93) | | - |
| Cash and cash equivalents at the end of the year | | 3,338.03 | | 482.16 |
| Corporate Information, Material accounting Policies and the accompanying notes are an integral part of the financial statements. | | | | |
| The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Ind AS -7 "Cash flow Statement. | | | | |
| As per our report attached of even date | | | | |
| For B S R & Co. LLP Chartered Accountants Firm Registration No. 101248W/W-100022 | | For and on behalf of the Board of Directors | | |
| Sameer Mota Partner Membership No. 109928 | | Kalpen Parekh Managing Director & Chief Executive Officer DIN: 07925034 | | |
| | | Dhananjay Mungale Director DIN: 00007563 | | |
| | | Akilandeswharan Iyer Chief Financial Officer | | |
| Mumbai July 19, 2024 | | Pritesh Majmudar Company Secretary Membership No: FCS 6259 | | |
| | | Mumbai July 19, 2024 | | |

| (Rs. in Lakhs) | | | | | | |
|---|--------------------------------------|--|--|---|--|--|
| Particulars | Balance at the beginning of the year | | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the reporting year | Changes inequity share capital during the year | Balance at the end of the reporting year |
| Equity Shares of Rs.10 each (March 31, 2023: Rs.10 each), fully paid-up | | | | | | |
| As at March 31, 2023 | 0.10 | | - | - | - | 0.10 |
| As at March 31, 2024 | 0.10 | | - | - | 24,999.90 | 25,000.00 |

| | | | | | | | | (Rs. in Lakhs) |
|---|------------------------|-----------------|----------------------|---|--------------------------------------|--|------------------------------------|----------------|
| Particulars | Share Pending issuance | Capital Reserve | Reserves and Surplus | Items of Other Comprehensive Income (OCI) | | Attributable to the owners of the parent | Non- controlling interests ("NCI") | Total |
| | | | Retained Earnings | Re-measurement gain/(loss) of defined benefit plans, net of tax | Foreign Currency Translation Reserve | | | |
| Balance as at March 31, 2022 | 25,000.00 | - | 36,431.98 | (43.88) | - | 61,388.10 | 1,356.08 | 62,744.18 |
| Profit for the year | - | - | 28,018.88 | - | - | 28,018.88 | - | 28,018.88 |
| Other Comprehensive Income | - | - | - | (233.52) | - | (233.52) | - | (233.52) |
| Non controlling interest acquired | - | - | (31.05) | - | - | (31.05) | (1,356.08) | (1,387.13) |
| Balance as at March 31, 2023 | 25,000.00 | - | 64,419.81 | (277.40) | - | 89,142.41 | - | 89,142.41 |
| Profit for the year | - | - | 30,887.40 | - | - | 30,887.40 | - | 30,887.40 |
| Other Comprehensive Income | - | - | - | (104.31) | (1.93) | (106.24) | - | (106.24) |
| Non controlling interest acquired | - | - | - | - | - | - | - | - |
| Shares issued/cancelled during the year | (25,000.00) | 0.10 | - | - | - | (24,999.90) | - | (24,999.90) |
| Balance as at March 31, 2024 | - | 0.10 | 95,307.21 | (381.71) | (1.93) | 94,923.67 | - | 94,923.67 |

Corporate Information, Significant accounting Policies and the accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota
Partner
Membership No. 109928

Kalpen Parekh
Managing Director &
Chief Executive Officer
DIN: 07925034

Dhananjay Mungale
Director
DIN: 00007563

Akilandeshwaran Iyer
Chief Financial Officer

Pritesh Majmudar
Company Secretary
Membership No: FCS 6259

Mumbai
July 19, 2023

Mumbai
July 19, 2023

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

1) Corporate Information

DSP Asset Managers Private Limited ('the Company/ the Parent / the Holding Company') was incorporated in India on June 17, 2021 and the Registered office of the Company is at Mumbai, Maharashtra.

The Company operates as an 'Asset Management Company' for the schemes of DSP Mutual Fund ('MF'), registered with the Securities and Exchange Board of India ('SEBI'), in India. The Company also provides investment management services to the schemes of DSP Alternative Investment Fund Category III ('AIF'), certain offshore funds, segregated mandates and non-binding investment advisory services to offshore entities.

The Company has two wholly owned subsidiaries which are as below:

| Name of the Subsidiary | Country of Incorporation | Proportion of Ownership Interest |
|--|--------------------------|----------------------------------|
| DSP Pension Fund Managers Private Limited ('DSPPFM') | India | 100% |
| DSP Fund Managers IFSC Private Limited ('DSP Gift IFSC') | India | 100% |

The principal object of Subsidiary DSP Pension Fund Managers Private Limited ('DSPPFM') is to act as an Investment Manager to pension fund schemes which are regulated by Pension Fund Regulatory & Development Authority (PFRDA). Consequent to the non-acceptance of the L1 (lowest) commercial bid by the DSP Finance Private Limited formerly known as DSP Investment Managers Private Limited - (Sponsor Company) due to commercial non-viability, the validity of the Certificate of Registration granted by PFRDA to the DSPPFM has ceased w.e.f. August 1, 2014 and in accordance with the directions from the PFRDA, the DSPPFM has transferred the schemes assets to the default Pension fund (SBI Pension Funds Private Limited).

PFRDA had initiated a fresh process for appointment of DSPPFM by issuing a Request for Proposal ('RFP') on December 23, 2020. The then holding company of DSPPFM viz. DSP Finance Private Limited formerly known as DSP Investment Managers Private Limited ('DSPIM'), after due consideration and approval from its Board of Directors, submitted a formal bid in response to RFP, in its capacity as a sponsor. PFRDA vide its letter dated July 19, 2022 had granted approval to DSPIM to act as a sponsor for managing the pension assets under NPS for Private Sector subscribers and Government Sector subscribers.

Further, DSPPFM received its certificate of registration as Pension Fund on September 05, 2023. Also PFRDA issued Certificate for commencement of business as Pension Fund on December 19, 2023. DSPPFM commenced its business operations on December 26, 2023.

The principal object of DSP Fund Managers IFSC Private Limited ('DSP Gift IFSC') is to act as an investment manager to various Restricted Scheme (non-retail) construed as Cat II or Cat III Alternative Investment Fund and Retail Scheme under IFSCA (Fund Management) Regulations, 2022 ('IFSCA Regulations').

The subsidiary DSP Gift IFSC has received Fund Management Entity (Retail) ['FME (Retail)'] registration with the International Financial Services Centres Authority ('IFSCA') on August 31, 2023.

These Consolidated Financial Statements comprise of the financial information of the Company or Parent and its subsidiaries (together the "Group"). The Group operates as 'Asset Manager' for schemes of DSP Mutual Fund ('MF') and DSP Alternative Investment Fund Category III ('AIF') registered with the Securities and Exchange Board of India ('SEBI') in India, 'Investment Manager' to National Pension System, regulated by Pension Fund Regulatory & Development Authority ('PFRDA'), Restricted Scheme (non-retail) construed as Cat II or Cat III Alternative Investment Fund and Retail Scheme under IFSCA Regulations and certain offshore funds, segregated mandates and non-binding advisory services to offshore entities.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

These Consolidated financial statements have been approved by the Board of Directors in the board meeting dated July 19, 2024.

2) Basis of Preparation of Consolidated Financial Statements

Statement of Compliance

The Consolidated financial statements (the 'consolidated financial statements') of the Group have been prepared on a going concern basis in accordance with the provision of the Companies Act, 2013 (the 'Act') and the Indian Accounting Standards (hereinafter referred to as 'Ind AS') as prescribed under section 133 of the Act and other relevant provisions of the Act, as amended from time to time. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act. The Group has elected to present cash flows from operating activities using the indirect method and items of income or expense associated with investing or financing cash flows are presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- for certain financial instruments that are measured at fair values at the end of each reporting period
- net defined benefit (assets)/ liabilities -fair value of plan assets less present value of defined benefit obligations
- cash settled share-based payments - fair value of the options as on the reporting date

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Indian Rupee (INR) is the Group's functional currency and the currency of the primary economic environment in which the Group operates. Accordingly, management has determined that the consolidated financial statement are presented in Indian Rupees (INR). All amounts have been rounded off to the nearest lakhs up to two decimal places unless otherwise indicated.

US Dollar (USD) is the currency of the primary economic environment in which the Subsidiary DSP Gift IFSC operates and hence the functional currency of the Subsidiary. The financial statements are presented in Indian Rupees (INR), which is the Subsidiary's presentation currency. As the Parent presents its financial statements in Indian Rupees (INR), the Subsidiary's financial statements are translated into Indian Rupees (INR). All amounts have been rounded off to the nearest lakhs up to two decimal places unless otherwise indicated.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

For the purpose of preparation of financial statements of DSP Gift IFSC in Indian Rupees (INR), the assets and liabilities are translated into Indian Rupees (INR) using the rate of exchange prevailing at the reporting date and its Statement of Profit and Loss is translated using an average rate to translate income and expense items. The exchange differences arising from the translation of financial statements of the DSP Gift IFSC is recognised in Other Comprehensive Income (OCI) and is presented within other equity as foreign currency translation reserve.

Basis of Consolidation

Subsidiaries are entities over which the Group has control. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

3) Material accounting policies

a. Property, plant and equipment

Items of Property, Plant and Equipment are stated in the balance sheet at historical cost less accumulated depreciation and impairment loss, if any. The historical cost of Property, Plant and Equipment comprises of its purchase price and cost directly attributable to bringing the assets to their working condition for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

The capital advances include cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method as prescribed under Schedule II of the Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of property, plant and equipment as stipulated under Schedule II of the Companies Act, 2013 and adopted by management for various blocks of assets in as under: -

| Asset | Useful life of asset (Years) |
|--------------------------------|------------------------------|
| Office Equipments | 5 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Computers and Other Equipments | 3 and 6 |

Leasehold improvements are amortised over the lower of the lease period and management's estimate of the useful life of the asset.

b. Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over useful life of three years. The estimated useful life if any and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

An intangible asset is derecognised when no future economic benefit is expected from use. Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

c. Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

d. Employee benefits

Short Term Benefits:

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-Employment Benefits

Defined Contribution Plan

The Group has defined contribution plans for post-employment benefits in the form of Provident fund.

Under the Provident Fund plan, the Group contributes to a Government administered Provident Fund on behalf of employees. The Group has no further legal or constructive obligation to pay further amount to the provident fund. The Group's contribution to the Government Provident Fund is charged to the Statement of Profit and Loss in the period during which the related services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest recognised in OCI. The Group determines the net interest expense/ income on the net benefit liability/ asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/ asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term employee benefit obligation

Compensated Absences

Other long term employee benefits include accumulated compensated absences that are entitled to be carried forward for future availment subject to the Group's policies. The Group's net obligation in respect of long-term employee benefits other than postemployment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Employee Stock Option Plan ('ESOP') (cash-settled)

The fair value of options granted by the Parent under ESOP is recognized as an employee benefits expense in the Statement of Profit and Loss with corresponding liability created under the Provision for Employee Benefits. The total amount to be expensed is determined by reference to the fair value of the options at each reporting date. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Parent revises its estimates of the number of options that are expected to be vested based on the non-market vesting and service conditions. It recognizes the impact of the revision, in the Statement of Profit and Loss, with a corresponding adjustment in Provision for Employee Benefits. The liability is remeasured at each reporting date based on the fair value of ESOP. Any changes in the liability are recognized in the Statement of Profit and Loss.

The amount of the cash payment is determined as the difference between the exercise price and the latest available fair value of share of the Parent as on the date of exercise.

e. Foreign currency transactions

The Group's Consolidated financial statements are presented in Rupees, which is also its functional currency. Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

For DSP Gift IFSC Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit or Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

f. Revenue recognition

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115- Revenue from Contracts with Customers, to determine when to recognise revenue and at what amount. Revenue is measured based on the transaction price (net of variable consideration) specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it can be reliably measured and it is, probable that future economic benefits will flow to the Group.

The group recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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Notes to Consolidated Financial Statements for the year ended March 31, 2024

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one obligation, the group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements.

The contracts include a single performance obligation that is satisfied over time and the fees earned is considered as variable consideration that is included in the transaction price to the extent that no significant revenue reversal is expected to occur.

Streams of Revenue

(i) Fees from Mutual Fund Operations:

Investment Management Fees are recognised net of taxes on an accrual basis as a percentage of the daily net assets of the schemes of DSP Mutual Fund, in accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Fund) Regulations, 1996 as amended from time to time (the 'SEBI Regulations').

