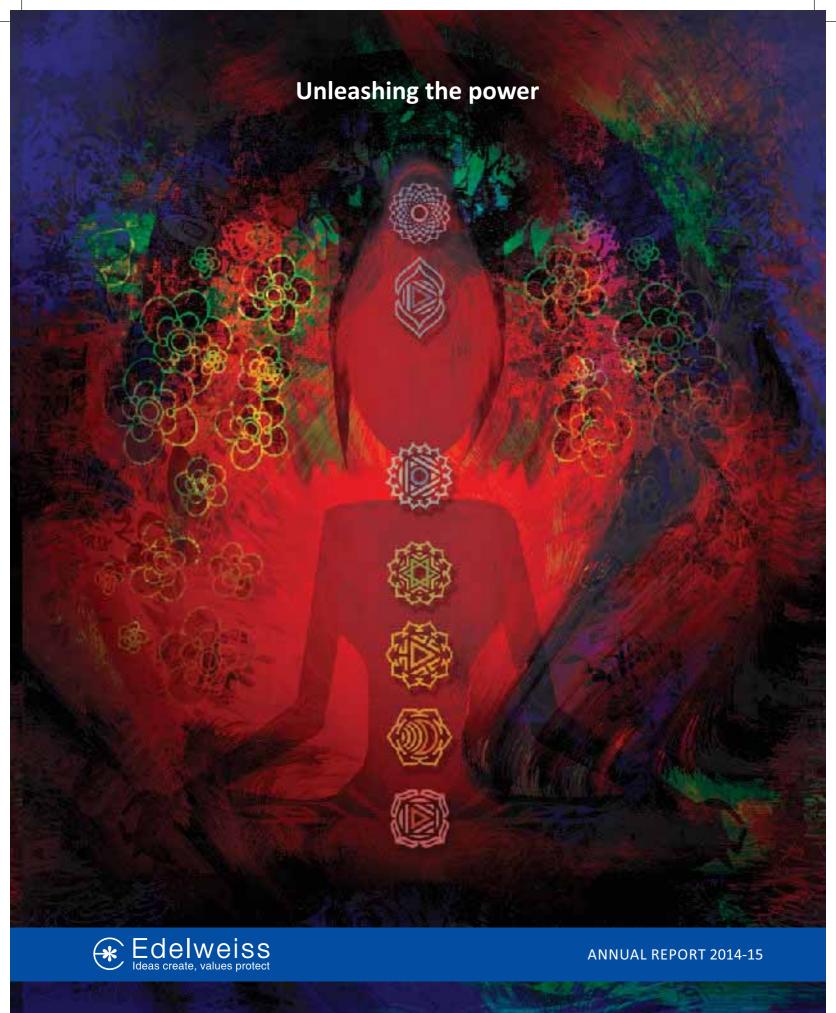
All Made



FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges (Clause 31of the Listing Agreement)

1	Name of the Company	Edelweiss Financial Services Limited
2	Annual Financial statements	March 31, 2015
	for the year ended	
3	Type of Audit observation	Unqualified Report
4	Frequency of observation	N.A.
5	To be signed by:-	
	Chief Executive Officer/ Managing Director	Oshel
		Rashesh Shah Managing Director & CEO
	Chief Financial Officer	
		S. Ranganathan Chief Financial Officer
	Auditor of the Company	Demposit
-		M. SAMPATH GRADESH PARTNER, BSR & ASSUCIATES LLP
	Audit Committee Chairman	MASG-
		Narendra Jhaveri
		Chairman, Audit Committee







Unleashing the power

It takes just a spark of an idea to create something new and strong values to guard what is created. For us, it starts with our name – Edelweiss – derived from the German 'edel' (noble) and 'weiss' (pure white), a name we share with a rare alpine flower that has long been associated with purity, nobility and valour. That this little white flower originally came from the Himalayas is a lesser known fact.

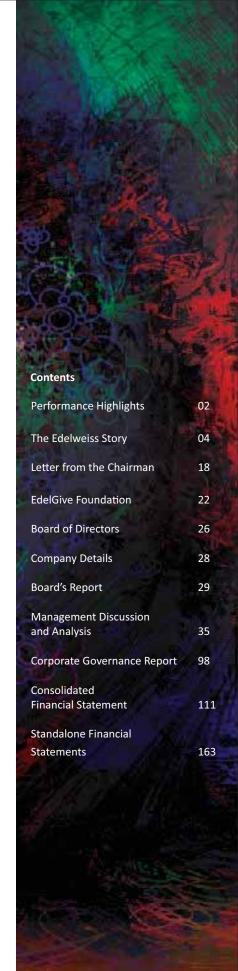


The Edelweiss flower best represents our beliefs. Just as the flower's deep fibrous roots and thick felt cover protects it from the harsh winters and chilly winds of its habitat, so does our symbol both create and protect. Our logo graphically depicts the flower as the Creator of Ideas, encircled by the protective letter 'e' symbolising the Values and ideals that govern our actions. We believe that ideas create wealth, but values protect it.

Inspired by this beautiful symbol of purity and steadfastness, it is our aim to be a respected diversified financial services firm with high quality, growth businesses created to fulfil our clients' needs.

Today, like the lofty heights at which the Edelweiss flower thrives best, we look to our organisation as akin to the human body in its most sublime state of existence — as much in touch with the earth as with the universe. It is said that there are 108 chakras (seats of energy) in the human body. While all of these play a role in balancing the body's well being, there are seven prime chakras that are the fundamental source of energy and power within all of us.

In our 2015 Annual Report, we have used the simple metaphor of these seven chakras to best illustrate the key features of our company. These features have strengthened us at the micro level, built our capabilities at the macro level and helped us understand the needs of our stakeholders.



Performance Highlights

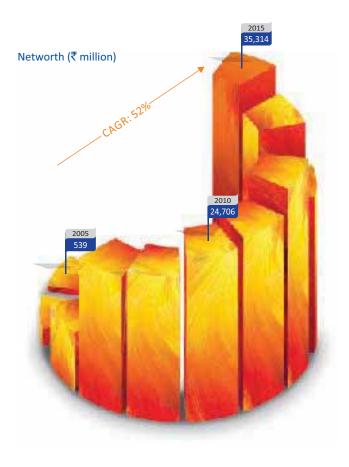
Consolidated Financial Performance of Edelweiss Financial Services Limited and its subsidiaries.

(in ₹ million except per share data)

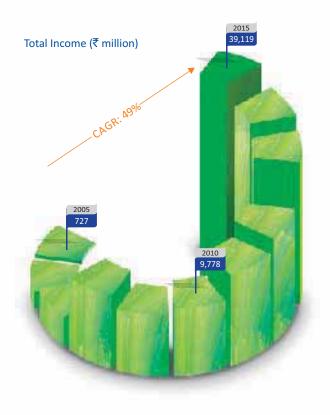
								,			re data,
Year Ended March 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Income	39,119	25,555	21,840	16,707	14,289	9,778	9,005	10,888	3,718	1,533	727
Total Expenditure	33,839	22,040	19,247	14,720	10,789	6,450	5,715	6,421	1,971	898	383
Profit Before Tax	5,280	3,515	2,593	1,987	3,500	3,328	3,290	4,467	1,747	636	345
Tax Expenses	2,017	1,346	881	681	1,031	879	1,199	1,540	646	218	107
Net Profit (after minority)	3,287	2,202	1,785	1,277	2,330	2,292	1,864	2,732	1,099	417	237
Paid up Equity Capital	792	769	719	757	752	375	375	375	45	38	29
Networth*	35,314	32,558	26,909	28,748	25,554	24,706	23,303	23,274	7,222	1,787	539
Diluted EPS (FV ₹1) (in ₹)#	3.88	2.85	2.31	1.66	3.00	2.94	2.43	4.00	2.08	0.93	0.64
BVPS (FV ₹1) (in ₹)#	39.92	37.57	32.13	34.80	30.56	30.04	28.21	24.65	9.36	3.93	1.58

[#]Adjusted for Corporate Actions

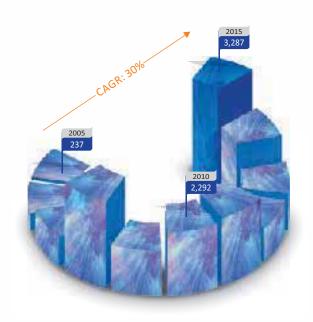
Previous years' figures have been regrouped wherever necessary



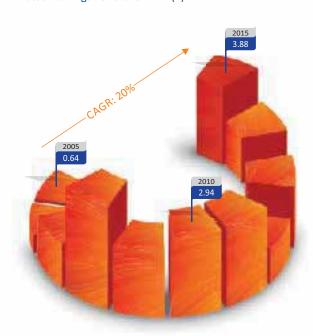
^{*}Networth including minority

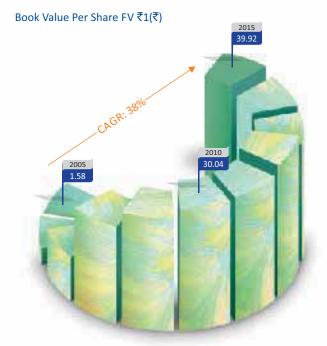


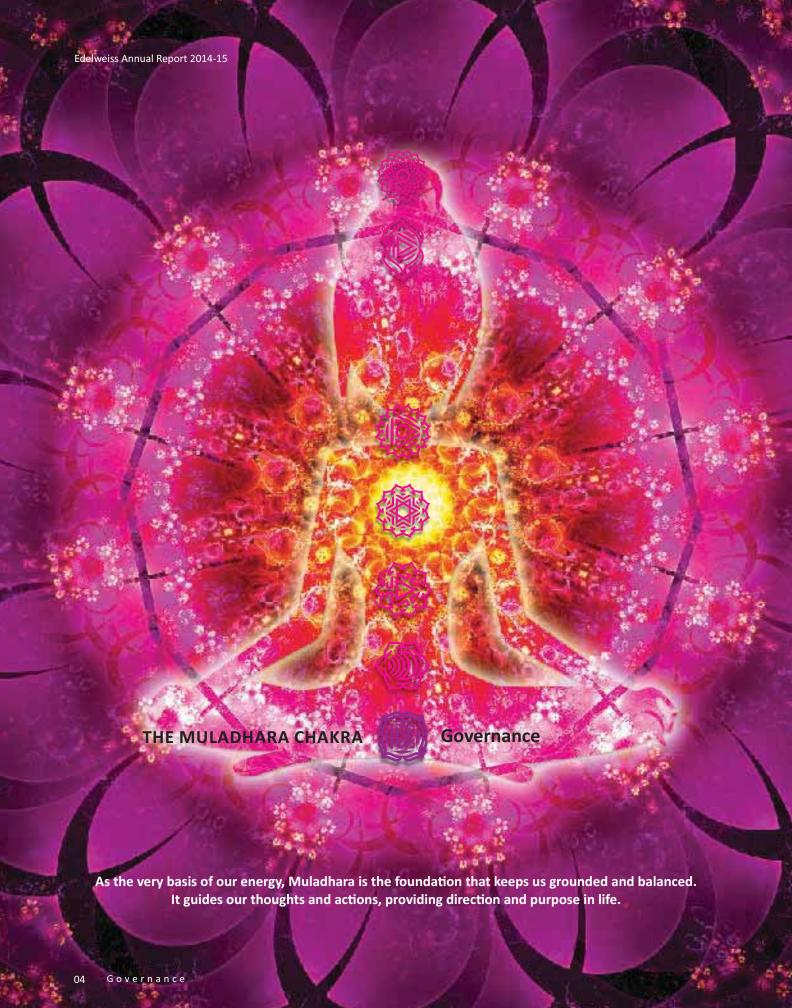
Net Profit (₹ million)



Diluted Earnings Per Share FV ₹1(₹)











At Edelweiss, our Guiding Principles form our foundation, governing and driving us in the direction of creating value for all our stakeholders.