(ii) Alternate Investment Fund (Category III):

Investment management fees are recognized net of taxes on an accrual basis as a percentage of the net assets of the AIF schemes, in accordance with the Private Placement Memorandum (PPM) and Contribution Agreement (CA) signed by the contributors. Performance fee, if any, is accrued in accordance with the PPM and CA signed by the contributors.

(iii) Fees from Offshore Investment Management Operations:

Offshore investment management fees are computed in accordance with the relevant scheme documents or agreed side letters with clients and are based on the assets under management of the funds as computed and provided by independent third party fund accountants.

(iv) Non-Binding Investment Advisory Services:

Non- Binding Investment Advisory fees are computed in accordance with the relevant agreements and are based on the assets under management of the funds as computed and provided by independent third party fund accountants / custodians.

(v) Recognition of dividend income, interest income or expense

Dividend income is recognized in the Statement of Profit and Loss on the date on which the Group's right to receive dividend is established, and it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be reliably measured.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts

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Notes to Consolidated Financial Statements for the year ended March 31, 2024

through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

g. Fees and Commission Expenses

The referral fees relating to AIF services paid to distributor are charged to the Statement of Profit and Loss net of Goods and Services Tax on an accrual basis in the year in which it is incurred as per the terms of the contract with each distributor. The upfront referral fees relating to AIF services are charged fully to the Statement of Profit and Loss net of Goods and services tax in the year in which AIF is launched.

h. Scheme Expense

New fund offer expenses, and other expenses not chargeable to schemes, in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India ('AMFI'), are borne by the Group in Statement of Profit and Loss.

i. Leases

Accounting under Ind AS 116 'Leases'

As a lessee:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost at the commencement date. The cost comprises of the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs, and restoration costs.

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate and this rate is defined as the rate of interest that the Group 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.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

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Notes to Consolidated Financial Statements for the year ended March 31, 2024

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

j. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

k. Tax Expense

Income tax comprises of current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the OCI or in equity, in which case, the tax is also recognized in OCI or in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received, after considering the uncertainty if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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

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

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

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

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

l. Earnings Per Share

The Group reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

m. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the possibility of an outflow of economic resources is considered remote.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable. Provisions, contingent assets, contingent liabilities and commitments are reviewed at each Balance Sheet date.

n. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivables without a significant financing component) or financial liability is 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 measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in the Statement of Profit and Loss.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Financial assets

Financial instruments are recognized on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at FVTPL on initial recognition)

Financial assets carried at amortized cost (AC)

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

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

Investments in equity instruments are measured at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in the fair value of equity investments which are not held for trading in OCI. Debt instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument that meets the amortized cost or FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. Further, net gains or losses on financial assets at FVTPL include interest and dividend income. The net gain recognized in Statement of Profit and Loss is included in the 'Revenue from Operations' line item and in case of net loss recognized in Statement of Profit and Loss is included in the 'Expenses' line item. The transaction cost directly attributable to the acquisition of financial asset at FVTPL is immediately recognized to profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those that are classified as at FVTPL.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Impairment of financial assets

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. The Group recognises loss allowances using the expected credit loss (ECL) model on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Business Model Assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ('SPPI') test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through profit and loss statement that are derecognised prior to their maturity to understand 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 Group'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

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

DSP Asset Managers Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Others

Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss

Financial liabilities and equity instruments

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL

Equity instruments

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 Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss .

Off-setting financial instruments

Financial assets and liabilities are offset, and the net amount is presented in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

The recoverable amount of an asset is the higher of its value in use and its fair value less its cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, -net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment loss is recognized immediately as income in the Statement Profit and Loss.

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosures of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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.

1. Provision for income tax and deferred tax assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

2. Useful lives of property, plant and equipment and Intangible assets:

The Group reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end. This reassessment may result in change in depreciation/amortization expense in future periods.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

3. Provisions and contingent liabilities:

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are 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 future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

4. Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. Fair value measurement of financial instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6. Employee Benefits:

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

4A) Recent pronouncements:

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification on accounting standards which would have been applicable to the Parent or subsidiaries from April 1, 2024.

5. Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balances with Banks in Current Accounts | 644.78 | 482.16 |
| Deposit accounts- original maturity of 3 months or less | 2,691.31 | - |
| Accrued interest on fixed deposits | 1.94 | - |
| Total | 3,338.03 | 482.16 |

5A. Bank balance other than Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| In Deposit accounts- original Maturity more than 3 months and remaining maturity less than 12 months | 833.74 | - |
| Accrued interest on fixed deposits | 13.41 | - |
| Total | 847.15 | - |

6. Trade Receivables

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Trade Receivables | | |
| Unsecured, considered good | 8,723.15 | 6,206.39 |
| Less: Allowance for doubtful trade receivables | - | - |
| Total | 8,723.15 | 6,206.39 |

No receivable is due from directors or other officers of the Group.

The credit period is upto 45 days. No interest is charged on trade receivables.

A significant portion of the Group's services is to the DSP Mutual Fund and DSP AIF to which the Parent is an Investment Manager. DSP Mutual Fund and DSP AIF accounted for approximately 87.14% and approximately 93.07% of the Group's revenues for the years ended March 31, 2024 and March 31, 2023, respectively. Accounts receivable from DSP Mutual Fund and DSP AIF approximated 85.87% and 83.19% of total accounts receivable as at March 31, 2024 and March 31, 2023, respectively.

Based on the certainty of the recovery basis past experience, the high credit worthiness of the customers and confirmations received from them, there is no need to create any provision for credit losses.

Trade Receivables Ageing

As at March 31, 2024

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 8,716.64 | - | 5.90 | - | - | 8,722.54 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| vii) Unbilled revenue | 0.61 | - | - | - | - | 0.61 |

As at March 31, 2023

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 6,206.39 | - | - | - | - | 6,206.39 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade receivables – considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - |
| vii) Unbilled revenue | - | - | - | - | - | - |

7. Other Receivables

| (Rs. in Lakhs) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| Other Receivables | | |
| Other Receivables (Refer Note below) | 848.16 | 0.06 |
| Receivables on account of demerger (Refer note 39) | - | - |
| Total | 848.16 | 0.06 |

Note- Other receivable includes investment amount of Rs 848.11 lakhs which matured in September 2023 (Refer Note 38)

8. Investments

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|--|----------|--------------------|--|----------|------------------|
| | Fair Value through profit and loss account | At cost | Total | Fair Value through profit and loss account | At cost | Total |
| | 1 | 2 | (3=1+2) | 1 | 2 | (3=1+2) |
| Units of Mutual Funds schemes | 1,09,638.25 | - | 1,09,638.25 | 74,918.79 | - | 74,918.79 |
| Investments in equity shares of Companies | 451.28 | - | 451.28 | 444.48 | - | 444.48 |
| Compulsory Convertible Preference Shares | 6,326.99 | - | 6,326.99 | 5,142.30 | - | 5,142.30 |
| Investments in Debt securities (Refer Note 38) | - | - | - | 848.11 | - | 848.11 |
| Units of Alternative Investment Fund (AIF) | 4,224.91 | - | 4,224.91 | 2,877.15 | - | 2,877.15 |
| Total (A) | 1,20,641.43 | - | 1,20,641.43 | 84,230.83 | - | 84,230.83 |
| (i) Investments outside India | - | - | - | - | - | - |
| (ii) Investments in India | 1,20,641.43 | - | 1,20,641.43 | 84,230.83 | - | 84,230.83 |
| Total (B) | 1,20,641.43 | - | 1,20,641.43 | 84,230.83 | - | 84,230.83 |
| Less: Allowance for Impairment loss (C) | - | - | - | - | - | - |
| Total – Net D= (A)-(C) | 1,20,641.43 | - | 1,20,641.43 | 84,230.83 | - | 84,230.83 |

9A. Other Financial Assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| A. Security Deposits | | |
| Considered Good | 380.90 | 397.46 |
| Considered Doubtful | - | - |
| Less : Allowances for doubtful deposits | - | - |
| Net Doubtful | - | - |
| Total (A) | 380.90 | 397.46 |
| B. Loans to employees | | |
| Loans Receivables considered good - Unsecured; | | |
| Loans and advances to employees | 206.35 | 136.85 |
| Less: Allowance for doubtful loans | - | - |
| Total (B) | 206.35 | 136.85 |
| Advances to suppliers (C) | 3.89 | - |
| Total (D= A+B+C) | 591.14 | 534.31 |

9B. Other Non-Financial Assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|----------------------|----------------------|
| Prepaid expenses | 618.41 | 893.87 |
| Capital advances | 7.84 | 58.99 |
| Advance to suppliers | 228.71 | 323.46 |
| Balances with Government authorities | 358.03 | 219.83 |
| Less: Impairment Allowance | (0.08) | (0.79) |
| Others | 27.28 | 13.00 |
| Total | 1,240.19 | 1,508.36 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

10A. Current Tax Assets (Net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|----------------------|----------------------|
| Current tax assets | | |
| Advance Tax and Tax refund receivable | 60,321.14 | 56,801.13 |
| Income Tax Provision set off | (58,896.91) | (55,949.15) |
| Total | 1,424.23 | 851.98 |

10B. Deferred Tax Assets (Net)

The following is the analysis of deferred tax assets presented in the balance sheet:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Deferred tax assets | 6,104.89 | 5,048.88 |
| Deferred tax liabilities | (3,638.13) | (1,662.04) |
| (i) Deferred tax asset attributable to components | 2,466.76 | 3,386.84 |
| (ii) Deferred tax liabilities attributable to components | 197.07 | 150.16 |
| | 2,269.69 | 3,236.68 |

Group's Wholly owned subsidiary DSP Fund Managers IFSC Private Limited have not recognised Deferred Tax Assets (Net) since the subsidiary shall be availing tax exemption under section 80 LA of the Income Tax Act, 1961 from FY 2024-25.

(Rs. in Lakhs)

| 2023-24 | Opening balance as at April 1, 2023 | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance as at March 31, 2024 |
|---|-------------------------------------|--|--|--------------------------------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Written down value of Property, Plant and Equipment | 359.64 | (32.46) | - | 327.18 |
| Fair valuation of investments in non-convertible debentures | 2,835.87 | - | - | 2,835.87 |
| Fair valuation of investments | (1,214.42) | (1,974.69) | - | (3,189.11) |
| Right-of-use Assets | (596.70) | (50.02) | - | (646.72) |
| Lease Liabilities | 679.89 | 72.14 | - | 752.03 |
| Provision for Cash Settled Share Based Payment Liability | - | 876.25 | - | 876.25 |
| Provision for Bonus | 339.77 | 23.78 | - | 363.55 |
| Provision for Gratuity | 509.70 | 60.76 | 34.25 | 604.71 |
| Provision for Leave Encashment | 306.23 | 35.06 | - | 341.29 |
| Demerger Related Expense | 16.70 | (12.06) | - | 4.64 |
| Total | 3,236.68 | (1,001.24) | 34.25 | 2,269.69 |

(Rs. in Lakhs)

| 2022-23 | Opening balance as at April 1, 2022 | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance as at March 31, 2023 |
|---|-------------------------------------|--|--|--------------------------------------|
| Deferred tax (liabilities)/assets in relation to: | | | | |
| Written down value of Property, Plant and Equipment | 304.77 | 54.87 | - | 359.64 |
| Fair valuation of investments in non-convertible debentures | 2,835.87 | - | - | 2,835.87 |
| Fair valuation of investments | (398.63) | (815.79) | - | (1,214.42) |
| Right-of-use Assets | (557.99) | (38.71) | - | (596.70) |
| Lease Liabilities | 658.83 | 21.06 | - | 679.89 |
| Provision for Bonus | 339.77 | - | - | 339.77 |
| Provision for Gratuity | 399.37 | 31.79 | 78.54 | 509.70 |
| Provision for Leave Encashment | 279.18 | 27.05 | - | 306.23 |
| Demerger Related Expense | - | 16.70 | - | 16.70 |
| Total | 3,861.17 | (703.03) | 78.54 | 3,236.68 |