The Principles, a blend of our ideals, culture and business ethics have clarified and eased decision-making, however challenging the circumstances. These principles ensure that the Company does the right things for the right reasons without compromising on the long-term vision. Our ten Guiding Principles are:

We will be a **Thinking** organisation

We will be **Fair** to our clients, our employees and all stakeholders

We will take care of our **People** in the true sense of the word

We will operate as a **Partnership**, internally and externally

We will focus on the Long-term

We will focus on **Growth**

We will Obey and Comply with the rules of the land

We will respect Risk

Our **Financial Capital** will continue to be a critical resource for growth

Our **Reputation and Image** is more important than any financial reward



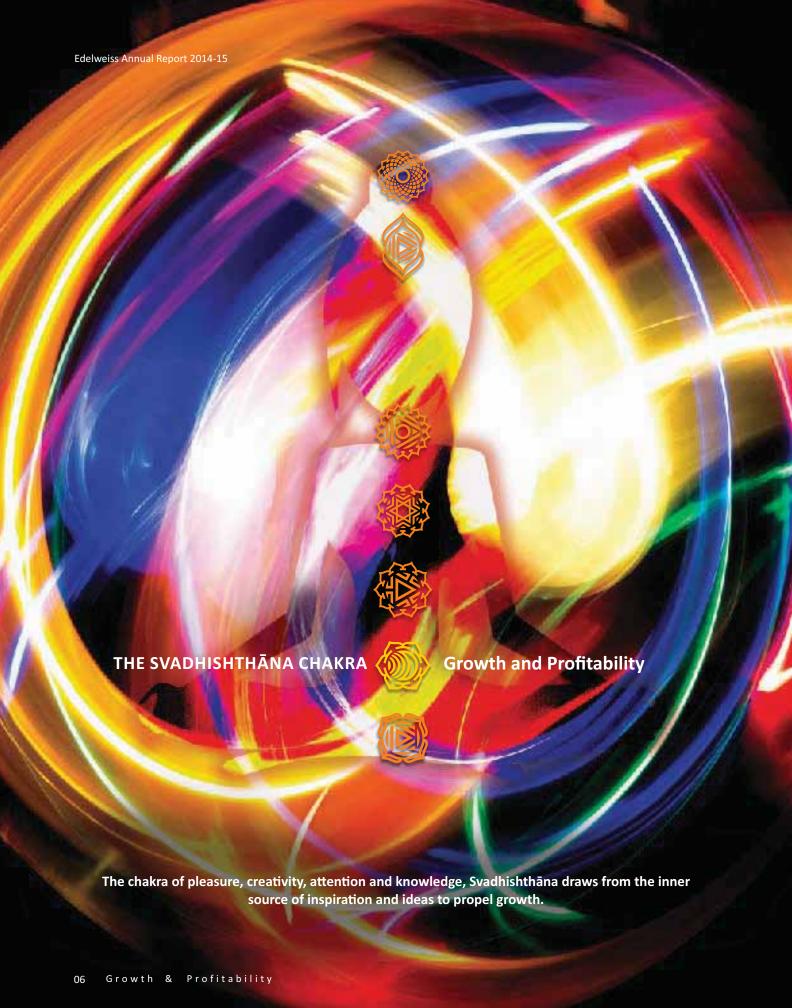












Growth and Profitability

Edelweiss, with a ₹270 billion asset base and amongst India's top 200 companies^[1], is one of India's leading diversified financial services conglomerates. With the dual stimulus of stable growth and consistent profitability, the Group has grown from being an advisory house into an efficient, productive and profitable credit and financial services institution.

Some Group Facts - FY15

- Edelweiss Group has been profitable for every single quarter since inception, posting a compounded annual growth rate (CAGR) in PAT of 30% over last ten years
- 53% growth in revenue at ₹39.12 billion (₹25.56 billion FY14)
- 49% growth in PAT at ₹3.29 billion (₹2.20 billion FY14)
- 40% growth in PAT ex-insurance at ₹3.81 billion (₹2.72 billion FY14)
- Return on Equity (RoE) ex-insurance is 15.6% (12.3% FY14)

Some Business Facts – FY15

- 68% growth in Credit book to ₹150 billion with a six year CAGR of 69%
- 39% growth in Retail Finance book with an addition of 25,000 customers
- Our Insurance business is the fastest growing life insurance business in India[2]
 - 74% rise in gross premium with the agency channel growing 44% to 10,400 personal financial advisors
- 90% growth in Asset Management business with a total of ₹230 billion under management/advice
 - 110% growth to ₹203 billion in our leading Asset Reconstruction business















Productivity and Efficiency

Edelweiss's focus on efficiency and productivity has led to improved overall performance, even as consistent investments are made in new businesses during every downturn. Judicious and future focused investments in people, technology, systems and processes have fortified the organisation and increased productivity while strengthening the balance sheet.

Some Group Facts – FY15

- Highest Short-term Credit Rating of CRISIL A1+, CARE A1+ & ICRA A1+; Long-term Rating of CARE AA & ICRA AA
- Return on Equity (RoE) increased to 15.6% in FY15 from 7% in FY12
- Cost to income ratio (C/I) has improved from 72% in FY12 to 59% in FY15
- Revenue/employee increased by 31%, while PAT/employee increased by 44% in FY15 over FY12
- Investments in technology expected to achieve better turn around time (TAT) and enhanced service productivity
- Process transformation initiatives in various stages of implementation across Strategic Business Units (SBUs) to make them faster, sharper, error free and more customer focused

Some Business Facts - FY15

- Our Insurance business has the highest branch productivity in the industry [3]
- Institutional Equities business posted a 30% increase in volumes traded through use of Algorithms over FY14
- Retail Broking business increased front end productivity ~47% between FY15 to FY12

















Sustainability

Our highly derisked business model is designed to endure and learn from the challenges of time and environments. As we have diversified, so have we successfully reinvented ourselves at the turn of each economic and business cycle. This aspect of adaptability and flexibility helps businesses spot opportunities while managing dynamic economic situations.

Some Group Facts – FY15

- · Healthy balance sheet with diversified sources of borrowings; Debt market borrowings have reduced from 50% in FY11 to 38% in FY15
- A consistent dividend paying company every year since listing
- Well matched asset liability management (ALM) strengthens the balance sheet
- A steady growth in net fund based income to ₹13.21 billion in FY15 vis a vis ₹5.09 billion in FY12, a 160% rise
- Risk mitigation and management has been a key aspect of our business strategy with over 150 risk and compliance professionals across the organisation

Some Business Facts – FY15

- · The Credit business is strategically well diversified across products and client segments to minimise 'concentration' risk
- Asset Management
 - Large part of the funds are in equity and related funds that are stickier than debt and liquid funds
 - · Significant scale up in Asset Reconstruction business leading to stability and sustainability
- Financial Markets
 - Strengthened distribution of financial products to reduce impact of market volatility





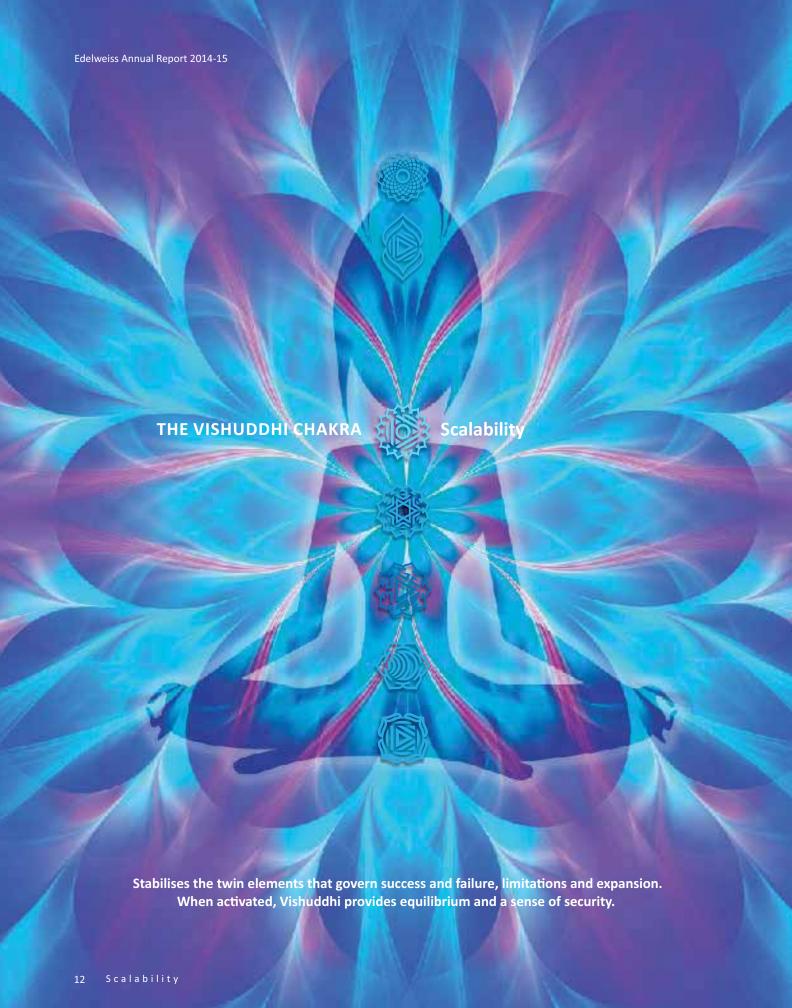














Edelweiss Group, with an asset base of ₹270 billion, is present in all significant areas of financial services — Credit, Housing Finance, Financial Markets, Commodities, Asset Management and Life Insurance. With its bouquet of financial products and services, Edelweiss addresses a considerable part of the financial needs of a large and diversified customer base across India and International markets.

Some Group Facts – FY15 over FY12 – a three year perspective

- Net worth of ₹35.31 billion in FY15, up 23% from ₹28.75 billion in FY12
- ~50% growth in customer base addressing over 5,72,000 clients
- ~80% growth in employee strength to 5,555 employees

Operations spread across 125 cities including eight international offices across three continents

Some Business Facts - FY15

- Retail Finance services over 41,000 clients across 36 cities and 750 villages
- Institutional Equities business continues to be one of the largest institutional broking houses in the country
- Domestic Agri-commodities business has an annual turnover of nearly 6 Lakh metric tonnes
- Fixed Income Advisory business, one of India's leading debt arrangers managed transactions totalling over ₹1,606 billion in public and private placement of debt
 - 18% market share in private placements of bonds in FY15 (11% in FY14)[4]
 - 80 transactions for private placements of bonds amounting to ₹664 billion
 - 55% market share and ranked number one in public issuances of bonds[4]















Often referred to as the 'third eye', it is considered the chakra of intuition and intellect, bringing clarity to thought and action. Ajna manages our five physical senses and balances the entire system.



Edelweiss follows a simple five pronged strategy that has ensured the business model remains robust, growth is consistent and steady, businesses are profitable and the derisked Group remains fortified against dynamic external conditions.

The Group,

- aims to be a leading player in every market by building differentiated high quality, growth businesses that deliver superior solutions
- seeks opportunities for synergistic diversification in adjacent spaces
- · makes counter cyclical investments to strengthen the organisation during downturns, in order to be market ready during the upturn
- creates a large base of 'owner leaders' who exemplify Edelweiss DNA and task them with building the leadership tiers to fuel organisation expansion
- invests in cutting edge risk management processes and a strong domestic and international compliance framework to ensure a culture of good governance

Some Group Facts – FY15

- Our 12-member Board of Directors with its diverse collective experience of over 320 man years leads us on strategy formulation
- Edelweiss follows a three year rolling plan culture that rests on three cornerstones
 - · Robust and efficient capital allocation model to facilitate calculated and calibrated investments
 - Enhanced risk and compliance framework that allows us to grow at a faster pace without fear
 - Usage of technology for a strategic advantage rather than just an enabling tool





















Edelweiss is distinguished by its unique culture that supports and promotes entrepreneurship and innovation without compromising on institutionalisation. Our stable senior management team together with our unique value driven culture helps fuel strategic initiatives and business growth. The 'Collective Ownership and Individual Responsibility' paradigm of Edelweiss fosters an environment that cultivates future leaders.