11. Property, Plant and Equipments

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|--|--------------------------------|-------------------|------------------------|------------------------------------|----------|----------|--------------------------------|-------------------|------------------------|------------------------------------|----------|----------|
| | Computers and other Equipments | Office Equipments | Furniture and Fixtures | Improvements to Leasehold property | Vehicles | Total | Computers and other Equipments | Office Equipments | Furniture and Fixtures | Improvements to Leasehold property | Vehicles | Total |
| Balance at the beginning of the year | 1,772.68 | 814.51 | 138.52 | 873.99 | 601.61 | 4,201.31 | 1,639.13 | 718.70 | 125.05 | 897.26 | 539.81 | 3,919.95 |
| Additions during the year | 559.92 | 58.83 | 4.08 | 29.57 | 305.09 | 957.49 | 188.47 | 179.43 | 27.67 | 241.19 | 148.30 | 785.06 |
| Disposals during the year | (153.50) | (34.28) | (6.44) | (7.95) | (84.48) | (286.65) | (54.92) | (83.62) | (14.20) | (264.46) | (86.50) | (503.70) |
| Balance at the end of the year | 2,179.10 | 839.06 | 136.16 | 895.61 | 822.22 | 4,872.15 | 1,772.68 | 814.51 | 138.52 | 873.99 | 601.61 | 4,201.31 |
| Accumulated depreciation as at the beginning of the year | 1,303.59 | 552.85 | 57.40 | 671.74 | 282.74 | 2,868.32 | 1,148.89 | 556.19 | 53.15 | 601.35 | 262.72 | 2,622.30 |
| Depreciation for the year | 151.20 | 128.56 | 13.42 | 93.59 | 72.62 | 459.39 | 203.12 | 72.38 | 11.46 | 334.85 | 62.79 | 684.60 |
| Depreciation on Disposals during the year | (140.01) | (31.30) | (6.04) | (17.37) | (50.72) | (245.44) | (48.42) | (75.72) | (7.21) | (264.46) | (42.77) | (438.58) |
| Accumulated depreciation as at the end of the year | 1,314.78 | 650.11 | 64.78 | 747.96 | 304.64 | 3,082.27 | 1,303.59 | 552.85 | 57.40 | 671.74 | 282.74 | 2,868.32 |
| Net carrying amount as at the end of the year | 864.32 | 188.95 | 71.38 | 147.65 | 517.58 | 1,789.88 | 469.09 | 261.66 | 81.12 | 202.25 | 318.87 | 1,332.99 |

12. Other Intangible Assets

| (Rs. in Lakhs) | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| | Software | Software |
| Balance at the beginning of the year | 746.10 | 692.72 |
| Additions during the year | 155.22 | 53.38 |
| Disposals during the year | - | - |
| Balance at the end of the year | 901.32 | 746.10 |
| Accumulated amortisation as at the beginning of the year | 671.61 | 629.73 |
| Amortisation during the year | 54.06 | 41.88 |
| Disposals during the year | - | - |
| Accumulated amortisation as at the end of the year | 725.67 | 671.61 |
| | | |
| Net carrying amount as at the end of the year | 175.65 | 74.49 |

The amortisable amount of intangible assets is allocated over the best estimate of its useful life of three years on a straight-line basis.

13. Payables

| (Rs. in Lakhs) | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 |
| (I) Trade Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 223.80 | 139.40 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 995.65 | 1,288.45 |
| (II) Other Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 13.14 | 3.17 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 4,816.76 | 202.25 |
| Total | 6,049.35 | 1,633.27 |

Total outstanding dues of micro enterprises, small enterprises and medium enterprises (Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| (a) the principal amount remaining unpaid to any supplier at the end of each accounting year; | 236.94 | 142.57 |
| (b) the interest due on above and remaining unpaid to any supplier at the end of each accounting year; | - | - |
| (c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (e) the amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| (f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| Total | 236.94 | 142.57 |

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Trade Payables Ageing for following periods from due date of payment

As at March 31, 2024 (Rs. in Lakhs)

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|-------------|-----------|-------------------|-----------------|
| (i) Micro, Small and Medium Enterprises | 233.91 | 1.03 | - | - | 234.94 |
| (ii) Others | 5,530.23 | 3.16 | - | - | 5,533.39 |
| (iii) Disputed dues – Micro, Small and Medium Enterprises | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| (v) Unbilled dues | 281.02 | - | - | - | 281.02 |
| Total | 6,045.16 | 4.19 | - | - | 6,049.35 |

As at March 31, 2023 (Rs. in Lakhs)

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|------------------|-------------|-----------|-------------------|-----------------|
| (i) Micro, Small and Medium Enterprises | 142.57 | - | - | - | 142.57 |
| (ii) Others | 1,364.70 | 8.50 | - | - | 1,373.20 |
| (iii) Disputed dues – Micro, Small and Medium Enterprises | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| (v) Unbilled dues | 117.50 | - | - | - | 117.50 |
| Total | 1,624.77 | 8.50 | - | - | 1,633.27 |

13A. Other Financial Liabilities

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Provision for Variable Incentive Compensation Plan (Performance Bonus) | 1,468.91 | 1,350.00 |
| Payable to employees | 74.11 | - |
| Advance from Related Party- Director | - | 0.56 |
| Total | 1,543.02 | 1,350.56 |

Movement for Provision for Variable Incentive Compensation Plan (Performance Bonus)

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 1,350.00 | 1,350.00 |
| Paid out of provision | (1,350.00) | (1,350.00) |
| Additional provision made | 1,468.91 | 1,350.00 |
| Closing Provision | 1,468.91 | 1,350.00 |

14. Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Provision for Employee Benefits | | |
| Provisions for Compensated Absences | 1,379.29 | 1,216.65 |
| Provisions for Gratuity | 2,387.45 | 2,025.19 |
| Cash Settled Share Based Payment Liability | 6,583.09 | - |
| Total | 10,349.83 | 3,241.84 |

Movement for Provisions for Compensated Absences

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 1,216.65 | 1,110.91 |
| Paid out of provision | (86.89) | (150.71) |
| Additional provision made | 249.53 | 256.45 |
| Closing Provision | 1,379.29 | 1,216.65 |

Movement for Provisions for Gratuity

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | 2,025.19 | 1,586.80 |
| Paid out of provision | (100.11) | (110.02) |
| Additional provision made | 462.37 | 548.41 |
| Closing Provision | 2,387.45 | 2,025.19 |

Movement for Cash settled share based payment liability

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Opening Provision | - | - |
| Paid out of provision | - | - |
| Additional provision made | 6,583.09 | - |
| Closing Provision | 6,583.09 | - |

15. Other Non-financial Liabilities

(Rs.in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------|----------------------|----------------------|
| Statutory liabilities | 3,603.24 | 2,756.87 |
| Total | 3,603.24 | 2,756.87 |

16. Equity Share Capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| (a) Authorised Capital | | |
| Equity shares of the par value of Rs.10 each (50,00,10,000 as at March 31, 2024 and 50,00,10,000 as at March 31, 2023) | 50,001.00 | 50,001.00 |
| (b) Issued , subscribed and fully paid up | | |
| Equity shares of Rs.10 each fully paid-up (25,00,00,000 as at March 31, 2024 and 1,000 as at March 31, 2023) | 25,000.00 | 0.10 |

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 1,000 | 1,000 |
| Shares Cancelled during the year pursuant to Scheme of Demerger | (1,000) | - |
| Shares issued during the year | 25,00,00,000 | - |
| Balance at the end of the year | 25,00,00,000 | 1,000 |

(d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs, 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 or equity shares held by the shareholders.

(e) Details of shares held by each shareholder holding more than 5% shares:

| Name of the Shareholders | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
|------------------------------|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| DSP ADIKO Holdings Pvt. Ltd. | 13,50,00,000 | 54.00% | - | - |
| DSP HMK Holdings Pvt. Ltd. | 8,50,00,000 | 34.00% | - | - |
| Mr. Hemendra M. Kothari | - | - | 500 | 50.00% |
| Ms. Aditi Kothari Desai | 1,50,00,000 | 6.00% | 500 | 50.00% |
| Ms. Shuchi Kothari | 1,50,00,000 | 6.00% | - | - |

(f) Details of shares held by Holding Company

Out of the equity shares issued by the Company, shares held by Holding Company are as below:

| Name of the Shareholder | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
|------------------------------|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| DSP ADIKO Holdings Pvt. Ltd. | 13,50,00,000 | 54.00% | - | 0.00% |

16A. Share Pending Issuance

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| 25,00,00,000 Equity shares of the par value of Rs.10 each | - | 25,000.00 |

17. Other Equity

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Retained Earnings | 95,307.21 | 64,419.81 |
| Capital Reserve | 0.10 | - |
| Other Comprehensive Income | (381.71) | (277.40) |
| Foreign Currency Translation Reserve | (1.93) | - |
| Total | 94,923.67 | 64,142.41 |
| Non Controlling Interests (Both subsidiaries are wholly owned subsidiaries) | - | - |
| Total | 94,923.67 | 64,142.41 |

Other equity movement

Retained Earnings

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance at beginning of the year | 64,419.81 | 36,431.98 |
| Profit for the year | 30,887.40 | 28,018.88 |
| Non Controlling Interest acquired | - | (31.05) |
| Balance at end of the year | 95,307.21 | 64,419.81 |

Other Comprehensive Income

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Re-measurement loss of defined benefit plans (net of tax) | | |
| Balance at beginning of the year | (277.40) | (43.88) |
| Movement during the year | (104.31) | (233.52) |
| Balance at end of the year | (381.71) | (277.40) |
| Foreign Currency Translation Reserve | | |
| Balance at beginning of the year | - | - |
| Movement during the year | (1.93) | - |
| Balance at end of the year | (1.93) | - |

Capital Reserve

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Balance at beginning of the year | - | - |
| Movement during the year due to Cancellation of shares | 0.10 | - |
| Balance at end of the year | 0.10 | - |

Nature and purpose of reserve

Retained Earnings

Retained earnings are the profits that the Group has earned to date, less any dividends or any other distribution paid to the shareholders, net of utilisation as permitted under applicable regulations.

Capital Reserves

Capital Reserves has been created for the shares cancelled during the year.

Other Comprehensive Income

Other comprehensive income comprises of remeasurement of the net defined benefit obligation, which includes actuarial gains and losses, the return on plan assets. The income tax related to the same also recognized in other comprehensive income.

Foreign Currency Translation Reserve

Foreign currency translation reserve comprises of net impact of changes for the purpose of preparation of the financial statement in presentation currency (Rs.) from functional currency (USD) wherein income and expenses are translated at average rate and the assets and liabilities except equity shares are stated at closing rate.

18. Fees and Commission Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Asset Management Fees | 61,611.69 | 54,531.91 |
| Offshore Investment Management Fees | 5,457.70 | 2,513.55 |
| Offshore Non Binding Advisory Fees | 3,635.95 | 1,546.82 |
| Total | 70,705.34 | 58,592.28 |

19. Net Gain on Fair Value Changes

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net gain on financial instruments at fair value through Statement of Profit and Loss | | |
| On financial instruments measured at fair value through Statement of Profit and Loss | 12,782.06 | 6,948.93 |
| Total net gain on fair value changes | 12,782.06 | 6,948.93 |
| Fair Value changes- realised | 1,335.92 | 4,765.70 |
| Fair Value changes- un realised | 11,446.14 | 2,183.23 |
| Total | 12,782.06 | 6,948.93 |

20. Other Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net gain on foreign currency transaction and translation | 14.59 | 219.13 |
| Interest income on loans to employees | 8.08 | 4.60 |
| Dividend Income | 3.58 | 2.76 |
| Excess of Lease Liability over written down value of corresponding Right to use | 2.86 | 80.73 |
| Assets on account of early closure of Leases | | |
| Reversal of provision of security deposits | - | 5.90 |
| Interest on securities | 0.01 | 0.03 |
| Interest on fixed deposits | 56.51 | - |
| Net loss on account of property, plant and equipment discarded | (13.60) | (40.79) |
| Total | 72.03 | 272.36 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

21. Finance costs

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Interest expense on lease liability (financial liability measured at Amortised Cost) (Refer note 34) | 273.37 | 257.31 |
| Total | 273.37 | 257.31 |

22. Fees and Commission Expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---------------|------------------------------|------------------------------|
| Referral Fees | 798.76 | 1,097.78 |
| Total | 798.76 | 1,097.78 |

23. Employee Benefits Expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Salaries and wages | 22,007.87 | 15,059.23 |
| Contribution to provident and other funds | 436.85 | 258.11 |
| Expenses related to post-employment defined benefit plan | 320.47 | 51.74 |
| Expenses related to compensated absences | 244.82 | 548.41 |
| Share based payments - cash settled | 6,583.09 | - |
| Staff welfare expenses | 152.22 | 119.73 |
| Total | 29,745.32 | 16,037.22 |

*It includes one time Exgratia payment of Rs 3,507.88 lakhs paid to employees of DSPAM.