Some Group Facts – FY15

- The internal Survey of Edelweiss Employees (SEE) 2015^[5] reported a high 76% score on employee engagement (possibly one of the highest in our industry). The top five highest scoring attributes were–values, innovation, leadership skills, people development and performance orientation
- All SBUs are guided by SBU Boards comprised of Management Committee members leading to crosspollination of skill sets and exchange of learnings across businesses
- The multi-tiered Edelweiss Leadership Programme (covering over 5% of the total employees) grooms high potential leaders for organisation expansion
- The Edelweiss owned Fountainhead Leadership Centre, Alibaug continues to be a centre for leadership development and training for employees
- Aligned with our agenda of building leadership capabilities, Edelweiss has established a Chair of Finance at the Indian Institute of Management, Ahmedabad to support Management and Finance training for a five year period















Letter from the Chairman

Dear Shareholders,

Fiscal 2015 was a good year for Edelweiss, and I am happy to announce that your Company's performance was significantly better than the previous year, led by steady growth across all business segments. During the year several of our 'young' businesses gained ground while the mature businesses scaled up into well-structured and sustainable business models with increased market share in their respective segments.

This year, your Company has reported an Income of ₹39.12 billion, up 53% from last year, and profit after tax (PAT) of ₹3.29 billion, up 49% compared to the previous year. The return on tangible equity ex-insurance has improved to 15.6% for FY15 compared to 12.3% for FY14. The Group's net worth is now ₹35.31 billion with a strong balance sheet size of ₹270 billion. The year's healthy financial performance and solid balance sheet strength will allow us to serve you even better, through good times as well as lean ones.

Looking Back at FY15 – the World and India

The year was a mixed bag for the global economy. In the United States, the economy continued to gain traction, with unemployment rate declining gradually, but in the rest of the western world, economic growth remained weak. In fact, a major highlight of FY15 was the sustained rise in USD against all major currencies and the consequent sharp fall in global commodity prices. The latter acted as a boon for most of the world economies, as inflation declined and real incomes improved. However, in contrast the European Union remains a stark outsider to this trend, with the region constantly battling crises. Perhaps, it is now becoming clear that a monetary union without a fiscal union is not an ideal model, and will require requisite mechanisms in place to tackle crisis. Meanwhile, the big Emerging Market (EM) economy that has slowed down is China. It appears that the slowdown is not just a cyclical one, but a more fundamental one. There is a need for rebalancing the economy, from investments to consumption, as well as from manufacturing to services. This rebalancing will be extremely critical for not just China but also the rest of the world.

Closer home, it was a year of divine providence. A fall in crude oil prices, together with a decline in international food prices,

meant that India's inflation and trade deficit fell sharply. These were the two big lingering vulnerabilities of the Indian economy over the past three years. Deriving comfort from this windfall, and in a bid to encourage growth, the Reserve Bank of India (RBI) commenced the rate easing cycle. At the same time, after the formation of the Modi government at the Centre last year, business, consumer, and investor confidence has improved. The government is surely and steadily adopting an incremental approach (a process of small but continuous changes) to reforms/policy making, rather than a radical one. We feel that this incremental approach has its own advantages something which a diverse nation such as India perhaps needs. Over time when fully implemented, these incremental changes will add up to a much improved social and economic outcome.

In FY15, while Indian markets rallied and investor sentiment was at peak owing to the new government, the same could not be said of other emerging markets. The sharp correction in oil prices resulted in significant deterioration of commodity led economies namely Brazil and Russia, with both seeing significant outflows. However the Russian Rouble recovered slightly on the back of improved oil prices in the latter half of the year. In China as well, the economy witnessed slowdown, the markets though rallied, mainly led by domestic investors. India was clearly one of the best emerging markets, gaining 20% in USD terms in FY15, compared to -2% of Morgan Stanley Capital International (MSCI) EM index.

Company Build Out and Strategy

Fiscal 2015 has been a validation of our stated long-term strategy: Synergistic Diversification. This diversification across businesses, asset classes and client segments, markets and geographies, continues to bear fruit as businesses reflect significant improvement in market share, mindshare and revenue share. Your Company's derisked business model has effectively reduced volatility and built sustainability in performance as established by the consistent improvement in your Company's financial and business indicators.

Many of you may be aware that Edelweiss has invariably launched every new line of business under adverse market conditions. At a time when competitors and peers were scaling back operations or mothballing investment plans, your

Company has actively invested. The diversification phase was a difficult one as additional investments seeded long-term growth businesses at a time when core businesses were degrowing in a struggling economy. Despite this, we continued to invest. This approach has led to your Company posting consistent growth in revenues and overall performance over the last three years.

Since the completion of the diversification phase in FY12, we consciously focused on building out the organisation across businesses and enterprise to support and sustain this growth. This strategy of selective and efficient hiring; improving efficiency and productivity; strengthening and growing the balance sheet; robust risk management and investment in technology has brought the organisation to the future ready status that it enjoys today.

Your Company's five-pronged focus on Profitability, Scalability, Sustainability, Governance and Quality Management has helped hone performance. Let me illustrate what this means:

Profitability: As our long-term growth investments gain traction, our Return on equity (ROE) ex-insurance has improved to 15.6%. Our relentless efforts to maximise efficiencies from our equity base will continue.

Scalability: Edelweiss has achieved significant top and bottom line growth with quite a few businesses in leadership position and almost all showing marked improvement in market share, with still a lot of room to grow. Scalability is now no longer about market opportunity but about efficient and consistent high quality execution.

Sustainability: Reduced volatility in earnings, a strong balance sheet with robust asset liability management (ALM) remains a key focus. A measure of this vector is the fact that our PAT figures have grown in 13 out of the last 14 quarters.

Governance: Improved communication internally and externally, transparency and disclosure are now above benchmarks. A strong focus on managing risk and compliance has ensured a focused governance culture that will continue to strengthen us.

Management: With one of the most stable senior management teams in the industry and a relentless focus on building a second and third tier high quality leadership bench, this vector has been the most rewarding. We have hired 110 senior management professionals which has been our largest recruitment drive so far at this level. As we build-out, scale-up and explore newer and better areas of growth, the management team is in place to provide impetus.

Overview of businesses

Edelweiss today has a diversified financial services business model reflecting a significant presence in almost all the important segments of the financial services sector – each of which present unique growth opportunities. Over FY15, all the businesses have grown and the multi-line model of many product and business groups has helped to build a growth momentum that your Company feels is sustainable over the long-term. I would like to share the brief highlights of each of the business clusters with you, while also providing a sectoral overview.

Credit - An overview

Credit growth in commercial banking sector continued to be sluggish in FY15. Stretched cash flows and balance sheets of corporates negatively impacted the asset quality of the banks, especially PSU banks. NBFCs, given their agility, could record reasonable growth in their credit books. Housing credit remains a low 7% as a percentage of GDP, an opportunity that is waiting to be tapped as RBI begins the ritual of reducing rates.



Our Credit Business

The Edelweiss Credit business posted a 68% growth over the previous year and stands at ₹150.36 billion. The diversified portfolio offers five broad products – Mortgages (includes Housing Finance, Small Ticket Housing Loans, Loan Against Property and Real Estate Finance), Structured Collateralised Credit, Distressed Assets Credit, Small & Medium Enterprises (SME) and Agri Financing, as well as Loan against securities, Rural finance and other loans.

Our Asset Reconstruction business has expanded its portfolio to over ₹203 billion at the end of FY15 making it the largest asset reconstruction company (ARC) in the country. Our ARC's three pronged mandate to revive, rehabilitate and reconstruct distressed assets, aims to release productive assets back into the nation's economy while reducing the burden on commercial banks.

The Retail Finance business which includes Small-Ticket Housing Loans, Rural Finance, Loans Against Property and SME finance has a book size of ₹29 billion with ₹31.71 billion assets under management (AUM) and a client base of over 41,000 customers across 36 cities and over 750 villages.

Our Agri Financing business, one of our newer initiatives, is a large, scalable and untapped opportunity. It has the potential to bring about positive change in the agriculture sector by offering farmers better finance and last mile connectivity across the agri value chain. The Agri Financing book has an outstanding of ₹1.83 billion and the business is supported by a chain of approximately 120 warehouses under your Company's own management.

Life Insurance - An overview

While FY15 has been a landmark year with the passage of the Insurance bill, it has continued to be a challenging period for life insurance companies in terms of business growth. Overall the industry registered a degrowth of ~10.3% over year ago though private players witnessed some signs of traction growing at ~16% $^{[6]}$. It is expected that increasing financial savings, huge under-penetration and rising disposable income provides huge potential for growth.

Our Life Insurance Business

Your Company expanded its addressable retail markets by entering the life insurance business in 2011 in partnership with Tokio Marine of Japan, one of the oldest and largest insurance companies globally. In just under four years, Edelweiss Tokio Life Insurance (ETLI) has become the fastest growing life insurance company in India in FY15 as per Insurance Regulatory Development Authority of India (IRDAI). The Gross premium stands at ₹1.93 billion at the end of FY15

up by 74% over last year. Our distribution footprint across agency and alternate channels has expanded across India and the total number of personal financial advisors has now crossed 10,400 this year. Our funds have been rated top performers by Morningstar (a global rating agency) with five of six individual ULIP funds rated 5 Star as on March 31, 2015.

Financial Markets - Overview

Witnessing a massive rally in tandem with the new government at the centre, India market cap moved up 37% from ₹74 trillion to ₹101 trillion while the daily turnover for equity trading in FY15 grew 56% to ₹216 billion. The combined FII flow in debt and equity stands at ₹2.7 trillion which is the highest since 1998. To top it, the Bombay Stock Exchange recently claimed a steep 34% rise to 2.67 million retail investors on the Exchange^[7].

Our Capital Markets Business

Financial Markets businesses continued to be among the market leaders in the industry through FY15. Our Institutional Equities business enjoys a market leading share of ~4-4.5% with an extensive coverage of over 208 stocks across 24 sectors representing over 75% of market capitalisation. Our Fixed income advisory business is ranked #1 in public bonds issuance with a 50% market share. Edelweiss also continues to be ranked #1 distributor in NCD issues as well as in public issues of equities and debt in Retail and HNI segments^[4].

Our Retail Capital Markets business increased market share with the total retail client base climbing to 4,55,000. The much acclaimed *Edelweiss Mobile Trader online trading* app was rated the highest trading app on Google Play second year in a row.

Asset Management – Overview

The Indian asset management industry continued to witness growth on the back of buoyant equity markets. The mutual funds industry in India witnessed a return of retail investors resulting in the industry's AUM growing 35% to reach ₹10.8 trillion at the end of March 2015^[8]. In the Alternatives space, domestic Alternative Investment Funds (AIF) have shown a significant growth and have almost doubled the AUM commitments in the fiscal period.

Our Diversified Asset Management Business

The Global Asset Management business comprises of three lines of businesses – Credit Alternatives, Multi Strategy Funds and Equity Funds. Assets under Management (AUM) in the Credit Alternatives business spread across four funds, stood at over ₹14 billion at the end of FY15. Additionally your Company's acquisition of Forefront Capital Management, a high net worth and family office focused asset management company in the Multi Strategy Funds space, further

strengthens and diversifies Edelweiss's presence in the asset management business. This business crossed AUM of ₹500 crore by the end of FY15, a jump of almost 50% in just under a year since our acquisition.

The Equity Funds business under Edelweiss Asset Management Company (EAMC) manages 11 funds across Equity, Exchange Traded Funds (ETFs) and other schemes. The AUM of this business recently crossed ₹10 billion.

Commodities - An overview

The size of the commodities related markets (including agri dependent industries) in India is a significant 58% of the country's GDP of ₹13,207 billion offering immense potential to become a separate asset class for investing community. Agri business has a significantly large and untapped potential in India with India importing almost 4.6 million tons of pulses over 3.65 million tons last fiscal^[9].

Our Commodities Business

Edelweiss set up its commodities business about seven years ago to tap a significantly large and underserved opportunity. Your Company's approach to this business, as in others, is to diversify across the commodity buckets from precious metals to agri commodities as well as provide much needed credit and professional service throughout the value chain. We believe this will also help better connect the rural agri-economy with the mainstream economy.

Your Company also set up one of India's largest state-of-the-art precious metals refinery in Ahmedabad as part of its ongoing value added services across the Commodities chain. There exists a competitive advantage in manufacturing within India since lower labour costs and quicker processes reduce the overall cost burden for bullion dealers and large local jewelers. Scrap refining in India therefore makes the entire process chain more efficient, timely and predictable.

Looking to FY16

As I write this letter, the RBI Governor has taken the much expected step to reduce interest rates by 25 basis points. Corporate financial performance still has a couple of quarters to go before a visible turnaround can be seen. Inflation targets are holding steady though monsoon seems headed towards an unpredictable performance. We continue to believe that 'Make in India' will be successful as long as enough incentives are provided to 'Consume in India' and that goes back to the basic requirement of India's youth—jobs.

While this could be seen as a simplistic look at India, the attempt is to clap with both hands at the intent of our

government and wait to exhale as we anticipate the results of consistent execution.

Consistent and high quality execution is also the theme of your Company for FY16 up to FY18, years that we believe will be the foundation of a newer, energised, inclusive and aggressive India.

As your Company reviews its three-year plan, we see that the stated long-term growth aspiration remains intact and achievable after the FY15 performance. We are also keenly aware that success needs to be tempered with constant vigilance and flawless execution, the keys to navigating the winds that FY16 may bring. As always, every business growth and expansion is duly matched with strengthening of the foundation of risk, compliance, technology adoption, high quality talent and reinforcement of culture and values. These make us a respected financial services organisation with high quality, growth businesses and committed future focused leaders.

Over the next ten years, India is expected to become the third-largest economy in the world, commanding even more respect on the world stage and making it one of the most exciting decades. On this journey, there will be pitfalls and volatility which your Company is confident of navigating. As our country enters a period of political stability and meaningful growth led by a demanding citizenry, we look ahead with renewed optimism with you and for you.

With your support, Edelweiss stands steadfast and tall today. I thank you all for your faith and look forward to a long and mutually beneficial partnership together.

Yours Sincerely,

Rashesh Shah Chairman & CEO

EdelGive Foundation

Our philanthropic arm, EdelGive Foundation, was established in 2008. This was much before the amendments under the Companies Act made it mandatory for all corporate entities to allocate funds to corporate sustainability and social responsibility. Since its inception, the business model of the Foundation has stood on two pillars which are also a representation of our principles at EdelGive. First: to serve as the bridge between users and providers of philanthropic capital and knowledge by bringing the skills, resources and talents of the for-profit world to the not-for-profit world; and second: to ingrain a culture of giving-back within the Edelweiss DNA through well planned employee engagement initiatives. EdelGive continues to deliver on this promise – by funding exceptional nonprofits and also building their capacity through a high quality employee engagement programme, one of the best in India.

Highlights:

- Working in the sectors of Education, Livelihoods and Women's empowerment
- Financially supported over 60 NGOs in the last seven years
- Committed funding support of over ₹300 million
- Impacted 200,000+ lives till date
- Present in ten states across India
- 35% of Edelweiss employees engaged in philanthropic initiatives

It has been enriching journey of constant learning ever since our inception seven years back. Over this time, we have evolved from a grant-giving organization, to an organization that not only provides grants but also acts as a platform for enhanced collaboration among key stakeholders including large and small nonprofit organizations, corporates, national and international donors, foundations and other catalytic agencies. We strongly feel that collaborative philanthropy can help foster innovative and smarter solutions to tackle current challenges in the social sector.

Our Value Proposition: Invest, Engage, Influence

EdelGive is unique in that the Foundation works to influence the ecosystem which extends beyond the regular ambit of funding. Over the last seven years, we have built a deep understanding of the social sector — ground realities, organisations, communities, policy, programmes, politics and capacity gaps.

- We invest funds and resources in programs of high impact
- We engage with multiple stakeholders, including corporate employees and funders to enable exponential impact
- We influence strategic and research based approach to philanthropic investments



▲ LeapForWord supports students with English language skills using in-house innovative tools



▲ Migrant workers supported by Aajeevika Bureau

EdelGive Investment Highlights:

Within **Education**, our investments have reflected the sole objective of enhancing a student's learning performance. These investments involve teacher training models, innovative teaching programs and providing quality education access to communities in need. . We have recently forayed into supporting research programs within education.

It has been an interesting year for our work within **Livelihoods** where we have moved beyond financial inclusion, and extended our support to include water projects that impact livelihoods.

Improving women's social status and standing, promoting girl safety and inculcating life skills education have been our themes under the **Women's Empowerment** portfolio. This year we have extended support to include support for judiciary representation of women affected by domestic or sexual violence.

EdelGive ventured into **Research** this year with Centre for Civil Society which engages with policy and opinion leaders through research, pilot projects and advocacy. Their work in education, livelihood, and policy training promotes choice and accountability across the private and public sectors.

EdelGive Engagement highlights:

EdelGive takes great pride in the vibrant volunteering culture that exists in Edelweiss. Our Employee Engagement Program offers a structured platform that connects non-profits in need of voluntary support to Edelweiss employees who are inclined towards making a contribution to the social sector.



▲ Edelweiss employees supporting organisations working in social sector



▲ Medha supports college students with employability skills and meaningful employment

Employees are encouraged to not only donate in monetary terms but also contribute their time, skills and expertise to non-profit organizations on a pro-bono basis. Such non-financial support may involve direct interaction with the beneficiaries (teaching, mentoring, counselling and group workshops) or may require employees to develop high quality solutions to specific organizational challenges.

This year, we have successfully engaged 35% of our employees in philanthropic activities.

With the objective of galvanizing high impact volunteering from corporate India and abroad to fulfil the capacity building needs of investee organizations, we have partnered with Toolbox India in sourcing motivated senior corporate members and placing them with EdelGive grantees to implement high impact capacity building projects. Conversely, Toolbox also facilitates and executes projects with other nonprofits in need of support with the help of Edelweiss employees.

Milestones:

We are proud to see our investees achieve new milestones and being recognized for their contribution to the communities they serve.

Ibtada was felicitated by the Government of Rajasthan for its work towards improvement of government schools.

The first two batches (supported by EdelGive) to appear for the Secondary School Certificate from **Muktangan** showcased exemplary results, reaffirming our faith as the earliest investor in their innovative teaching pedagogy for middle schools.



Children of Samaritan Mission School after winning Science & Math Quiz in Kolkata

Masoom became the first Indian nonprofit to be rewarded Global Rising Stars, an international award – jointly awarded by The Global Fund for Children (GFC) and Stars Foundation.

Our partnership with **Agastya** has taken an interesting shape. We are supporting Agastya in setting up LEAP, a Science Centre in Alibaug. We hope that the Science centre will act as a Science Hub for broader learning for students from under-privileged backgrounds and will enable them learn, explore, aspire and progress in their lives.

Shradha Shringarpure, our NGO leader in **AROEHAN** has been conferred a State level award by Yashwantrao Chavhan Pratishthan Mumbai for working in Social sector.

Centre for Civil Society, who we support for their phenomenal research work, has ranked 50th in the list of the top think tanks in the world.

Chetna Sinha and Rajeev Khandelwal, our NGO leaders from **Mann Deshi Foundation** and **Aajeevika Bureau** were invited to the Annual meeting of The World Economic Forum 2015 held at Davos, Switzerland.

Through partnership with **Olympic Gold Quest**, EdelGive supports P.V. Sindhu became the first Indian woman to win a medal at the Badminton World Championships.

Legendary MC Mary Kom, also supported by EdelGive with OGQ, defeated Shekerbekova Zhaina of Kazakhstan in the women's flyweight (51 kg) final to win India's seventh gold medal at the Asian Games 2014.



▲ Vidya Shah, CEO, EdelGive Foundation with Mr. Sunil Patil, CEO, Raigad Zilla Parishad inaugurating LEAP, a science centre in Alibaug

Key Events

EDGE 2014- EdelGive Engage

This year EdelGive hosted EDGE at Fountainhead, Alibaug, from 7-9 December, bringing together NGO leaders, and their funding and resource partners. This created an exciting opportunity to understand real-life challenges that stakeholders faced in the development process. The sessions also enabled a lot of networking amongst NGOs and funding communities.

Mumbai Marathon Fundraising drive - 2014

A team of 70 Edelweiss employees came together on a common platform to raise funds and pledge their support for great causes. Over 1,500 employees contributed to this, helping raise ₹15 million.

India NGO Awards 2014-15

EdelGive Foundation is the primary sponsor for the India NGO Awards. The awards aim to advance the country's non-profit sector by promoting financial and organisational sustainability and strengthening community support of civil society.

BFSI CSR Vision Awards

EdelGive Foundation won the 'BFSI CSR Vision Awards for promotion of education' in FY15.

The award was handed over to Vidya Shah at a grand ceremony by Ms. Rajashree Birla, Chairperson, Aditya Birla CSR. BFSI is a finance magazine run by KnowSys group aimed at bringing in fresh perspective to Banking, Financial Services and Insurance community promoting quality and excellence within the sector. Ashvin Parekh Advisory Services LLP (APAS) are the knowledge partners to the initiative.



▲ Vidya Shah receiving the award at the BFSI CSR Vision Awards



▲ EDGE 2014 hosted at Fountainhead, Alibaug

Board of Directors

Mr. Rashesh Shah

Chairman & CEO

Mr. Rashesh Shah, co-founder of the Company has over 25 years of diverse experience in the financial markets sector. He has been instrumental in building Edelweiss into one of India's leading diversified financial services conglomerates. Prior to founding Edelweiss, he worked with ICICI Limited. He has previously been on the Executive Committee of the National Stock Exchange of India Ltd. (NSE). He currently serves as Chairman of Maharashtra Council of FICCI and as a member of the SEBI committee for review of Insider Trading Regulations. His qualifications include an MBA from IIM, Ahmedabad and a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.

Mr. Venkat Ramaswamy

Executive Director

Mr. Venkat Ramaswamy, co-founder of the Company, spearheads one of the Company's most strategic businesses – Financial Markets and Asset Management. He brings valuable experience and expertise to Edelweiss in terms of the Company's customer centric approach. Prior to Edelweiss, he was with Spartek Emerging Opportunities Fund and ICICI Limited. Mr. Ramaswamy has a Bachelor's Degree in Electronics Engineering and an MBA from the University of Pittsburgh, USA.

Mr. Himanshu Kaji

Executive Director

Mr. Himanshu Kaji, Group Chief Operating Officer, is responsible for the overall functioning of Corporate Planning, Operations, Technology, Business Solutions, Governance, Compliance, Finance, Stakeholder Relations, Global Risk, Resources, Legal and Administration functions of the Group. He brings vital expertise and is involved in strategy development and implementation. Before joining Edelweiss in 2009, he served as corporate advisor to various large organisations in the financial services sector. Mr. Kaji was Honorary Treasurer & Official Spokesman and Director of Bombay Stock Exchange (BSE) from1999 to2002. Presently, he is a member of the Secondary Market Advisory Committee of SEBI. Mr. Kaji is a qualified Chartered Accountant with a Post-graduate Diploma in Securities Law.

Mr. Rujan Panjwani

Executive Director

Mr. Rujan Panjwani has over two and a half decades of experience in the financial services industry with the last 15 years having been with Edelweiss Group. He is a member of Assets and Liabilities Committee and the Global Risk Committee of the Group. He also plays a key role in various strategic initiatives for the Group such as Human Resources, Technology and digitalisation strategy. He set up the Group's Treasury and Balance Sheet unit, the Edelweiss Global Risk Group – the nodal point for all risk monitoring and management. He also played a role in setting up several businesses for Edelweiss Group including Asset Management and Credit, for which he had oversight responsibilities till 2012. Mr. Panjwani is an Electrical Engineer by qualification.

Ms. Vidya Shah

Non Executive Director

Ms. Vidya Shah is presently responsible for the philanthropic activities of Edelweiss Group. She joined Edelweiss in 2000. She was the Chief Financial Officer of Edelweiss Financial Services Limited and has also overseen important functions such as Human Resources and Administration. She has spent the first 11 years of her career in investment banking with companies like ICICI, Peregrine and NM Rothschild in Mumbai where she advised corporations in capital raising and M&A transactions. She is currently on the Boards of various non-profit organisations. Ms. Vidya Shah has a Bachelor's Degree in Commerce and an MBA from IIM, Ahmedabad.

Mr. P. N. Venkatachalam

Independent Director

Mr. P.N. Venkatachalam has wide experience in the banking sector in India and abroad and has also worked in the software industry in banking and finance verticals. He joined State Bank of India in 1967 and retired in 2004 as its Managing Director. He was a member of the Interim Pension Fund Regulatory Authority of India and a Director on the Board of Small Industries & Development Bank of India (SIDBI). Mr. Venkatachalam holds a Master's Degree in Economics and is a Certified Associate from the Indian Institute of Bankers.