24. Depreciation, Amortisation and Impairment

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Depreciation on Property, Plant and Equipment | 459.60 | 684.60 |
| Amortisation of Other Intangible Assets | 54.06 | 41.88 |
| Amortisation of Right-of-Use Assets (Refer note 34) | 940.32 | 900.25 |
| Total | 1,453.98 | 1,626.73 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

25. Other expenses

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Legal and Professional charges | 3,286.34 | 3,246.83 |
| Subscriptions and membership charges | 1,942.78 | 1,697.17 |
| Advertisement and publicity | 1,861.96 | 1,308.21 |
| Technology and Infrastructure Cost | 1,020.06 | 1,056.15 |
| Repairs and maintenance | 778.49 | 765.96 |
| Bad debts (net of recovery) | (359.65) | 469.90 |
| Travelling and Conveyance | 519.67 | 385.43 |
| Insurance | 324.42 | 216.31 |
| Power and Fuel | 161.26 | 161.04 |
| Scheme expenses | 102.84 | 141.38 |
| Communication Costs | 143.47 | 125.93 |
| Printing and stationery | 124.73 | 70.82 |
| Auditor's fees and expenses (Refer Note 25B) | 49.32 | 62.44 |
| Corporate Social Responsibility Expense (Refer Note 25A) | 344.72 | - |
| Filing Fee | 41.43 | - |
| PFRDA Registration related Charges | 31.53 | - |
| Director's fees, allowances and expenses (pertains to Independent directors) | 106.94 | - |
| Other expenses | 360.12 | 588.44 |
| Total | 10,840.43 | 10,296.01 |

Note 25A. Expenses towards Corporate Social Responsibility

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Details of Corporate Social Responsibility (CSR) expenditure : | | |
| a) Gross amount required to be spent by the Company during the year | 343.49 | - |
| b) Amount spent during the year on | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 344.72 | - |
| c) Surplus arising out of CSR projects or programs or activities of previous financial years | - | - |
| d) Amount available for set off in succeeding Financial years | 1.23 | - |
| e) Shortfall at the end of the year | - | - |
| <i>Nature of CSR activities include promoting education, Wildlife conservation, Environment, Adolescence & Women empowerment.</i> | | |

Note 25B. Payments to the auditors

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Audit Fee | 41.73 | 58.41 |
| Tax Audit Fee | 4.50 | 4.00 |
| As auditors - other services | 0.25 | - |
| Reimbursement of expenses | 2.84 | 0.03 |
| Total | 49.32 | 62.44 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

26. Current Tax

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amount recognised in the Statement of Profit and Loss | | |
| Current tax for the year | 8,430.84 | 7,776.61 |
| Current tax income for earlier years | 127.57 | - |
| Total current tax | 8,558.41 | 7,776.61 |

27. Deferred Tax

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amount recognised in the Statement of Profit and Loss | | |
| Deferred Tax Charge for the year | 1,001.76 | 703.03 |
| Total Deferred tax | 1,001.76 | 703.03 |

28. Other Comprehensive Income

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| The tax charge arising on income and expenses recognised in other comprehensive income is as follows | | |
| Items that will be reclassified to Profit & Loss | | |
| (i) Foreign currency translation reserve | (1.93) | - |
| Items that will not be reclassified to profit or loss | | |
| (i) Remeasurement loss on defined benefit plans | (139.07) | (312.06) |
| (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | 34.76 | 78.54 |
| Total | (106.24) | (233.52) |

28A. The reconciliation of income tax expense to accounting profit:

(Rs. in Lakhs)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Profit before tax | 40,447.57 | 36,498.52 |
| Income tax expense calculated at 25.168% | 10,179.84 | 9,186.21 |
| Effect of expenses that are not deductible in determining taxable profit | 130.27 | 81.95 |
| Effect of tax on income chargeable at different rates including exempt income / loss | (877.51) | (801.23) |
| Adjustments recognised in the current year in relation to the current tax of prior years | 127.57 | 12.71 |
| Tax expense recognised in the Statement of Profit and Loss | 9,560.17 | 8,479.64 |
| Tax expense recognised in other comprehensive income | 34.76 | 78.54 |
| Total tax expense | 9,594.93 | 8,558.18 |
| Effective Tax Rate | 23.72% | 23.45% |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

29. Earnings per share

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Basic earnings per share | Rs. per share | Rs. per share |
| Profit for the year attributable to owners of the Company (Rs. in Lakhs) | 30,887.40 | 28,018.88 |
| Weighted average number of equity shares outstanding (in Lakhs) | 2,500.00 | 2,500.00 |
| Basic (in Rs.) | 12.35 | 11.21 |
| Diluted earnings per share | | |
| Profit for the year attributable to owners of the Company (Rs. in Lakhs) | 30,887.40 | 28,018.88 |
| Weighted average number of equity shares outstanding (in Lakhs) | 2,500.00 | 2,500.00 |
| Weighted average number of equity shares outstanding for diluted EPS (in Lakhs) | 2,500.00 | 2,500.00 |
| Diluted EPS (in Rs.) | 12.35 | 11.21 |

Note- For the year ended March 31, 2023 Shares were pending issuance pursuant to Scheme of Arrangement

30. Contingent Liabilities and Commitments**i) Contingent Liabilities**

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Claims against the Company not acknowledged as debts | 0.30 | 0.30 |
| Claims relating to Service Tax matters | 153.79 | 149.08 |
| Claims relating to Goods and Services Tax (GST) matters | 10.15 | - |
| Claims relating to Income Tax matters | 522.78 | 305.65 |
| Total | 687.02 | 455.03 |

ii) Commitments

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 94.87 | 17.16 |
| Total | 94.87 | 17.16 |
| Property, Plant and Equipment | 40.82 | - |
| Other Intangible assets | 54.05 | 17.16 |

31. Employee benefit plans

Brief description of the Plans:

Defined contribution plans:

The Group makes Provident Fund contributions which are defined contribution plans. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 436.85 Lakhs (for the year ended March 31, 2023: Rs. 310.22 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.

Defined benefit plans:

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service.

Other long term benefit plans

The Group operates a compensated absences scheme for employees. The employees are entitled to compensated absences benefits based on the last drawn salary i.e. Cost to Company and number of days of leave accumulated based on the policy of the Group.

The Defined Benefit Plan and Other long Term Benefit Plans typically expose the Company to actuarial risks such as: interest rate risk, demographic risk and salary inflation risk

| | |
|-------------------------------|---|
| Interest rate risk: | The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase. |
| Demographic risk: | This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. |
| Salary Inflation risk: | All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation. |

(a) The disclosure as required by Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:

The principal assumptions used for the purpose of the actuarial valuations were as follows:

| Particulars | Valuations as at | |
|-----------------------------------|--|--|
| | March 31, 2024 | March 31, 2023 |
| Financial Assumptions | | |
| Discount Rate | 7.20% | 7.40% |
| Increment rate | 8.50% to 11.45% | 10.00% |
| Demographic Assumptions | | |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Ult table | Indian Assured Lives Mortality (2012-14) Ult table |
| Retirement Age | 58 years | 58 years |
| Leave Availment whilst in Service | 1.96% to 5% | 2.13% |
| Leaving Service Rates | | |
| (i) Upto Age 40 Years | 5.00% to 24.00% | 22.00% |
| (ii) Age 41 Years to Age 50 Years | 3.00% to 13.00% | 10.00% |
| (iii) Age 51 Years & Above | 2.00% to 8.00% | 3.00% |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plan are as follows:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Current service cost | 180.58 | 137.96 |
| Net interest on net defined benefit obligation | 142.73 | 98.40 |
| Liabilities settled | - | - |
| Cost recognised in Statement of Profit and Loss | 323.31 | 236.36 |
| Actuarial loss due to Defined benefit obligation (DBO) experience | (0.46) | 163.87 |
| Actuarial loss due to Defined benefit obligation (DBO) assumption changes | 139.52 | 148.19 |
| Cumulative Actuarial loss recognised via OCI at year end | 139.06 | 312.06 |
| Total Defined Benefit Cost | 462.37 | 548.42 |

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|----------------------|----------------------|
| Defined benefit obligation (DBO) | 2,387.45 | 2,025.19 |

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

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| DBO at end of beginning of the year | 2,025.19 | 1,586.80 |
| Current service cost | 180.58 | 137.96 |
| Interest cost on the DBO | 142.73 | 98.40 |
| Actuarial loss - experience | (0.46) | 163.87 |
| Actuarial loss - assumptions | 139.52 | 148.19 |
| Benefits paid | (100.11) | (110.03) |
| DBO at end of the year | 2,387.45 | 2,025.19 |

Reconciliation of Net Balance Sheet Position:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net defined benefit liability at end of previous year | 2,025.19 | 1,586.80 |
| Service cost | 180.58 | 137.96 |
| Net interest on net defined benefit liability | 142.73 | 98.40 |
| Amount recognised in OCI | 139.06 | 312.06 |
| Benefits paid | (100.11) | (110.03) |
| Net defined benefit liability at end of current year | 2,387.45 | 2,025.19 |

The Gratuity Scheme is un-funded.

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

Reconciliation of OCI Position:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Opening amount recognized in OCI (a) | (277.40) | (43.88) |
| Remeasurements during the period due to | | |
| Changes in financial assumptions (b) | (230.66) | (98.36) |
| Changes in demographic assumptions (c) | 92.07 | (49.83) |
| Experience adjustments (d) | (0.48) | (163.87) |
| OCI Impact during the year (e=b+c+d) | (139.07) | (312.06) |
| Tax Impact (f) | 34.76 | 78.54 |
| Closing amount recognized in OCI (g=a+e+f) | (381.71) | (277.40) |

Sensitivity Analysis

Method used for sensitivity analysis:

The benefit obligation results of gratuity scheme are particularly sensitive to discount rate and future salary escalation rate.

The following table summarizes the change in DBO and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting year arising on account of an increase or decrease in the reported assumption by changes in the below mentioned three parameters.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous year in the methods and assumption used in preparing the sensitivity analysis.

Discount Rate

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Effect on DBO due to 50bp increase in Discount Rate | (85.02) | (73.78) |
| Impact of increase in 50 bps on DBO | (3.18%) | (3.64%) |
| Effect on DBO due to 50bp decrease in Discount Rate | 70.48 | 78.32 |
| Impact of increase in 50 bps on DBO | 3.36% | 3.87% |

Salary escalation rate

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Effect on DBO due to 50bp increase in Salary Escalation Rate | 66.97 | 76.05 |
| Impact of increase in 50 bps on DBO | 3.21% | 3.76% |
| Effect on DBO due to 50bp decrease in Salary Escalation Rate | (82.49) | (72.41) |
| Impact of increase in 50 bps on DBO | (3.08%) | (3.58%) |

Expected future benefits payable - Maturity profile of defined benefit obligation

(Rs. in Lakhs)

| Projected Benefits Payable in Future Years From the Date of Reporting | Estimated as at March 31, 2024 | Estimated as at March 31, 2023 |
|---|--------------------------------|--------------------------------|
| 1st Following Year | 350.13 | 192.84 |
| 2nd Following Year | 312.30 | 255.60 |
| 3rd Following Year | 224.04 | 242.75 |
| 4th Following Year | 224.68 | 151.49 |
| 5th Following Year | 273.31 | 199.57 |
| 6th Following Year | 178.83 | 170.51 |
| 7th Following Year | 246.62 | 115.75 |
| 8th Following Year | 190.21 | 196.74 |
| 9th Following Year | 233.81 | 134.16 |
| Sum of Years 10 and above | 1,923.94 | 2,247.22 |

Other Disclosures

a) The weighted average duration of the obligations as at March 31, 2024 is 6.54 years (March 31, 2023: 7.51 Years).

32. Related Party Transactions

i) Name of the related party and nature of relationship where control exists:

| Significant Holding: | | Ownership interest | |
|--------------------------------|--------------------------------------|---------------------------|-----------------------|
| Name of Related Parties | Type of Relationship | March 31, 2024 | March 31, 2023 |
| DSP ADIKO Holdings Pvt. Ltd. | Holding Company | 54% | 0% |
| DSP HMK Holdings Pvt. Ltd. | Company having significant influence | 34% | 0% |

Fellow Subsidiaries

Reclamation Properties (India) Pvt. Ltd.
DSP Trustee Pvt. Ltd.

Enterprise where control exists :

Subsidiaries

DSP Pension Fund Managers Private Limited
DSP Fund Managers IFSC Private Limited

Country of incorporation

India
India (GIFT City Gandhinagar)

Key Management Personnel (KMP)

| | |
|---------------------------|-------------------------|
| Mr. Hemendra Kothari | Chairman |
| Ms. Aditi Kothari Desai | Executive Director |
| Mr. Dhananjay Mungale | Independent Director |
| Mr. Subhash S Mundra | Independent Director |
| Mr. Ramadorai Subramaniam | Independent Director |
| Mr. Vishwanathan Iyer | Independent Director |
| Mr. Kalpen Parekh | Managing Director & CEO |

Enterprise in which KMP can exercise significant influence

Impact Foundation (India)
Wildlife Conservation Trust
CompoundExpress Private Limited (w.e.f. November 10, 2023)
Reclamation Realty (India) Pvt. Ltd.

Other Related Parties

Mutual Funds and Alternate Investment Funds managed by the Company

DSP Mutual Fund
DSP India Enhanced Equity Fund
DSP AIF Core Fund
DSP India Enhanced Equity SatCore Fund
DSP High Conviction Fund
DSP High Conviction Fund Series 2

ii) Transactions during the year with Related Parties :

Rs. in Lakhs

| Sr no | Nature of Transaction | Holding Company | Company having significant influence | Mutual Funds and Alternate Investment Funds managed by the Company | | Felllow Subsidiaries | KMP and Enterprise in which KMP can exercise significant influence. | Total |
|-------|---|----------------------------|--------------------------------------|--|----------|----------------------|---|-----------|
| | | DSP Adiko Holdings Pvt Ltd | DSP HMK Holdings Pvt Ltd | DSP Mutual Fund | AIF | | | |
| | Revenue | | | | | | | |
| 1 | Asset Management Fees (Refer Note i below) | | | | | | | |
| | For the year ended March 24 | - | - | 58,479.13 | 3,131.41 | - | - | 61,610.54 |
| | For the year ended March 23 | - | - | 51,805.60 | 2,726.30 | - | - | 54,531.90 |
| | Expenditure | | | | | | | |
| 2 | Rent (Refer Note ii below) | | | | | | | |
| | For the year ended March 24 | - | - | - | - | 375.48 | 60.91 | 436.39 |
| | For the year ended March 23 | - | - | - | - | 387.68 | 152.90 | 540.58 |
| 3 | Remuneration (Refer Note iv below) | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | 1,328.45 | 1,328.45 |
| | For the year ended March 23 | - | - | - | - | - | 860.07 | 860.07 |
| 4 | Director Sitting Fees (Refer Note vi below) | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | 80.00 | 80.00 |
| | For the year ended March 23 | - | - | - | - | - | - | - |
| 5 | Recovery of expenses {Other Expenses} (Refer Note vii below) | | | | | | | |
| | For the year ended March 24 | - | - | 144.98 | 0.45 | 11.02 | 714.21 | 870.66 |
| | For the year ended March 23 | - | - | 196.11 | 0.90 | 33.48 | 5.33 | 235.83 |
| 6 | Recovery of Scheme Expenses {Placement fees} (Refer Note ix below) | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | - | - |
| | For the year ended March 23 | - | - | - | (314.73) | - | - | (314.73) |
| 7 | Corporate Social Responsibility {CSR expense} (Refer Note v below) | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | 99.00 | 99.00 |
| | For the year ended March 23 | - | - | - | - | - | - | - |

ii) Transactions during the year with Related Parties :

Rs. in Lakhs

| Sr no | Nature of Transaction | Holding Company | Company having significant influence | Mutual Funds and Alternate Investment Funds managed by the Company | | Felllow Subsidiaries | KMP and Enterprise in which KMP can exercise significant influence. | Total |
|---|---|----------------------------|--------------------------------------|--|----------|----------------------|---|-------------|
| | | DSP Adiko Holdings Pvt Ltd | DSP HMK Holdings Pvt Ltd | DSP Mutual Fund | AIF | | | |
| 8 | Purchases of units of mutual fund schemes and AIF (Refer Note xi below) | | | | | | | |
| | For the year ended March 24 | - | - | 81,280.52 | 329.98 | - | - | 81,610.50 |
| | For the year ended March 23 | - | - | 91,558.50 | 329.98 | - | - | 91,888.48 |
| 9 | Purchase of shares of Subsidiary | | | | | | | |
| | For the year ended March 24 | - | - | - | - | - | - | - |
| | For the year ended March 23 | 693.56 | 693.56 | - | - | - | - | 1,387.12 |
| 10 | Redemption of units of mutual fund schemes and AIF (Refer Note x below) | | | | | | | |
| | For the year ended March 24 | - | - | 57,843.60 | - | - | - | 57,843.60 |
| | For the year ended March 23 | - | - | 60,859.93 | 8,955.98 | - | - | 69,815.91 |
| 11 | Dividend on Units of Mutual Fund schemes | | | | | | | |
| | For the year ended March 24 | - | - | 3.58 | - | - | - | 3.58 |
| | For the year ended March 23 | - | - | 2.76 | - | - | - | 2.76 |
| iii) Outstanding balances as at March 31 with Related Parties : | | | | | | | | |
| | <u>Outstanding at the year end</u> | | | | | | | |
| 12 | Investments in subsidiaries / mutual fund / AIF (Refer Note viii below) | | | | | | | |
| | As at 31st March 24 | | | 1,09,638.25 | 2,823.67 | - | - | 1,12,461.92 |
| | As at 31st March 23 | - | - | 74,920.47 | 2,083.98 | - | - | 77,004.45 |
| 13 | Receivables (Refer Note iii below) | | | | | | | |
| | As at 31st March 24 | | | 6,127.79 | 1,432.82 | 3.80 | - | 7,564.41 |
| | As at 31st March 23 | - | - | 4,978.72 | 638.66 | - | - | 5,617.38 |
| 14 | Trade payables (Refer Note xii below) | | | | | | | |
| | As at 31st March 24 | - | - | - | - | - | 0.61 | 0.61 |
| | As at 31st March 23 | - | - | 20.13 | - | 22.27 | - | 42.40 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

Related Party Transaction (Further break-up)

| | | Rs. in Lakhs | |
|-----------------------|--|--------------|----------|
| Nature of transaction | | 2023-24 | 2022-23 |
| (i) | Asset Management fees | | |
| | DSP India Enhanced Equity Fund | 469.15 | 330.81 |
| | DSP AIF Core Fund | - | 311.94 |
| | DSP India Enhanced Equity SatCore Fund | 1,892.43 | 1,555.07 |
| | DSP High Conviction Fund | - | 78.96 |
| | DSP High Conviction Fund Series 2 | 769.83 | 449.52 |
| (ii) | Rent | | |
| | Reclamation Properties (India) Pvt. Ltd. | 375.48 | 387.68 |
| | Reclamation Realty (India) Pvt. Ltd. | 60.91 | 152.90 |
| (iii) | Balance as at year end- Receivables | | |
| | DSP India Enhanced Equity Fund | 234.98 | 24.74 |
| | DSP AIF Core Fund | 5.90 | 5.90 |
| | DSP India Enhanced Equity SatCore Fund | 1,112.43 | 83.55 |
| | DSP High Conviction Fund Series 2 | 79.51 | 51.69 |
| | DSP High Conviction Fund | - | 468.23 |
| | DSP Trustee Private Limited | 3.80 | - |
| (iv) | Remuneration | | |
| | Ms. Aditi Kothari Desai | 273.90 | 235.42 |
| | Mr. Kalpen Parekh | 1,054.55 | 624.65 |
| (v) | Corporate Social Responsibility (CSR expense) | | |
| | Wildlife Conservation Trust | 99.00 | - |
| (vi) | Director's Sitting Fees | | |
| | Mr. Dhananjay Mungale | 22.50 | - |
| | Mr. Subhash S Mundra | 23.50 | - |
| | Mr. Ramadorai Subramaniam | 25.50 | - |
| | Mr. Vishwanathan Iyer | 8.50 | - |
| (vii) | Recovery of expenses (Other Expenses) | | |
| | CompoundXpress Private Limited | 705.00 | - |
| | Reclamation Properties (India) Pvt. Ltd. | 14.54 | 14.95 |
| | Reclamation Realty (India) Pvt. Ltd. | 9.21 | 5.33 |
| | DSP Trustee Private Limited | - | 22.49 |
| | DSP India Enhanced Equity Fund | 0.06 | - |
| | DSP India Enhanced Equity SatCore Fund | 0.10 | - |
| | DSP Trustee Private Limited | (3.52) | (3.95) |
| | DSP High Conviction Fund Series 2 | 0.29 | 0.90 |
| (viii) | Investment balance in AIF | | |
| | DSP India Enhanced Equity SatCore Fund | 1,605.39 | 1,415.72 |
| | DSP High Conviction Fund Series 2 | 1,218.28 | 668.26 |
| (ix) | Recovery of Scheme Expenses (Placement fees) | | |
| | DSP High Conviction Fund Series 2 | - | (314.73) |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

Rs. in Lakhs

| | | |
|---|--------------------|-------------------------------|
| <p>(x) Investments sold during the year DSP Core Fund DSP High Conviction Fund</p> | <p>-</p> | <p>2,334.66 6,621.32</p> |
| <p>(xi) Investments made during the year DSP High Conviction Fund Series 2</p> | <p>329.98</p> | <p>329.98</p> |
| <p>(xii) Balance as at year end -Trade payables DSP Trustee Private Limited Reclamation Realty (India) Pvt. Ltd.</p> | <p>- 0.61</p> | <p>22.27 -</p> |

Note:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Compensation of key managerial personnel

The remuneration of key management personnel during the year is as follows:

Rs. in Lakhs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Remuneration and Director's Sitting Fees | 1320.93 | 853.12 |
| Post-employment benefits # Other Long Term Employee Benefits | 7.52 | 6.95 |
| Total | 1,328.45 | 860.07 |

Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

33. Operating Segment

The principal business of the Group is Asset Management services. All other activities of the Group revolve around its main business. The Managing Director and Chief Executive Officer of the Holding Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. The Group operates only in one Business Segment i.e. Asset Management, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Information about services

(Rs. in Lakhs)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Asset Management Fees | 61,611.69 | 54,531.91 |
| Offshore Investment Management Fees | 5,457.70 | 2,513.55 |
| Offshore Non Binding Advisory Fees | 3,635.95 | 1,546.82 |
| Total | 70,705.34 | 58,592.28 |

Information about revenue from external customers in various geographical areas

The Group operates in geographical areas - India (country of domicile) and others (outside India).

The Group's revenue from external customers by location of operations are detailed below.

(Rs. in Lakhs)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|--------------|------------------------------|------------------------------|
| - India | 61,611.69 | 54,531.91 |
| - Others | 9,093.65 | 4,060.37 |
| Total | 70,705.34 | 58,592.28 |

Information about major customers

Revenue includes sales of Rs.58,479.15 Lakhs (for the year ended March 31, 2023: Rs.51,805.61 Lakhs) which arose from service to the DSP Mutual Fund which account for 82.71% (for the year ended March 31, 2023: 88.42 %) of the total revenue. No other single customer other than above contributed 10% or more to the Group's revenue for the year ended March 31, 2024 and for the year ended March 31, 2023.