Mr. Berjis Desai

Independent Director

Mr. Berjis Desai is the Managing Partner of J. Sagar Associates, one of India's leading law firms. He has varied experience in the legal field, with specialisation in Corporate Law, Mergers & Acquisitions, Derivatives, Securities & Financial Laws, International Business Laws and International Commercial Arbitration. Mr. Desai holds a Master's Degree in Law from the University of Cambridge, UK.

Mr. Sanjiv Misra

Independent Director

Mr. Sanjiv Misra is the President of Phoenix Advisers Pte. Ltd. and Chairman of the Asia Pacific Advisory Board with Apollo Management. He has worked with various organisations including Goldman Sachs and Citigroup. Mr. Misra holds a Bachelor of Arts Degree in Economics from St Stephen's College, Delhi University, an MBA from IIM, Ahmedabad and a Master of Management Degree from the J. L. Kellogg Graduate School of Management.

Mr. Sunil Mitra

Independent Director

Mr. Sunil Mitra belongs to the 1975 batch of the Indian Administrative Service. He has held diverse positions in Government of India such as Disinvestment Secretary, Revenue Secretary & Finance Secretary. In his stint with the Ministry of Finance, Government of India, Mr. Mitra was engaged in designing significant tax reforms. As a part of the West Bengal Government, he was responsible for designing and implementing widespread policy reforms in the Stateowned public sector enterprises. Mr. Mitra holds a Bachelor's Degree in Science from Delhi University.

Mr. Navtej S. Nandra

Independent Director

Mr. Navtej S. Nandra is the President of E*TRADE Financial Corporation. He also serves on the Board of Directors of the Centre of Governance, Institutions and Organisations, at the Business School, National University of Singapore. Mr. Nandra was CEO of Morgan Stanley Investment Management Ltd., and also served on the Boards of Morgan Stanley Huaxin Fund Management Company, Morgan Stanley International Ltd., and Morgan Stanley & Co. International plc. Mr. Nandra's career includes senior roles at DTZ Holdings, Merrill Lynch Global Wealth Management, Merrill Lynch Global Investment Banking, The Cambridge Group Inc., and BoozAllen and Hamilton Inc. (now Booz & Co.). He has also served on the Board of Nuveen Investments, Inc., and Merrill Lynch India

Technology Services. Mr. Nandra holds an MBA from IIM, Ahmedabad, and a Bachelor's Degree in Commerce (Honors) from the University of Delhi.

Mr. Kunnasagaran Chinniah

Independent Director

Mr. Kunnasagaran Chinniah is presently Director at Changi Airport International and a member of the Hindu Endowments Board in Singapore. He retired as the Managing Director/Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments (GIC SI), the Private Equity arm of the Government of Singapore Investment Corporation (GIC). He joined GIC in 1989 and had held various positions with the Special Investments Department of GIC in their North American, European and Asian regions. Mr. Chinniah is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

Mr. Biswamohan Mahapatra

Independent Director

Mr. Biswamohan Mahapatra retired as an Executive Director of Reserve Bank of India (RBI) in August 2014. At RBI, he handled areas/functions of banking regulation, policy, and supervision. Post retirement, he was an Advisor to RBI on new bank licensing process. He has also represented RBI at various national and international forums and has chaired various committees of RBI. He has been involved in the formulation of Basel II and Basel III norms. He was also the Member - Secretary to the Committee set up to introduce financial holding company in India. Mr. Mahapatra holds a Master of Science in Management (MSM) degree from the Arthur D. Little Management Education Institute, Cambridge, Massachusetts, USA and has an MBA from University of Delhi and M. A. from Jawaharlal Nehru University, New Delhi.

Company Details

Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani Vidya Shah P. N. Venkatachalam Berjis Desai Sanjiv Misra Sunil Mitra Navtej S. Nandra Kunnasagaran Chinniah Biswamohan Mahapatra

Chief Financial Officer

S. Ranganathan

Company Secretary

B. Renganathan

Statutory Auditors

BSR & Associates LLP

Registered Office

Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098. Corporate Identity No.: L99999MH1995PLC094641 Tel: 022 - 4009 4400 | Fax: 022 - 4086 3759 Email: efsl.shareholders@edelweissfin.com Website: www.edelweissfin.com

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: 022 - 2594 6970 | Fax: 022 - 2594 6969 Email: rnt.helpdesk@linkintime.co.in

Bankers

Abu Dhabi Commercial Bank Allahabad Bank Andhra Bank Axis Bank Bank of Baroda Bank of India Bank of Maharashtra Canara Bank Central Bank of India Citi Bank N.A. Corporation Bank Dena Bank DCB Bank Federal Bank **HDFC Bank** ICICI Bank IDBI Bank IndusInd Bank ING Vysya Bank Karnataka Bank Karur Vysya Bank Kotak Mahindra Bank Lakshmi Vilas Bank Oriental Bank of Commerce Punjab & Sind Bank Punjab National Bank Ratnakar Bank SIDBI State Bank of Bikaner & Jaipur State Bank of Hyderabad State Bank of India State Bank of Patiala State Bank of Travancore Syndicate Bank Tamilnad Mercantile Bank UCO Bank Union Bank of India Vijaya Bank Yes Bank

Debenture Trustee

IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001, Maharashtra, India Tel: 022 - 4080 7000 Fax: 022 - 6631 1776 / 4080 7080 E-mail: itsl@idbitrustee.com response@idbitrustee.com Website: www.idbitrustee.com

Edelweiss Presence

240 own offices across 125 cities Covering ~572,000 clients

Major Cities:

Domestic

 Agra Kota Lucknow Ahmedabad Ludhiana Ajmer Allahabad Madurai Amritsar Mangalore Aurangabad Meerut Bangalore Mumbai Bhavnagar Mysore Bhillai Nagpur Bhopal Nashik Bhubaneshwar New Delhi Noida Bikaner Chandigarh Paniim Chennai Patiala Coimbatore Patna Cuttack Pondicherry Dehradun Pune Gandhinagar Raipur Ghaziabad Rajkot • Ranchi Gurgaon Hyderabad Secunderabad • Indore • Shimla Siliguri Jaipur Jalandhar Surat Trivendrum Jamnagar Udaipur Jamshedpur

International

Jodhpur

Kanpur

Kolkata

Kochi

 Dubai Nigeria Hong Kong Singapore Mauritius Chad New York Canada

Vadodara

Varanasi

Vishakhapatnam

Vapi

Board's Report

To the Members of Edelweiss Financial Services Limited,

The Directors hereby present their 20th Annual Report on the business, operations and state of affairs of the Company together with the audited financial statement for the year ended March 31, 2015:

Financial Highlights

I. Consolidated Financial Performance:

(in million)

	2014-15	2013-14
Total Income	39,119.47	25,555.32
Total Expenditure	33,839.05	22,040.33
Profit before tax	5,280.42	3,514.99
Provision for tax	2,016.99	1,346.07
Profit after tax	3,263.43	2,168.92
Add: Share of Minority Interest	23.70	33.54
Profit for the year after Minority Interest	3,287.13	2,202.46
Add: Surplus brought forward from previous year	9,834.22	8,969.97
Less: Effect of changes in Group's interest	2.76	3.38
Less: Adjustment on account of depreciation net of tax	20.31	-
Profit available for appropriation:	13,098.28	11,169.05
Less: Appropriations		
Interim Dividend on Equity Shares	630.98	408.61
Proposed Dividend on Equity Shares	159.64	115.78
Dividend on Preference Shares	84.47	52.75
Transfer to Reserves	1,219.20	668.97
Dividend Distribution Tax	170.27	88.72
Surplus carried to the Balance Sheet	10,833.72	9,834.22
Earnings per equity share (Face Value ₹1/-)		
Basic (₹)	4.09	2.86
Diluted (₹)	3.88	2.85

II. Standalone Financial Performance of Edelweiss Financial Services Limited:

(in million)

	2014-15	2013-14
Total Income	2,481.60	2,150.82
Total Expenditure	1,112.07	1,348.05
Profit before tax	1,369.53	802.77
Provision for tax	254.72	69.81
Profit after tax	1,114.81	732.96
Add: Surplus brought forward from previous year	326.20	205.29
Less: Adjustment on account of depreciation net of tax	1.41	-
Profit available for appropriation	1,439.60	938.25
Less: Appropriations		
Interim Dividend	630.98	422.97
Proposed Dividend	159.64	115.78
Transfer to Reserves	111.48	73.30
Dividend Distribution Tax	56.25	-
Surplus carried to the Balance Sheet	481.25	326.20
Earnings per equity share (Face Value ₹1/-)		
Basic (₹)	1.43	0.95
Diluted (₹)	1.36	0.95

Dividend

During the year under review, your Directors had declared and paid an interim dividend of 0.80/- pershare (on the face value of 1 each). The Board recommended a final dividend of 0.20 per share (on the face value of 1 each) for the financial year ended March 31, 2015.

The payment of the final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting and shall be paid to those members whose names appear in the Register of Members of the Company as on July 14, 2015. The Register of Members and the share transfer books will remain closed from July 14, 2015 to July 21, 2015 both days inclusive. The Annual General Meeting of the Company is scheduled to be held on July 21, 2015.

Transfer to Reserves

An amount of 111.48 million is proposed to be transferred to Reserves.

Abridged Financial Statement

In terms of the provisions of Section 136 of the Companies Act, 2013, abridged financial statement as at March 31, 2015, and the Auditors' Report on the Abridged Financial Statement forms part of the Annual Report. Full version of the Annual

Report will be available on the Company's website at the link: http://edelweissfin.com/Home/AboutUs/AnnualReports.aspx and will also be made available to the members of the Company upon request.

Information on the state of affairs of the Company

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed to the Report and is in accordance with Clause 49 of the Listing Agreement.

Share Capital

Allotment of Shares on exercise of Employee Stock Options

During the year under review, 2,47,37,337 Equity Shares of 1 each were allotted on exercise of the Options granted to the employees under various Employee Stock Option Schemes of the Company.

The disclosures with regard to the Stock Options granted by the Company and other particulars with regard to Employees' Stock Options are provided in Annexure I to this Report.

• Buy-back of Equity Shares

The Board of Directors, at their meeting held on April 23, 2014, approved the Buy-back of Equity Shares of the Company for an amount not exceeding 1350 million at a price not exceeding 45 per Equity Share through the open market route through Stock Exchanges, pursuant to Section 68 of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. The Company bought 20,30,048 Equity Shares for a consideration of ₹76.10 million.

Finance

Your Company continued to borrow funds by issuing Commercial Papers and Secured Non-Convertible Debentures on a private placement basis.

The Company enjoys high credit rating from the Rating Agencies. The credit ratings reflect the Company's financial discipline and prudence.

Subsidiaries

During the year ended March 31, 2015, the following companies became the subsidiaries of your Company:-

- Forefront Capital Management Private Limited;
- Forefront India Capital Management;
- ▶ Edelweiss Integrated Commodity Management Limited;
- Edelweiss Commodities (Chad) SARL;
- Olive Business Centre Limited;
- Eternity Business Centre Limited;
- Auris Corporate Centre Limited;
- Burlington Business Solutions Limited;
- Serenity Business Park Limited; and
- Arum Investments Private Limited.

Ecap International Limited, Mauritius, ceased to be the subsidiary of the Company with effect from April 3, 2014. Edelweiss Financial Advisors Limited ceased to be a subsidiary with effect from December 9, 2014, on merger with Edelweiss Broking Limited, a wholly owned subsidiary of the Company.

The performance and financial position of each of the subsidiaries and associates as required under the Companies Act, 2013 is provided in Annexure II to the consolidated financial statement. The financial statement of the subsidiary companies

have been placed on the website of the Company, www.edelweissfin.com. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the Registered Office of the Company. The Policy for determining material subsidiaries may be accessed on the Company's website at the link: http://edelweissfin.com/portals/0/documents/miscellaneous/PolicyfordeterminingMaterialSubsidiaries.pdf.

Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statement.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. All the Related Party Transactions as required under AS - 18 are reported in the Notes to the financial statement.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Company has formulated the Related Party Transactions Policy (the Policy). The Policy is uploaded on the Company's website at the link: http://edelweissfin.com/portals/0/documents/miscellaneous/RelatedPartyTransactionsPolicy.pdf.

Internal Financial Controls

The Company has in place adequate internal financial control with reference to financial statement.

Directors and Key Managerial Personnel

I. Independent Directors

The members at the 19th Annual General Meeting of the Company held on July 25, 2014, have appointed the Independent Directors for a period of 3 years.

Mr. Biswamohan Mahapatra was appointed as an Additional Director designated as an Independent Director w. e. f. March 26, 2015. The approval of members for the appointment of Mr. Mahapatra, as an Independent Director, is being sought at the forthcoming Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section and in terms of Clause 49 of the Listing Agreement.

ii. Non-executive (Non-Independent) Director

During the year under review, Ms. Vidya Shah was appointed as an Additional Director of the Company. Ms. Vidya Shah is related to Mr. Rashesh Shah, Chairman, Managing Director & CEO. Ms. Vidya Shah holds office up to the date of the forthcoming Annual General Meeting. The approval of members for the appointment of Ms. Vidya Shah as a Director is being sought at the forthcoming Annual General Meeting.

iii. Retirement by Rotation of the Directors

Mr. Rashesh Shah retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

iv. Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMPs) of the Company as per the provisions of the Companies Act, 2013 (the Act) and were already in office before the commencement of the Act:-

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkat Ramaswamy - Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director

Mr. S. Ranganathan - Chief Financial Officer
Mr. B. Renganathan - Company Secretary

None of the KMPs has resigned or appointed during the year under review. The aforesaid Directors are KMPs of the subsidiaries and draw remuneration from them.

Number of Board Meetings held

During the year ended March 31, 2015, the Board met 5 times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

Remuneration Policy

The Company has framed a Remuneration Policy pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. The Policy is provided in Annexure III to this Report.

Evaluation of the performance of the Board

The Board has framed an Evaluation Policy (the Policy) for

evaluating the performance of the Board, Chairman, Managing Director, Executive Directors, Independent Directors, Non-executive Directors and it's Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2015. A meeting of the Independent Directors was held during the year under review.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (the Act), your Directors confirm that:-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. we 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 as at March 31, 2015 and of the profit of the Company for the financial year ended on that date:
- iii. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis:
- v. internal financial controls have been laid down and the same are adequate and were operating effectively; and
- vi. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee of the Board of Directors of the Company comprises of the following members who are Independent Directors:-

Mr. Narendra Jhaveri - Chairman

Mr. P.N. Venkatachalam

Mr. Berjis Desai

Mr. Sanjiv Misra

Mr. Sunil Mitra

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:-

Mr. Venkat Ramaswamy - Executive Director
 Mr. Himanshu Kaji - Executive Director
 Mr. Rujan Panjwani - Executive Director
 Mr. P. N. Venkatachalam - Independent Director

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act.

The CSR Policy of the Company is uploaded on the Company's website at the link: http://edelweissfin.com/portals/0/documents/miscellaneous/CSRPolicy.pdf. Further details in this regard are provided in Annexure IV to this Report.

Auditors

The members of the Company at the 19th Annual General Meeting of the Company held on July 25, 2014, had appointed B S R & Associates LLP, Chartered Accountants, as the Auditors of the Company till the conclusion of the 22nd Annual General Meeting of the Company to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting.

A resolution for the ratification of the appointment of B S R & Associates LLP as Auditors is being placed for the approval of the members at the forthcoming Annual General Meeting.

Secretarial Audit

The Board had appointed BNP & Associates, Practicing Company Secretaries, as the Secretarial Auditor, to conduct the secretarial audit for the financial year ended March 31, 2015. The Report of the Secretarial Auditor is provided as Annexure V to this Report.

Sexual harassment of Women at workplace

The Company has framed a Policy on Prevention of Sexual harassment at workplace. There were no cases reported during the year ended March 31, 2015 under the Policy.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

A. Conservation of energy

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

B. Technology absorption

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

C. Foreign exchange earnings and outgo

Foreign exchange earnings and outgo (including dividend) during the year under review were 128.26 million (previous year 112.75 million) and 30.41 million (previous year 28.69 million) respectively.

Others

No disclosure is required in respect of the details relating to deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat Equity Shares, as there were no transactions on these matters during the year ended March 31, 2015. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future.

Extract of the Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in the prescribed Form MGT -9 is provided in Annexure VI to this Report.

Risk Management

The Risk Management Committee of the Board of Directors of the Company has framed and implemented a Risk Management Policy.

Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle Blower Policy for the employee to report genuine concerns/grievances. The Policy is uploaded on the Company's website at the link: http://edelweissfin.com/portals/0/documents/miscellaneous/WhistleBlowerPolicy.pdf. The Policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 (the Act) and the Rules framed thereunder, forms part of this Annual Report. In terms of the provisions of Section 136 of the Act, the Report and Accounts are being sent to the members of the Company excluding the aforesaid information.

Any member interested in obtaining a copy of this information under Section 197 of the Act, may write to the Company Secretary, at the Registered Office of the Company.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance together with the certificate issued by BNP & Associates, Practicing Company Secretaries, on compliance in this regard forms part of this Annual Report.

Acknowledgments

The Board of Directors wish to acknowledge the continued support and co-operation extended by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Commodity Exchanges, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, Forward Markets Commission, other government authorities, Banks and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors

Edelweiss Financial Services Limited

Rashesh Shah
Chairman, Managing Director & CEO
DIN No.: 00008322

May 15, 2015.

Management's Discussion & Analysis Report

MACRO-ECONOMIC ENVIRONMENT

ECONOMY: REVIEW AND OUTLOOK

It is incredible how things have changed in a year's time. When we were reviewing the macro-economic environment in our last Annual Report, Indian economy was going through turbulent times with high inflation, balance of payments shock (BoP) and growth was languishing (based on old GDP series). India indeed looked fragile. But standing today, it appears as if the past belonged to a different country. The twin deficits, namely current account and fiscal deficit, are now in comfort zone and inflation has nearly halved from a year ago.

The year started on a promising note with 2014 general election results taking almost everyone by surprise. BJP under the leadership of PM Modi recorded its best performance ever and the best by any political party in the last 30 years. Such a strong electoral mandate has undoubtedly raised the bar for reform expectations. While, some may be disappointed with the pace of reform process, there has definitely been progress on this front – FDI liberalisation (defence and insurance), prudent food management policies (moderate MSP hikes and grain procurement), de-regulation of diesel prices, auction of coal blocks and telecom spectrum in transparent manner, significant progress on financial inclusion through Jan Dhan accounts, better targeting of subsidies through direct cash transfers and taking steps to enhance ease of doing business – all account for significant progress on the policy front.

Meanwhile, external developments were also favourable. Oil prices have corrected by ~40% through the course of the year, resulting in significant windfall gains for a net commodity importing country such as India. Apart from reducing the twin deficits, lower oil and commodity prices have helped in disinflation process as well.

However, one of the key disappointments of FY15 was the deterioration in growth momentum. Credit growth is at decadal lows and two wheeler sales, cement production and steel production growth has tapered in the second half. Private sector continues to remain in none-too-healthy shape, with Indian corporates now being one of the most leveraged and staring at earnings downgrades. Also, capacity utilisation of manufacturing sector continues to deteriorate and is now at 70%, five year low. In view of this, the first half of FY16 may continue to see difficult business environment before growth starts returning gradually in the second half.

While it revised inflation projection upwards to 6.0% (from 5.8% earlier) for March 2016, it cut growth projection 20bps to 7.6% for FY16. On the inflation front, progress of monsoon, now predicted to be deficient in this season as in the previous season, oil prices and global situation remain key variables. Indian corporates are witnessing low capacity utilisation and stretched balance sheets and Indian borrowers are facing high real interest rates. Hence further monetary action from RBI may be required to overcome the current challenges.

As regards the global economy, growth in the United States is somewhat weaker in recent past partly because of US dollar appreciation, but is likely to improve. The Euro area has started to show modest improvement, supported by a boost to demand from lower crude prices and the depreciation of the euro. Even for Japan, growth turned positive in Q4 of 2014 and consumer confidence and exports are picking up. China continues to witness sluggish economy. In sum total, global growth is likely to firm up going forward, supported by weak energy prices.

Capital Markets

FY15 has been a great year for the capital markets, with Nifty reaching new highs and registering a 27% return - highest in last five years. The return is largely led by re-rating in valuations, which is natural given the turnaround in the political as well as economic set up. The sectoral performance is quite surprising with healthcare, a defensive sector being the best performing with 57% returns. IT, financials and industrials were other sectors which outperformed. Materials, Telecom and Utilities were the laggards, delivering only single digit returns. Going ahead, given that valuations have seen a marked improvement, it would be the earnings which should drive the performance.

Emerging Markets

While FY15 was good for India, the same cannot be said about emerging markets, with MSCI EM posting a 2% decline in USD terms, compared to 23% returns of MSCI India. The sharp correction in commodity prices was the main reason behind the correction in markets given the high weights of Brazil and Russia in the EM basket. Further, China also experienced a significant slowdown witnessing capital outflows and forex reserves declining for three consecutive quarters. Going ahead into FY16, hard landing in China appears to be the biggest risk.

Commercial Credit Markets

As we recall, in FY14 higher interest rates coupled with lack of investment demand due to slowing economy resulted in subdued commercial credit growth and Indian commercial banks' non-food credit grew around 14% in FY14, similar to that in FY13.

The growth of the Indian banking sector moderated further during FY15 due to similar factors. As a result of sluggish growth, elevated interest rates and slower than anticipated economic recovery in early FY15, cash flows of borrowers were under pressure leading to continued pain in the asset quality in banks, especially public sector banks. The 50bps reduction in Repo rates by RBI in second half of FY15 did result in some large banks reducing their base rates by 10 to 15 bps. However, this reduction is yet to spur the corporates into reviewing their investment plans. In addition to this with Q4FY15 being the last quarter of RBI dispensation on restructuring, there was widespread anticipation of increase in restructuring (as is partially reflected in the fourth quarter results). As a culmination of these (lackluster credit growth and elevated asset quality stress) the profitability for banks continued to reel under pressure. Worsening asset quality prompted RBI to come out with stricter guidelines for detection of accounts showing early signs of sickness, clutching on the willful defaulters among others. Although credit growth and asset quality of PSU and private banks is likely to show divergent trends going forward, over the period of time we expect the gap to narrow between private and some large PSU players.

NBFC Industry

The NBFC sector has been steadily gaining systemic importance- reflected in the steady increase in the asset from less than 11% of banking assets in FY09 to over 14% currently. While commercial banks continued to remain dominant source of credit in India, NBFCs also support credit growth in the country in a large quantum. NBFCs have been growing at a rate higher than banks due to a smaller base and due to their ability to structure transactions to satisfy needs of diverse cross section of clients. While the banking sector was beset with worsening asset quality in FY15, NBFCs could restrict the damage in their portfolios due to their ability to respond quickly as well as availability of a higher collateral cover. As a result, while their asset quality at the end of FY15 was definitely worse than that at the end of FY14, it nonetheless continued to be under control. In addition, comfortable capitalisation levels and conservative liquidity management continue to provide comfort to the credit profile of NBFCs. The growing relevance and interconnectedness of the NBFC sector highlighted the importance of risk management in the sector. Thus, with intent to strengthen risk management framework in the sector, simplify regulations and plug regulatory gaps so as to prevent regulatory arbitrage between banks and NBFCs, RBI came out with revised guidelines on NBFCs in this year. While past two years have been challenging for NBFCs space, we are relatively positive on housing finance and micro finance segment which will likely lead the rally.

Non-bank credit availability through the medium of NBFCs will continue to be an effective channel for meeting credit requirements of corporate as well as retail clients going forward and thus presents a large and growing opportunity for NBFCs like ours.