34. Disclosures required under Ind AS 116 "Leases"

The Group has taken office premises on lease. The lease term in respect of these leases range from 1 to 13 years. In respect of the said leases, the additional information is as under:

(Rs. in Lakhs)

| Payments recognised as an expense | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Amortisation charge for right-of-use assets | 940.32 | 900.25 |
| Total cash outflow for leases | 1,121.75 | 1,147.74 |
| The below provides details regarding the contractual maturities of lease liabilities on undiscounted basis: | | |
| not later than one month; | 95.92 | 64.42 |
| later than one month and not later than three months; | 191.53 | 128.93 |
| later than three months and not later than one year; | 861.20 | 543.78 |
| later than one year and not later than five years; and | 2,173.64 | 2,235.00 |
| later than five years | 253.99 | 351.75 |

The movement in right-of-use assets and lease liabilities during the year ended March 31, 2024 and March 31, 2023 are as follows:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | Right-of-use assets | Lease liabilities | Right-of-use assets | Lease liabilities |
| Balance at the beginning | 2,370.87 | 2,701.40 | 2,217.06 | 2,617.74 |
| Addition during the year | 1,258.82 | 1,263.19 | 1,217.82 | 1,217.82 |
| Change on account of early closure of lease | (53.70) | (60.95) | (163.76) | (243.73) |
| Amortisation | (940.32) | - | (900.25) | - |
| Finance cost | - | 273.37 | - | 257.31 |
| Lease rent payment | - | (1,121.75) | - | (1,147.74) |
| Balance at the end | 2,635.67 | 3,055.26 | 2,370.87 | 2,701.40 |

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for increase in rent.

(iii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions

(iv) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

35. Fair Value Disclosures

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

a) Summarised Category Classification of Financial Assets and Financial Liabilities

| Particulars | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|---|----------------------|------------------|--|--|--|--------------------|----------------------|-----------------|--|--|--|------------------|
| | Carrying Cost | Amortised cost | At fair value through profit and loss account (classified under level 1 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 2 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 3 hierarchy- Refer note b below) | Total | Carrying Cost | Amortised cost | At fair value through profit and loss account (classified under level 1 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 2 hierarchy- Refer note b below) | At fair value through profit and loss account (classified under level 3 hierarchy- Refer note b below) | Total |
| Financial Assets | | | | | | | | | | | | |
| Cash and cash equivalents | 3,338.03 | 3,338.03 | - | - | - | 3,338.03 | 482.16 | 482.16 | - | - | - | 482.16 |
| Bank balance other than Cash and cash equivalents | 847.15 | 847.15 | - | - | - | 847.15 | | | | | | |
| Trade Receivables | 8,723.15 | 8,723.15 | - | - | - | 8,723.15 | 6,206.39 | 6,206.39 | - | - | - | 6,206.39 |
| Other Receivables | 848.16 | 848.16 | - | - | - | 848.16 | 0.06 | 0.06 | - | - | - | 0.06 |
| Investments | 1,07,029.76 | - | 1,09,638.25 | - | 11,003.18 | 1,20,641.43 | 76493.12 | 0 | 74,918.79 | - | 9,312.04 | 84,230.83 |
| Other Financial Assets | 591.14 | 591.14 | - | - | - | 591.14 | 534.31 | 534.31 | - | - | - | 534.31 |
| Total Financial Assets | 1,21,377.39 | 14,347.63 | 1,09,638.25 | - | 11,003.18 | 1,34,989.06 | 83,716.04 | 7,222.92 | 74,918.79 | - | 9,312.04 | 91,453.75 |
| Financial Liabilities | | | | | | | | | | | | |
| Trade Payables and other payables | 6,049.35 | 6,049.35 | - | - | - | 6,049.35 | 1,633.27 | 1,633.27 | - | - | - | 1,633.27 |
| Lease Liabilities | 3,055.26 | 3,055.26 | - | - | - | 3,055.26 | 2,701.40 | 2,701.40 | - | - | - | 2,701.40 |
| Other Financial Liabilities | 1,543.02 | 1,543.02 | - | - | - | 1,543.02 | 1,350.56 | 1,350.56 | - | - | - | 1,350.56 |
| Total Financial Liabilities | 10,647.63 | 10,647.63 | - | - | - | 10,647.63 | 5,685.23 | 5,685.23 | - | - | - | 5,685.23 |

Note:

Trade receivables, cash and cash equivalents, Other Receivables and Other Financial assets are carried at amortised cost which is a reasonable approximation of its fair value largely due to the short term maturities of these instruments.

Trade Payables, Lease Liabilities and Other financial liabilities are carried at amortised cost which is a reasonable approximation of its fair value.

Accordingly, fair value hierarchy for these financial instruments have not been presented above.

b) Fair Value Hierarchy and Method of Valuation

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2024 and March 31, 2023.

Table with 5 columns: Financial assets/ (Financial liabilities), Fair value hierarchy, Valuation technique(s) and Significant Unobservable input(s), 31 March 2024, 31 March 2023. Row 1: Investments in Mutual Funds, Level 1, Market Approach -The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors. Row 2: Total, 1,09,638.25, 74,918.79.

Table with 5 columns: Financial assets/ (Financial liabilities), Fair value hierarchy, Valuation technique(s) and Significant Unobservable input(s), 31 March 2024, 31 March 2023. Row 1: Not Applicable, Level 2, Not Applicable. Row 2: Total, -, -.

Table with 5 columns: Financial assets/ (Financial liabilities), Fair value hierarchy, Valuation technique(s) and Significant Unobservable input(s), 31 March 2024, 31 March 2023. Row 1: Investments in Convertible preference shares ,Equity instrument, Debt securities and AIFs, Level 3, Net asset Value (NAV) provided by issuer fund and Fair value which is arrived at based on valuation from independent valuer for unlisted portfolio companies. Row 2: Total, 11,003.18, 9,312.04.

For Sensitivity Analysis Refer Note 36

Reconciliation of level 3 fair value measurement is as below :

Table with 3 columns: Particulars, For the year ended March 31, 2024, For the year ended March 31, 2023. Rows include Balance at the beginning of the year, Additions during the year, Trasferred to other receivables (Refer note 38), MTM gain recognized in OCI, MTM gain recognized in statement of profit and loss, Realised during the year, and Balance at the end of the year.

36. Capital management and Risk management**I Capital Management**

The Group's objective while managing the capital are to safeguard its ability to continue as a going concern and to maximize the shareholder value as well as to maintain investor, creditor and market confidence and to sustain future development of the Group. The Group funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its business.

II Financial Risk Management Framework

The primary business of the Group is to act as an 'Asset Manager' for schemes of DSP Mutual Fund ('MF') and DSP Alternative Investment Fund Category III ('AIF') registered with the Securities and Exchange Board of India ('SEBI') in India, 'Investment Manager' to National Pension System, regulated by Pension Fund Regulatory & Development Authority ('PFRDA'), Restricted Scheme (non-retail) construed as Cat II or Cat III Alternative Investment Fund and Retail Scheme under IFSCA Regulations and certain offshore funds, segregated mandates and non-binding advisory services to offshore entities, which requires specialized expertise in investment management. Since this is very crucial aspect which has an extremely significant bearing on the Group's performance, a risk management committee is in place to oversee the risks associated with this function. This committee reviews the progress of implementation with regards to risk management practices pertaining to mutual funds.

The Group's management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. A risk management committee is in place to oversee the risks associated with this function.

A LIQUIDITY RISK**(i) Liquidity risk management**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, debt funds, equity funds and other highly rated securities under a limits framework, which governs the credit exposure to any one issuer as defined in its investment policy. The policy requires investments generally to be of investment grade, with the primary objective of minimizing the potential risk of principal loss.

(ii) Maturities of financial assets and financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The amounts are gross and undiscounted:

The below excludes maturity analysis of lease liabilities which has been disclosed separately in Note 34. For additional details refer Note 40

| Maturities of Financial Liabilities | As at March 31, 2024 | | | Total | Carrying amount |
|-------------------------------------|----------------------|-----------|-------------------|----------|-----------------|
| | Less than 1 year | 1-3 years | More than 3 years | | |
| Non-interest bearing | 6,045.16 | 4.19 | - | 6,049.35 | 6,049.35 |

(Rs. in Lakhs)

| Maturities of Financial Liabilities | As at March 31, 2023 | | | Total | Carrying amount |
|-------------------------------------|----------------------|-----------|-------------------|----------|-----------------|
| | Less than 1 year | 1-3 years | More than 3 years | | |
| Non-interest bearing | 1,624.77 | 8.50 | - | 1,633.27 | 1,633.27 |

(Rs. in Lakhs)

B MARKET RISKS

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities when transactions are denominated in a different currency from the Group's functional currency.

The Group's foreign currency exposure are denominated mainly in US Dollar, Australian Dollar and Pounds which arise mainly from receivables on account of advisory fees and outstanding of trade payables.

As at the end of the reporting period, the carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities are as follows:

| As at 31 March 2024 | Currency | In foreign currency in lakhs | Equivalent Rs in lakhs |
|------------------------------|----------|------------------------------|------------------------|
| Financial Assets | | | |
| Trade Receivables | USD | 14.07 | 1,173.10 |
| | AUD | 0.19 | 10.22 |
| Financial Liabilities | | | |
| Trade Payables | USD | 0.82 | 68.36 |
| | GBP | - | - |

| As at 31 March 2023 | Currency | In foreign currency in lakhs | Equivalent Rs in lakhs |
|------------------------------|----------|------------------------------|------------------------|
| Financial Assets | | | |
| Trade Receivables | USD | 12.82 | 1,054.17 |
| | AUD | 0.12 | 6.65 |
| Financial Liabilities | | | |
| Trade Payables | USD | 0.46 | 37.94 |
| | GBP | 0.01 | 0.91 |

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of financial assets and liabilities is as follows:

| As at 31 March 2024 | | | |
|---|------------|------------|------------|
| Currencies | USD Impact | AUD Impact | GBP Impact |
| Exchange rate at the end of reporting period (Rs./USD) , (Rs./AUD) & (Rs./ GBP) | 83.37 | 54.31 | 105.25 |
| Net USD/ AUD/ GBP (Receivable) / Payable at the end of reporting period | (13.25) | (0.19) | - |
| Impact on Statement of Profit & Loss for the year if 5% increase in Exchange rate (Impact in Rs. Lakhs) | (55.24) | (0.51) | - |
| Impact on Statement of Profit & Loss for the year if 5% decrease in Exchange rate (Impact in Rs. Lakhs) | 55.24 | 0.51 | - |

| As at 31 March 2023 | | | |
|---|------------|------------|------------|
| Currencies | USD Impact | AUD Impact | GBP Impact |
| Exchange rate at the end of reporting period (Rs./USD) , (Rs./AUD) & (Rs./ GBP) | 82.22 | 55.02 | 101.47 |
| Net USD/ AUD/ GBP (Receivable) / Payable at the end of reporting period | (12.36) | (0.12) | 0.01 |
| Impact on Statement of Profit & Loss for the year if 5% increase in Exchange rate (Impact in Rs. Lakhs) | (50.81) | (0.33) | 0.05 |
| Impact on Statement of Profit & Loss for the year if 5% decrease in Exchange rate (Impact in Rs. Lakhs) | 50.81 | 0.33 | (0.05) |

(ii) Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in mutual funds, debt securities, Investments in convertible preference shares & Equity instrument caused by factors specific to an individual investment, its issuer and market. The Group's exposure to price risk arises from diversified investments in mutual funds, AIF's, Investments in Convertible preference shares ,Equity instrument and Debt securities held by the Group and classified in the balance sheet at fair value through profit or loss and is as follows:

| Particulars | As at 31-Mar-24 | | As at 31-Mar-23 | |
|--|-----------------|------------|-----------------|------------|
| | Increase | Decrease | Increase | Decrease |
| 5% movement | | | | |
| Units of Mutual Funds schemes | 5,481.91 | (5,481.91) | 3,745.94 | (3,745.94) |
| Investments in equity shares of Companies | 22.56 | (22.56) | 22.22 | (22.22) |
| Compulsory Convertible Preference Shares | 316.35 | (316.35) | 257.11 | (257.11) |
| Investments in Debt securities | - | - | 42.41 | (42.41) |
| Units of Alternative Investment Fund (AIF) | 211.25 | (211.25) | 143.86 | (143.86) |

To manage its price risk from instruments in Convertible preference shares ,Equity instrument , debt securities, units of mutual capital fund and alternative investment funds, the Group diversifies its portfolio.

(iii) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial Instruments.

C CREDIT RISKS

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from its investment transactions. The Group is exposed to credit risk from its operating activities (mostly trade receivables) and from its investing activities, which includes deposits with banks and financial institutions, and other financial assets measured at amortised cost. The carrying amount of the financial assets represents the maximum credit risk exposure.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, trade and other receivables and financial assets measured at amortised cost.

Following is the exposure of the Group towards credit risk. (Rs. in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------------------------|----------------|----------------|
| Maximum exposure to credit risk | 14,347.63 | 7,222.92 |

Expected Credit Loss (ECL) on Financial Assets

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Group assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Group applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired.

- Historical trend of collection from counterparty
- Group's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with contract and the cash flows that the Group expects to receive).

The Group has three types of financial assets that are subject to the expected credit loss:

- Trade and other receivables
- Cash and cash equivalent
- Investment in debt securities measured at amortised cost

The amount of trade receivable for which the Group has assessed credit risk is on an individual basis

Trade and other receivables:

Major portion of trade receivables include the management fees receivable from the schemes of DSP Mutual Fund and DSP Alternate Investment Fund. Based on the past experience, management expects to receive these amounts in full.

(Rs. in Lakhs)

| Trade Receivables (Undisputed - considered good) outstanding from the date of transactions | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Less than 6 months | 8,717.25 | 6,206.39 |
| 6 months -1 year | - | - |
| 1-2 years | 5.90 | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 8,723.15 | 6,206.39 |

(Rs. in Lakhs)

| Other Receivables | As at March 31, 2024 | As at March 31, 2023 |
|--------------------|-------------------------|-------------------------|
| Less than 6 months | 848.16 | 0.06 |

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses.

Trade payables:

Major portion of trade payable consists of recurring monthly payments and other vendor payments. Based on the past experience the Group will pay off the due on time.

(Rs. in Lakhs)

| Trade Payable and Other Payables | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| Less than 6 months | 6,044.22 | 1,624.77 |
| 6 months -1 year | 0.94 | - |
| 1-2 years | 4.19 | 8.50 |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 6,049.35 | 1,633.27 |

Cash and cash equivalents:

The Group holds cash and cash equivalents of Rs. 560.76 lakhs as on March 31, 2024. The cash and cash equivalents are held with banks, which are rated AA- to AA+, based on CRISIL ratings. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

37. Disclosures required under Ind AS 115 "Revenue from contracts with customers"

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Contract With Customers Details of revenue from contracts with customers recognised by the Group, net of indirect taxes in its statement of Profit and loss. | | |
| Revenue from operations | | |
| Fees and Commission income - Contract with Customers | 70,705.34 | 58,592.28 |

There were no impairment losses recognised on any contract asset / trade receivable in the reporting period.

Disaggregate Revenue

The table below presents disaggregated revenues from contracts with customers by geography and offerings. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue based on geography

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------|-----------------------------|-----------------------------|
| India | 61,611.69 | 54,531.91 |
| Africa | 2,497.74 | 62.84 |
| Europe | 2,959.97 | 2,450.71 |
| America | 3,599.50 | 1,521.72 |
| Australia | 36.44 | 25.10 |

Revenue based on offerings

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Management Services | 67,069.39 | 57,045.46 |
| Non-Binding Investment Advisory Services | 3,635.95 | 1,546.82 |

Contract balances

(Rs. in Lakhs)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Closing balances | | |
| Trade receivables - current | 8,723.15 | 6,206.39 |
| Trade receivables - non-current | - | - |
| Opening balances | | |
| Trade receivables - current | 6,206.39 | 7,412.56 |
| Trade receivables - non-current | - | - |

38. Note on non-convertible debentures

Non-Convertible Debentures (NCD's) of Accelerating Education and Development Private Limited

The Company holds investments in the form of Non-Convertible Debentures (NCD's) of Accelerating Education and Development Private Limited acquired in the Financial Year 2019-20 at a cost of Rs.12,116.89 lakhs with the intention to sell them in the near future and not to hold them till their maturity and classified the same as Investments, measured at fair value through profit or loss.

Per the terms of issue, the NCD's had quarterly payouts for Interest as well part payment of principal. However, the Issuer Company did not honour the dues on September 30, 2019 as also in the subsequent quarters.

Since the Company could not sell the NCDs before end of the financial year 2019-20 and due to non-payment of interest and principal over several quarters, as also looking at the bleak possibilities in the future and further based on Company's analysis on the fair valuation of the said NCD's as at March 31 2020, the Company provided Rs.11,267.78 lakhs as an unrealised loss in its books of account for the same.

The security of Accelerating is unsold in open market as on March 31, 2024. Based on Company's analysis on the fair valuation of the said NCD's as at March 31, 2024 the Company has retained the provision made on March 31, 2020. The Company continues to make every possible effort to sell the NCD's. Since the security has matured in September 2023 the amount of investments is now shown as other receivables in Note 7.

39. Demerger

On October 4, 2022, DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} has received order from National Company Law Tribunal (NCLT) approving the Scheme of demerger ("Scheme") of Asset Management Business from DSPIM into DSP Asset Managers Private Limited (DSPAM). The appointed date for the scheme is April 1, 2021.

The Demerger had been approved by the Board of Directors of DSPIM vide resolutions dated October 21, 2021, the Board of Directors of DSPAM vide resolutions dated July 14, 2021 and the Board of Directors of Trustees vide resolutions dated October 22, 2021. NCLT approved the Scheme on October 4, 2022 and the certified copy of the Order received on October 20, 2022 has been filed by the Company with the Registrar of Companies, Maharashtra, on November 11, 2022. Securities and Exchange Board of India ("SEBI") vide its letter dated December 01, 2022 bearing reference no. SEBI/HO/OW/IMD RAC2/P/2022/60211/1 ("SEBI NOC") approved the Demerger with no objection to transfer the Asset Management Business of DSPIM to DSPAM.

Further, M/s. Natarajan & Co., Chartered Accountants ('Scrutinizer') was appointed as Scrutinizer by Trustees for conducting the postal ballot and e-voting process for seeking votes from the unitholders of the Fund. Scrutinizer vide their report dated March 31, 2023, certified that majority of votes were in favour of the Demerger.

Accordingly, the Demerger has been made effective during the year, pursuant to which the asset management business has been transferred from DSPIM into DSPAM as of the appointed dated i.e. April 1, 2021. The demerger has been accounted under the 'pooling of interests' method and in accordance with Appendix C of Ind AS 103 'Business Combinations', all the assets, liabilities (including corresponding reserves and surplus) of DSPIM have been transferred to and vested in the Company with effect from the appointed dates at their carrying values. The financial information in respect of prior periods have been restated from the beginning of the previous year i.e. April 1, 2021 as per requirements of Appendix C to Ind AS 103.

The details of the Company and the demerger of asset management business from DSPIM into DSPAM are as below:

| | |
|---|---|
| Name of transferor Company | DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} |
| General Nature of Business | Asset Management Services |
| Appointed date of Scheme | April 1, 2021 |
| Description and number of shares to be issued | 250,000,000 crores shares of Face value of Rs 10 each |
| % of Company's equity shares exchanged | 100% |

Summary of the assets, liabilities and reserves taken over on the appointed date are as mentioned below:

| Particulars | Amount Rs. in Lakhs |
|---------------------------|---------------------|
| Financial Assets | 33,178.45 |
| Non-financial Assets | 10,834.26 |
| Financial Liabilities | 6,247.87 |
| Non-financial Liabilities | 5,119.83 |
| Equity | 32,645.01 |

As per the scheme of arrangement, Upto the scheme becoming effective, The Transferor Company shall continue to carry on the remaining Undertaking and all assets, liabilities and obligations pertaining to the remaining Undertaking shall continue to belong to, be vested in and be managed by the Transferor Company. Accordingly, DSPIM has incurred all the expenses on behalf of the DSPAM upto the effective date i.e., 1st April 2023, these expenses are of in nature of regular business nature pertaining to asset management. business.

Upon this Scheme becoming effective and with effect from the Appointed Date, the whole of the mode of vesting and without any further deed or act and pursuant to Section 232 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, be demerged from the Transferor Company and be transferred to and vest in the Transferee Company at Book Value, as a going concern, so as to become as and from the Appointed Date the business, property and asset of the Transferee Company on a going concern basis with all rights, titles, interest, liabilities or obligation of the said undertaking and shall be free from all encumbrances except as otherwise provided under this Scheme.

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

40. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled which also indicate the current and non-current disclosure.

(Rs. in Lakhs)

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|------------------|--------------------|--------------------|------------------|------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Assets | | | | | | |
| Cash and cash equivalents | 3,338.03 | - | 3,338.03 | 482.16 | - | 482.16 |
| Bank balance other than Cash and cash equivalents | 847.15 | - | 847.15 | - | - | - |
| Trade Receivables | 8,723.15 | - | 8,723.15 | 6,206.39 | - | 6,206.39 |
| Other Receivables | 848.16 | - | 848.16 | 0.06 | - | 0.06 |
| Investments | 1,109.33 | 1,19,532.10 | 1,20,641.43 | 5,099.92 | 79,130.91 | 84,230.83 |
| Other Financial Assets | 124.10 | 467.04 | 591.14 | 89.70 | 444.61 | 534.31 |
| Current Tax Asset (Net) | - | 1,424.23 | 1,424.23 | - | 851.98 | 851.98 |
| Deferred Tax Asset (Net) | - | 2,466.76 | 2,466.76 | - | 3,386.84 | 3,386.84 |
| Property, Plant and Equipment | - | 1,789.88 | 1,789.88 | - | 1,332.99 | 1,332.99 |
| Other Intangible Assets | - | 175.65 | 175.65 | - | 74.49 | 74.49 |
| Right-of-use Assets | 931.06 | 1,704.61 | 2,635.67 | 929.28 | 1,441.59 | 2,370.87 |
| Other Non-financial Assets | 1,162.17 | 78.02 | 1,240.19 | 1,469.49 | 38.87 | 1,508.36 |
| Total assets | 17,083.15 | 1,27,638.29 | 1,44,721.44 | 14,277.00 | 86,702.27 | 1,00,979.28 |
| Liabilities | | | | | | |
| (I) Trade Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 223.80 | - | 223.80 | 139.40 | - | 139.40 |
| (ii) total outstanding dues of enterprises other than micro enterprises and small enterprises | 995.65 | - | 995.65 | 1,288.45 | - | 1,288.45 |
| (II) Other Payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 13.14 | - | 13.14 | 3.17 | - | 3.17 |
| (ii) total outstanding dues of enterprises other than micro enterprises and small enterprises | 4,816.76 | - | 4,816.76 | 202.25 | - | 202.25 |
| Lease Liabilities | 991.00 | 2,064.26 | 3,055.26 | 1,259.81 | 1,441.59 | 2,701.40 |
| Current Tax Liability (Net) | - | - | - | 2.67 | - | 2.67 |
| Other Financial Liabilities | 1,543.02 | - | 1,543.02 | 1,350.56 | - | 1,350.56 |
| Provisions | 4,098.80 | 6,251.03 | 10,349.83 | 380.90 | 2,860.94 | 3,241.84 |
| Deferred tax liabilities (Net) | - | 197.07 | 197.07 | - | 150.16 | 150.16 |
| Other Non-financial Liabilities | 3,603.24 | - | 3,603.24 | 2,756.87 | - | 2,756.87 |
| Total liabilities | 16,285.41 | 8,512.36 | 24,797.77 | 7,384.08 | 4,452.69 | 11,836.77 |
| Net | | | 1,19,923.67 | | | 89,142.51 |

41. Ratios

| Ratios | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Tier I CRAR* | NA | NA |
| Tier II CRAR* | NA | NA |
| Capital to Risk-Weighted Assets Ratio (CRAR)* | NA | NA |
| Liquidity Coverage Ratio [Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)] | 0.87 | 1.61 |

*Since the Group is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

42. Additional regulatory information pursuant to the requirement in Division III of Schedule III to the Act:

(i) As per Section 248 of the Companies Act, 2013, there are no transactions and no balances outstanding with struck off companies.

(ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property,

(iii) The Group has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not revalued its property, plant and equipment's (including right-of-use assets) during the current or previous year.

(vi) There is no Intangible assets under development as at March 31, 2024 and March 31, 2023. Further the Group has not revalued its intangible assets during the current or previous year.

(vii) The Group is not a declared willful defaulter by any bank or financial institution or other lender.

(viii) The Group has complied with the number of layers for investments made as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Group has entered into any scheme of arrangement which has an accounting impact in previous financial year.(Refer note 39)

(x) The Group does not have any title deeds of immovable properties (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone and subsidiary financial statements are held in the name of the Company.

(xi) The Group does not have any Investment property.

(xii) During the current year and previous year, the Group has not granted loans or advances in the nature of loans to promoters, directors, key managerial personnel's and related parties (as defined under the Act), either severally or jointly with any other person, that are:

- repayable on demand or
- without specifying any terms or period of repayment

(xiii) There is no capital work in progress as at March 31, 2024 and March 31, 2023.