Debt Capital Markets

After enduring a very volatile phase in FY14, the debt markets were back on track in FY15 as coordinated efforts on the monetary and fiscal fronts bore fruit along with global factors working in India's favour. The key facilitators to rejuvenating the markets were the softening inflation trajectory, drop in global crude prices and INR currency stability, which in turn resulted in constant flow from foreign investors. RBI derived the necessary comfort on inflation situation and initiated monetary easing cycle with 2 repo rate cuts totalling 50bps in Q4FY15. Inflation targeting continues to be the primary objective of monetary policy and hence easing trajectory will be data dependent and calibrated. Onset and progress of monsoon, unfortunately now predicted to be deficient, will be monitored by RBI for assessing impact on food prices. The market has adopted a cautious stance in response to this uncertainty even as the underlying sentiment remains positive. We expect a silent quarter or two to begin with and momentum to pick up by the second half of FY16.

The execution of Monetary Policy Framework agreement between RBI and GoI is an important debt market reform. This move can go a long way in ensuring that the victory over inflation is institutionalised and will provide crucial coordination between the Centre and RBI in breaking the back of inflation. With clear inflation targets in view, it provides greater clarity on the rate scenario and will aid market participants in timely decision making. Among other reforms, exchange traded interest rate futures launched last year have gained significant traction as multiple investor categories are active in this product segment. The simplistic and transparent nature of this product has attracted investors like corporates and HNIs, driving up the open interest. RBI has announced a plan to launch IRFs at other segments of the curve and this can help development of a liquid underlying yield curve. Meanwhile, the market continues to expect reforms in corporate bond space, especially on the liquidity front and revival of products like corporate bond repos, CDS, etc.

The recovery in market sentiment and anticipation of monetary easing triggered sizable foreign portfolio investor (FPI) debt inflows through the year. The net inflow in FY15 stood at ₹1.6 trillion compared to an outflow of ₹280 billion in FY14. While the initial focus was on government debt segment, limits in this bucket were exhausted by the end of H1FY15 and incremental allocation has since been invested in corporate debt segment. It is anticipated that the US Fed will begin hiking rates mid-year but India is better equipped to weather the impact of such a move and the resulting volatility is unlikely to create a sizable dent in the flow momentum.

EDELWEISS OVERVIEW

A FULLY DIVERSIFIED FINANCIAL SERVICES GROUP

Edelweiss was founded in November 1995 with an aspiration to become India's first and largest diversified financial services groups. With the economic liberalisation of the early 90s, Edelweiss saw the opportunity to become a bridge between savers of capital and users of capital, by channelising savings into investments efficiently. From initially providing advisory and investment banking services, Edelweiss has grown by consciously and strategically focusing on synergistic diversification in adjacent spaces in businesses, client segments, asset classes and geographies. Our strategy in every new business that we have added, has been to find growing but underserved niches in the market, build a quality customer centric business and achieve leadership position in that business in due course. While the diversification of businesses in our first 10 years was in wholesale space, the period from 2008 to 2012 was largely devoted to diversification in retail businesses. This strong focus has helped the Group grow from being an advisory house into a Credit and Financial Services Institution.

From catering to a few hundred wholesale clients in 2008, Edelweiss Group now touches the lives of over 572,000 clients from retail and wholesale segments across businesses. In addition, our Depository Participants maintain over 283,000 Demat accounts.

As a result of continuous diversification, EFSL has demonstrated a strong track record of growth over last several years with its 12 year CAGR for Revenue at 64% and PAT at 73% till the end of FY15. The company's phenomenal growth has been powered by strategic vision, strong belief and adherence to its core values and guiding principles, its ability to raise

capital and deploy it judiciously, attract talent and build leadership, and a strong focus on technology, risk management, compliance and corporate governance.

ORGANISATIONAL STRUCTURE

Synergistic diversification in adjacent spaces is the DNA of Edelweiss as a result of which we have constantly added asset classes, products, services and client segments across businesses to manage our growth ever since inception. As we pursue more business opportunities, and as the organisation grows and becomes more complex, as our asset base grows, as the market dynamics change rapidly, we have to keep working harder to ensure that we remain efficient, effective and relevant to the clients. This requires constant endeavour towards organisation building, leadership growth and honing our backend systems, processes and technologies.

Readers of our previous Annual Reports would recall that some years ago, as our newer businesses were coming out of infancy, we had organised them under an SBU (Strategic Business Unit) structure and given them freedom gradually to manage their businesses. This structure has served Edelweiss well and achieved its objective of encouraging growth of individual SBUs with the result that some of the SBUs today are even larger in size than whole of Edelweiss when the SBU structure was introduced. For example, while the total assets size of Edelweiss across all businesses at the end of FY10 was ₹52 billion, today the credit book alone is almost thrice in size of that. Or, while the total number of employees in Edelweiss at the end of FY10 was 1,220, today our life insurance or retail capital markets have around 1,500 employees each.

To fine tune our organisational structure in keeping with the growth in our businesses and to meet future challenges of growth, we have organised businesses of Edelweiss around five broad business groups - Credit, Commodities, Financial Markets, Asset Management and Life insurance. These business groups are supported by Balance Sheet Management Unit for the purpose of liquidity and balance sheet management. However, for the purpose of discussion on the financial performance of these businesses in this report, these five businesses have been grouped in four main clusters -Credit Business including Retail and Agri Finance, Agency Businesses including Financial Markets, Commodity & Agri Services and Asset Management, Balance Sheet Management Unit (BMU) & Corporate and Life Insurance. The Credit Businesses are primarily capital based businesses where Edelweiss Balance Sheet is put to use whereas the Agency Businesses are the ones where we intermediate to facilitate the business of clients. BMU &

Corporate cluster focuses on balance sheet, liquidity management and corporate investments. This segregation of the Edelweiss businesses into four clusters is in line with the way the management analyses the performance of these businesses internally. Each of these four business clusters are organised around Strategic Business Units (SBUs) catering to a specific vertical within the business cluster, based on commonality of business drivers, client segments, resources and backend support required. Finally, each SBU comprises several lines or sub-lines of businesses (LoBs) to impart greater focus on customer-centricity and performance evaluation of their specific businesss.

Diversified business model

CREDIT **AGENCY** Present across the Strong product franchise spectrum of Wholesale serving diverse client needs and Retail credit • Investment Banking & Advisory Mortgages • Wealth Management • Structured Collateralised Credit • Distressed Assets Credit Agri & Commodity Services • SME & Agri Financing · Loans Against Securities, & Others **Rural Finance & Others BALANCE SHEET MANAGEMENT UNIT** INSURANCE & CORPORATE One of the fastest growing Focus on balance sheet and liquidity management

With the scaling up of our fund based businesses and Edelweiss becoming a ₹270 billion asset base company from an asset base of ₹52 billion at the end of FY10, our borrowing and liquidity requirements have also consequently grown. This also means that the Group has to also increasingly manage its liquidity and liabilities as also to ensure proper asset liability match. The BMU manages these vital functions. The four business groups including BMU are controlled and supported by a core of Enterprise groups that provide consistent quality and rigour to key process functions.

Taking another vital step towards strengthening the Business Groups and some of the SBUs under them, we have created internal Board of Directors for each of them with independent members, i.e. senior management persons not directly involved in managing that Group or SBU. These Boards also meet quarterly with a structured agenda and entire proceedings are conducted in the same manner as the Company Board Meetings. This provides an opportunity for independent review of Business Groups.

EDELWEISS STRATEGY

In an industry dominated by large industrial houses (Tata's, Birla's, Ambani's or Mahindra's and others) or older and established players like Shriram Group, L&T, Muthoot etc., Edelweiss is one of the earliest Diversified Financial Services Group to be started in India by first generation professional entrepreneurs. The BFSI industry is flanked by financial services companies that are largely monoline in offerings and the banking sector that is multiline in nature. As a Diversified Financial Services company, Edelweiss straddles the sweet spot between Banks catering to all segments of society and the largely monoline financial services companies that are focused on one or two asset classes and cater to narrowly defined customer segments. Banks by virtue of their diversification do not have any single revenue stream which is dominant over others significantly bringing down volatility in their performance. On the other hand, monoline financial services companies are highly correlated to the specific sector to which they cater to making them susceptible to periods of feast or famine in line with the cyclicity of their sector. Since a banking license is strictly controlled by the RBI, Edelweiss has consciously followed a strategy of building a bank like fully diversified financial services firm in a non-banking company structure. In the process, Edelweiss has achieved a bank like diversification on the assets side while the liabilities side lacks only the benefit of current and savings account. However, this deficiency has also been successfully tackled by Edelweiss by achieving a diversification of sources of liabilities which now include significant contribution from retail segment by way of publicly issued bonds.

Ever since its inception, Edelweiss has successfully followed the strategy of synergistic diversification in adjacent spaces while focusing on people, processes, products and structure. This approach to growth and diversification has ensured that we have grown steadily and consistently. The Group's approach is also characterised by its willingness to invest in the long-term to build long lasting and sustainable businesses even if this means some short-term pains as illustrated by the investment in building new businesses during 2008 to 2012 impacting the profitability. Edelweiss's diversification has not only demonstrated its capability of entering mature market segments and building successful businesses but also helped mitigate volatility and extreme risk.

Our broad strategy of diversification for long-term growth, which has resulted in our success over the years, is founded on the following eight key pillars:

- Strong Governance & Compliance Culture
- Focus on Risk Management

- Strong and Liquid Balance Sheet
- Commitment to People and Leadership Development
- Leveraging Technology for Strategic Advantage
- Quality Customer Centricity
- · Research & Analytics based decision making
- Culture of Social Responsibility

These pillars constitute **key strengths** of Edelweiss. They have enabled us launch new businesses, scale them up, gain market share and achieve a leadership position over past 19 years. As a result, we have a core leadership team, a broad array of products and services, a strong foundation of large financial capital, a brand that is well recognised, a set of core values and most of all: clients who want to do business with us repeatedly.

With the diversification phase complete in FY12, we have focused on scaling up our new businesses, especially the retail businesses and have also strengthened the organisation in the following two years which were challenging from the business environment point of view. With the economy showing signs of revival and the market sentiments turning positive, our businesses have captured their share of growth in FY15 and our financial and business performance in the year FY15 has recorded significant growth over that in FY14. At the same time, our focus continues to be on the following key areas:

- Profitability further improving our profitability and taking our Return on Tangible Equity ex-insurance to reasonable levels
- Scalability achieving scale and critical mass in all our businesses, especially retail businesses.
- Sustainability improving the ability to operate at a
 particular level of economic activity over the long-term by
 scaling up stable businesses, further derisking and
 eliminating volatility in our performance.
- Management improving upon the excellent management quality that we already have and build leadership for higher responsibilities in line with future growth.
- **Governance** strengthening the Compliance function and ensuring best in class Governance standards.

"Edelweiss has followed a strategy of building a bank like fully diversified financial services firm in a non-banking company structure and by now has covered almost all the white spaces in non-banking financial services."

FINANCIAL PERFORMANCE HIGHLIGHTS

The year FY15 has been a satisfying year for Edelweiss as the strategy of diversification of businesses continued to stand in good stead. With the macro-economic indicators starting to improve and capital markets turning positive, we saw all our businesses being in the right place at the right time to garner our share of growth. We accordingly maintained the trend of our quarterly profits of FY15 improving consistently since Q2FY12. Contribution from the new businesses and efficiency and productivity improvement resulted in our net profit for FY15 going up to ₹3,287 million, a growth of 49% over FY14. One heartening feature of our profitability growth is that increasingly our profits are being contributed by a diverse set of businesses eliminating volatility and building sustainability in our performance. With significant improvement in our profitability in FY15, our capital and operating efficiency also improved simultaneously in FY15.

As mentioned earlier, over last 12 years, our total revenue has grown at a CAGR of 64% and net profit has increased at a CAGR of 73% as at the end of FY15. In more recent times since the completion of our diversification phase, over the past three years our total revenue has grown at a CAGR of 33% and net profit has increased at a CAGR of 37% as at the end of FY15. This noteworthy growth in the past three years has to be viewed in the backdrop of the fact that FY13 and FY14 had challenging business environment with the Indian economy recording sub-5% GDP growth (in terms of the old series) in each of these two years.