(xiii) The Group has not availed overdraft facility from bank on the basis of security of current assets during the current year and previous year.

(xiv) There are no charges or satisfaction yet to be registered with ROC that are beyond the Statutory period by the Company.

43. Share-based payment arrangements

On October 4, 2022, DSP Finance Private Limited {formerly known as DSP Investment Managers Private Limited (DSPIM)} received order from National Company Law Tribunal (NCLT) approving the Scheme of demerger ("Scheme") of Asset Management Business from DSPIM into DSP Asset Managers Private Limited (DSPAM). The appointed date for the scheme is April 1, 2021. After the necessary approvals, demerger has become effective from April 1, 2023 (For detailed note on demerger, please refer Note 39)

As per the Scheme, the ESOPs issued by DSPIM were cancelled and new ESOPs were issued by DSPAM to the same eligible employees who earlier held ESOPs from DSPIM. The number of options, exercise price, the vesting period and all other terms of the ESOP scheme remain unchanged. The Erstwhile ESOP Scheme provided both the option, either to settle in shares or cash, NRC decided that current ESOP Scheme be settled in cash, till further notice.

A. Description of share-based payment arrangements

ESOP (cash-settled)

On April 1, 2023 and June 24, 2023 the Parent granted 61.90 lakhs and 13.84 lakhs options respectively to employees that entitle them to a cash payment after the vesting date as mentioned in the grant offer letter. The amount of the cash payment is determined based on the increase in the share price of the Parent between grant date and the time of exercise.

Details of the liabilities arising from the ESOPs were as follows.

(Rs. in Lakhs)

| Particulars | Note | March 31, 2024 | March 31, 2023 |
|--|------|----------------|----------------|
| Total carrying amount of liabilities for ESOPs | 14 | 6,583.09 | - |
| Total intrinsic value of liabilities for vested benefits | | 3,101.46 | - |

B. Measurement of fair values

Cash-settled share-based payment arrangement

The fair value of the ESOPs has been measured using the Black-Scholes Merton formula. The inputs used in the measurement of the fair values at grant date and measurement date of the ESOPs were as follows.

Measurement date : March 31, 2024

Grant date : April 1, 2023

| Number of options >> | 1 | | | 2 | | | 3 | | |
|---|--------|---------------------|---------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|
| | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 |
| Fair value as at March 31, 2024 | 122.29 | 124.87 | 125.46 | 127.64 | 128.60 | 131.32 | 71.84 | 71.71 | 70.36 |
| Share price | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 |
| Exercise price | 70.40 | 70.40 | 70.40 | 70.40 | 70.40 | 70.40 | 150.16 | 150.16 | 150.16 |
| Expected volatility (weighted average) | 27.89% | 27.57% | 28.34% | 29.89% | 29.72% | 29.44% | 29.45% | 29.52% | 29.51% |
| Expected life (weighted average) | 1.00 | 1.57 | 1.71 | 2.20 | 2.42 | 3.07 | 2.74 | 2.72 | 2.58 |
| Expected dividends | - | - | - | - | - | - | - | - | - |
| Risk-free interest rate (based on government bonds) | 6.90% | 6.92% | 6.92% | 6.93% | 6.94% | 6.95% | 6.94% | 6.94% | 6.94% |

| Grant date : June 24, 2023 | Number of options >> | 4 | | | 5 | | | 6 | | | 7 | | |
|---|----------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|--------|---------------------|---------------------|
| | | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 | <=4000 | > 4000 Tranche 1 | > 4000 Tranche 2 |
| Fair value as at March 31, 2024 | | 98.07 | 98.17 | 97.34 | 79.29 | 81.80 | 93.29 | 95.81 | 98.08 | 103.08 | 78.97 | 83.30 | 95.83 |
| Share price | | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 | 188.00 |
| Exercise price | | 122.02 | 122.02 | 122.02 | 140.05 | 140.05 | 140.05 | 141.03 | 141.03 | 141.03 | 150.16 | 150.16 | 150.16 |
| Expected volatility (weighted average) | | 29.12% | 29.12% | 29.12% | 29.37% | 29.46% | 31.93% | 32.69% | 32.60% | 32.96% | 29.15% | 29.87% | 32.99% |
| Expected life (weighted average) | | 3.78 | 3.79 | 3.68 | 2.86 | 3.14 | 4.31 | 4.62 | 4.93 | 5.59 | 3.51 | 3.94 | 5.17 |
| Expected dividends | | - | - | - | - | - | - | - | - | - | - | - | - |
| Risk-free interest rate (based on government bonds) | | 6.96% | 6.96% | 6.96% | 6.95% | 6.95% | 6.97% | 6.97% | 6.97% | 6.97% | 6.96% | 6.96% | 6.97% |

Expected volatility has been based on an evaluation of the historical volatility of the Parent’s share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

C. Reconciliation of ESOPs

The number and weighted-average exercise prices of ESOPs were as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Number of options (in lakhs) | Weighted average exercise price | Number of options (in lakhs) | Weighted average exercise price |
| Options in lakhs | | | | |
| Granted during the year | 75.74 | 85.13 | - | - |
| Less: Forfeited during the year | 5.62 | 80.15 | - | - |
| Less: Exercised during the year | - | - | - | - |
| Outstanding at 31 March | 70.12 | 85.53 | - | - |
| Exercisable at 31 March | 51.93 | 70.40 | - | - |

The options outstanding as at March 31, 2024 had an exercise price in the range of INR 70.40 to INR 150.16 (31 March 2023: Not applicable). No options exercised during the year 2023-24

D. Expense recognised in Statement of Profit and Loss

For details of the related employee benefits expense, see Note 23.

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024
44. Interests in other entities
(a) Subsidiary

The Group's subsidiary is set out below. Share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of Entity | Date of acquiring subsidiary | Date of disposal of subsidiary | Place of business / country of incorporation | Ownership interest held by the group | | Ownership interest held by non-controlling interests | |
|--|------------------------------|--------------------------------|--|--------------------------------------|----------------------|--|----------------------|
| | | | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| DSP Pension Fund Managers Pvt. Limited | Nov 26, 2012 | NA | India | 100.00% | 100.00% | 0.00% | 0.00% |
| DSP Fund Managers IFSC Private Limited | Oct 6, 2022 | NA | India | 100.00% | 100.00% | 0.00% | 0.00% |

Set out below is summarised financial information of subsidiary. The amounts disclosed for subsidiary are before inter-group eliminations.

(Rs. In Lakhs)

| Summarised balance sheet | DSP Pension Fund Managers Pvt. Limited | | DSP Fund Managers IFSC Private Limited | |
|-----------------------------------|--|----------------------|--|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Financial Assets | 6,395.47 | 6,283.22 | 3,630.17 | - |
| Financial Liabilities | (159.21) | (44.75) | (103.87) | (0.95) |
| Net Financial assets | 6,236.26 | 6,238.47 | 3,526.30 | (0.95) |
| Non-Financial Assets | 198.00 | 98.33 | 81.41 | - |
| Non-Financial Liabilities | (261.29) | (155.73) | (24.52) | (0.10) |
| Net Non - Financial assets | (63.29) | (57.40) | 56.89 | (0.10) |
| Net assets | 6,172.97 | 6,181.07 | 3,583.19 | (1.05) |

(Rs. In Lakhs)

| Summarised statement of profit and loss | DSP Pension Fund Managers Pvt. Limited | | DSP Fund Managers IFSC Private Limited | |
|---|--|---------------------------|--|---------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Revenue | 632.92 | 245.13 | 56.51 | - |
| Profit for the year | (6.59) | 167.36 | (112.89) | (1.05) |
| Other comprehensive income | (1.52) | - | (2.87) | - |
| Total comprehensive income | (8.11) | 167.36 | (115.76) | (1.05) |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

(Rs. In Lakhs)

| | DSP Pension Fund Managers Pvt. Limited | | DSP Fund Managers IFSC Private Limited | |
|--|--|------------------------------|--|------------------------------|
| Summarised cash flow | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Cash flows from operating activities | (452.15) | (76.00) | (128.33) | - |
| Cash flows from investing activities | 432.02 | (2,313.27) | (815.10) | - |
| Cash flows from financing activities | (0.03) | 2,397.50 | 3,698.58 | - |
| Net increase in cash and cash equivalents | (20.16) | 8.23 | 2,755.15 | - |

Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises consolidated as subsidiary -

FOR YEAR ENDED March 31, 2024

(Rs. In Lakhs)

| Name of Enterprise | Net assets i.e. Total Assets Minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|--------------------|---|------------------|---|-----------------|--|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| DSP Asset Managers Private Limited | 92.44% | 1,19,339.64 | 100.39% | 31,006.88 | 95.87% | (101.85) | 100.40% | 30,905.03 |
| Indian Subsidiary: | | | | | | | | |
| DSP Pension Fund Managers Pvt. Ltd. | 4.78% | 6,172.97 | (0.02%) | (6.59) | 1.43% | (1.52) | (0.03%) | (8.11) |
| DSP Fund Managers IFSC Private Limited | 2.78% | 3,583.18 | (0.37%) | (112.89) | 2.70% | (2.87) | (0.38%) | (115.76) |
| Total | 107.65% | 1,29,095.79 | 100.00% | 30,887.40 | 100.00% | (106.24) | 100.00% | 30,781.16 |
| Elimination / Ind AS Adjustments | (7.65%) | (9,172.12) | - | - | - | - | - | - |
| Grand Total | 100.00% | 1,19,923.67 | 100.00% | 30,887.40 | 100.00% | (106.24) | 100.00% | 30,781.16 |
| Attributable to: | | | | | | | | |
| Non Controlling Interest | - | - | - | - | - | - | - | - |
| Owners | 100.00% | 1,19,923.67 | 100.00% | 30,887.40 | 100.00% | (106.24) | 100.00% | 30,781.16 |

DSP Asset Managers Private Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

FOR YEAR ENDED March 31, 2023

(Rs. In Lakhs)

| Name of Enterprise | Net assets i.e. Total Assets Minus | | Share in Profit or Loss | | Share in Other Comprehensive | | Share in Total Comprehensive Income | |
|---|------------------------------------|------------------|-------------------------------------|------------------|---|-----------------|---|------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| DSP Asset Managers Private Limited | 99.21% | 88,434.61 | 99.41% | 27,852.57 | 100.00% | (233.52) | 99.40% | 27,619.05 |
| Indian Subsidiary: | | | | | | | | |
| DSP Pension Fund Managers Pvt. Ltd. | 6.93% | 6,181.07 | 0.60% | 167.36 | - | - | 0.60% | 167.36 |
| DSP Fund Managers IFSC Private Limited | (0.00%) | (1.05) | (0.00%) | (1.05) | - | - | (0.00%) | (1.05) |
| Total | 106.14% | 94,614.63 | 100.00% | 28,018.88 | 100.00% | (233.52) | 100.00% | 27,785.36 |
| Elimination / Ind AS Adjustments | (6.14%) | (5,472.12) | - | - | - | - | - | - |
| Grand Total | 100.00% | 89,142.51 | 100.00% | 28,018.88 | 100.00% | (233.52) | 100.00% | 27,785.36 |
| Attributable to: | | | | | | | | |
| Non Controlling Interest | - | - | - | - | - | - | - | - |
| Owners | 100.00% | 89,142.51 | 100.00% | 28,018.88 | 100.00% | (233.52) | 100.00% | 27,785.36 |

45. Disclosure as required under Rule 11(e) and Rule 11 (f) of the Companies (Audit and Auditors) Rules, 2014.

(i) 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 Group to or in any other person(s) or entity(s), including foreign entities ("Intermediaries") with the understanding, whether recording in writing or otherwise, that the intermediary shall lend or invest in a party identified by or on behalf of the Group (Ultimate Beneficiaries)

(ii) The Group has not received any fund from any other party(s) with the understanding that the Group shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) There is no dividend declared or paid during the year by the Group.

As per our report attached of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Sameer Mota

Partner

Membership No. 109928

Kalpen Parekh

Managing Director &

Chief Executive Officer

DIN: 07925034

Dhananjay Mungale

Director

DIN: 00007563

Akilandeswaran Iyer

Chief Financial Officer

Pritesh Majmudar

Company Secretary

Membership No: FCS 6259

Mumbai

July 19, 2024

Mumbai

July 19, 2024