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR FY15

A summary of our consolidated FY15 financial performance is as under:

- Total Revenue ₹39,119 million (₹25,555 million for FY14), up 53%
- Profit after Tax ₹3,287 million (₹2,202 million for FY14), up 49%
- Profit after Tax ex-insurance ₹3,813 million (₹2,715 million for FY14), up 40%
- Return on Tangible Equity ex-insurance 15.6% (12.3% for FY14)
- **Diluted EPS ₹3.88** (₹2.85 for FY14) (FV ₹1)

Dividend

The Board of Directors have recommended a final dividend of ₹0.20 per equity share (on a face value of ₹1) for FY15, subject to approval of members of the company at the ensuing Annual General Meeting. During the year, the Company had paid

interim dividend of ₹0.80 per equity share (on a face value of ₹1). The total dividend for FY15, therefore, works out to ₹1.00 per equity share (FV ₹1), which is equal to 100% Dividend Rate.

Buy-back of Shares

Soon after the close of FY14, Board of Directors at its meeting held on April 23, 2014 had approved the Buy-back of Company's equity shares in accordance with the applicable regulations. The buy-back was to be made from open market through Stock Exchanges at a price not exceeding ₹45 per equity share and for an aggregate amount not exceeding ₹1,350 million. The buy-back from the open market commenced with effect from May 05, 2014. However, soon after this, following the land slide win for the NDA in the Parliamentary elections, stock markets witnessed huge jump in indices and the price of our shares also soon crossed the threshold limit of ₹45 per share. As a result of this, we could buy back our shares from the markets only during a few trading sessions when the price was below ₹45 per share. The buy-back closed on November 3, 2014 at the end of the stipulated period of six months during which we bought back 2,030,048 shares of Face Value of ₹1 for an amount of ₹76.09 million.

INCOME HIGHLIGHTS

Fund Based Revenue

Our fund-based businesses earned revenue of ₹31,001 million for FY14 (₹20,625 million for FY14), a growth of 50%. Out of this, interest income was ₹25,851 million (₹17,760 million for FY14), up 46%. Continuing our efforts since FY11, with scale up of credit book this year, interest on loans continued to be a major revenue stream for us and accounted for over 40% of our total revenue for FY15.

Agency Fee & Commission

Our agency businesses recorded a fee & commission revenue of ₹5,727 million for the year, compared to ₹3,556 million in FY14, up 61%. This included Broking Income of ₹2,458 million (₹1,565 million for FY14) and Advisory & Other Fees of ₹3,269 million (₹1,991 million for FY14). Broking income accounted for just over 6% of our total revenue for FY15.

Premium from Life Insurance Business

Our life insurance business was launched in second quarter of FY12 and it recorded a net premium of ₹1,866 million for the year (₹1,062 million for FY14) reflecting the planned scale-up of this business. Its gross premium for FY15 was ₹1,931 million for FY15 compared to ₹1,109 million for FY14, a growth of 74%.

"In a period of 19 years since inception,
Edelweiss has built an organisation with a strong
foundation and is well positioned to grow by
leveraging the potential."

Net Revenue

Over the period of last few years, Credit business has now become our largest business among the four main businesses accounting for nearly 60% of our net profit ex-insurance. It has also achieved the diversification of products in a manner similar to commercial banks. Hence, the concept of Net Revenue (net of interest cost) is another way of analysing our performance. This is because interest cost, as with all Banks and large NBFCs, should reflect above the expenses line. On a net revenue basis, our Agency fee & commission and insurance premium for FY15 was ₹7,593 million (₹4,618 million for FY14) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was ₹13,211 million (₹8,830 million for FY14). Thus the total net revenue for FY15 was ₹20,804 million (₹13,448 million for FY14), up by 55%. At the net revenue level, Agency & Insurance revenue and Fund based net revenue contribute a mix of 36% and 64% respectively.

EXPENSES

Our total costs for FY15 was ₹33,839 million (₹22,040 million in FY14), up by 53.5% similar to the growth in our total revenue during this period. Within our total costs, operating expenses grew by 50% in FY15, slightly less than the 53% growth in total revenue in the year as we continued to invest in building our new and growth business of agri services as also scaling up our younger retail businesses. Taking a conservative position on our provision for non-performing loans at the end of FY15, we also increased our prudential loan loss reserves which also resulted in increase in our opex.

Our employee expenses grew by 55% in FY15 as we scaled up our hiring during the year to be ready for future growth as the business environment was improving. We also stepped up hiring for our new Agri Services business apart from continued hiring for the new businesses of Life Insurance and Retail Finance. As the size and complexity of our operations grew and as we became a ₹270 billion asset company, it was also imperative to strengthen the organisation and we have added people at all levels, including over 110 senior professionals (above VP), the highest we have ever added in any one year. As a result, we added about 1,550 employees during the year. We also calibrate the variable compensation to the employees in

line with their performance. This has resulted in our employee expenses going up by 55% in FY15. As regards interest expense which grew by 51% in FY15, our borrowings at the end of FY15 were ₹235.40 billion compared to ₹129.48 billion at the end of FY14, up 82%, supporting the scale up in credit book and other businesses. The scale up of our assets size via a higher leverage resulted in this increase in the interest cost.

PROFIT AFTER TAX

Our Profit after Tax and Minority for FY15 was ₹3,287 million compared to ₹2,202 million for FY14, a growth of 49%. With this, we have now recorded the highest ever annual net profit for Edelweiss.

Our Profit before Tax margin for FY15 was 13.5% and Profit after Tax margin 8.4%. Since a larger share of revenue is now coming from fund-based businesses (around 80%), the profit margins are in line with those of banks and large NBFCs.

Analysis of Profitability

The strategy of constant diversification of our businesses has continued to play out during this year aided by significant improvement in business environment and macro-economy. While diversification of our businesses proved that Edelweiss business performance is resilient across cycles, gradual return of growth was welcome as our mature and newer businesses both were ripe to capture our share of growth and beyond that. We have demonstrated consistent improvement in profitability in each of the past three years because of the diversification strategy despite the operating environment in FY13 and FY14 not being conducive for growth. As a result, our PAT has recorded a CAGR of 37% over the past three years.

It is worth keeping in mind that we have demonstrated consistent growth in profitability since Q2FY12 despite the following factors:

- While our investment phase for building new businesses reached completion in FY12, our new Retail businesses – Housing & SME Finance, Retail Financial Markets and AMC are still building scale. In addition, we invested significantly in setting up Agri Services business during FY15 in our quest for synergistic diversification.
- Life insurance business, which is less than four years old, is still to break even, as expected due to the inherent nature of this business, and pro-rata impact of its losses passes through our Profit & Loss account as we currently hold 74% equity in the joint venture.
- While our businesses continue to scale up and as addition of newer businesses keeps adding complexity to our operations, it is imperative that we keep investing in building appropriate organisation around them and build robust

backend. Accordingly, we continued to invest in organisation building as in the past. Technology upgrade, risk management and senior hiring in the organisation were a part of our response for increase in scale and complexity of our operations.

• The economic downturn in FY13 and FY14 and slow pace of recovery of corporate earnings in FY15 also affected the cash flows of our corporate borrowers to some extent. While we continued to be adequately collateralised on such loans, there were some slippages in our credit asset quality though the overall asset quality continued to be under control. We responded to this reality by creating a sizeable reserve by way of prudential loan loss provisions as a result of which our Provision Coverage Ratio at the end of FY15 was 71%. This also increased our operating expenses to some extent during FY15.

What is heartening to note is that despite these factors or conscious decisions taken by us as above, our profitability has improved significantly in FY15 with a 49% growth in PAT in FY15 over FY14.

Profitability ex-insurance

As our life insurance business is less than four years old at this stage and is, as expected, still running into loss, our pro-rata share of the loss (we hold 74% stake in the business) continues to pass through our Profit & Loss account. Since our established and other newer businesses are performing well, it would be in the fitness of things to assess the profitability of our core business operations excluding the impact of life insurance business. Accordingly, our net profit for FY15 would have been around ₹3,813 million compared to ₹2,715 million in FY14, a growth of 40%. With our Tangible Equity at ₹24,846 million as on March 31, 2015 (ex-insurance, minority, deferred tax assets, employee welfare trust shares and preference shares), the return on tangible equity ex-insurance thus comes to around 15.6% for FY15 compared to 12.3% for FY14. Thus, we have achieved significant growth in our RoE ex-insurance which is now at an acceptable level. Our RoE ex-insurance is around 4% higher than the reported RoE of ~11%.





Business-wise Analysis of Profitability

Continuing our efforts to constantly enhance our disclosure levels, we have been including an analysis on profitability and capital efficiency of our main business groups in the Annual Investor Presentation since FY12. These presentations are shared with all the stakeholders and are also available on our website. Continuing this endeavour, the business-wise financial data based on Management's estimates for FY15/as on March 31, 2015 is as under:

(₹ in billion)	Revenue	Profit After Tax	Networth	Total Capital Employed	RoE*
Credit Business	18.74	2.30	18.67	150.36	14.2%
Agency Businesses	11.23	1.34	4.75	47.87	30.6%
Balance Sheet Management Unit & Corporate	6.31	0.18	4.64	65.23	4.6%
Total – Ex-Insurance	36.28	3.81	28.06	263.46	15.6%
Insurance Business	2.84	(0.52)	5.69	5.69	9%
Total	39.12	3.29	33.75	269.15	11.3%

 $Notes: Numbers\ are\ Management\ Estimates; Net\ worth\ excludes\ employee\ welfare\ trust\ shares.\ *On\ Average\ Equity\ adjusted\ for\ intangibles\ and\ minority\ interest.$

The above shows that all our existing businesses, except Life Insurance, are now achieving acceptable profitability and capital efficiency parameters. However, improving our profitability further is one of our current focus areas for FY16. The Life Insurance business, given its inherent nature, will take a while before it breaks even. In a period of 19 years now, Edelweiss has built an organisation with a strong foundation and is well positioned to leverage the potential.

The performance of our various businesses reinforces the fact that increasingly our profits are being contributed by multiple businesses and we have reduced concentration risk in this in our efforts to make the profits more sustainable.

Balance Sheet Gearing

For a financial services company like Edelweiss, financial capital is one of the most important resources, besides human resource. We believe that a strong balance sheet imparts unique ability to our company to be able to provide growth capital for building and scaling up new businesses, capture any episodic opportunities and be able to undertake larger volumes of transactions. Edelweiss has a total net worth of ₹35.31 billion as at the end of FY15 compared to ₹32.56 billion at the end of FY14, including minority interest and employee welfare trust shares (Net worth excluding the amount of employee welfare trust shares is ₹33.75 billion as on March 31, 2015). Amount of debt on the Balance Sheet as on March 31, 2015 was ₹235.40 billion (₹129.48 billion as on March 31, 2014), a Gearing Ratio of 6.7 times. However, a part of our borrowings is backed by liquid assets like Bank Fixed Deposits and Government Securities. Excluding such back-to-back borrowings, our Net Gearing Ratio stands at 5.5 times as on March 31, 2015. The comfortable leverage allows us enough headroom to continue to grow and invest in businesses. The total effective Balance Sheet size at the end of FY15 is ₹269.15 billion.

Financial Performance ex-Insurance

As mentioned earlier, it is appropriate to look at our financial parameters ex-insurance as they present a truer picture of the performance of our core business operations. The following Table summarises our financial performance ex-insurance:

Ex-Insurance in billion	FY15/ as on Mar 31,'15	FY14/ as on Mar 31,'14	% Growth YoY
Revenue	36.28	23.91	52%
Profit After Tax	3.81	2.71	40%
Return on Tangible Equity	15.6%	12.3%	-
RoA	1.9%	1.9%	-
Balance Sheet (ex-Ins)	263.46	154.06	71%
Borrowings	235.40	129.48	82%
Credit Book	150.36	89.53 689	

Our long-term strategy of diversifying across businesses, asset classes and client segments continues to stand us in good stead as demonstrated by the improvement in our financial and business indicators as above.

BUSINESS PERFORMANCE HIGHLIGHTS

Operations of Edelweiss are organised around four broad business groups – Credit businesses including Retail & Agri Finance, Agency businesses including Financial Markets, Commodity & Agri services and Asset Management, Life Insurance and BMU operations.

Brief highlights of our business performance in FY15 are as under:

CREDIT BUSINESS

Credit business of Edelweiss offers five broad products – Mortgages including home finance, loan against property and real estate finance, Structured Collateralised Credit to corporates where we provide customised solutions, Distressed Assets Credit through our Asset Reconstruction Company, SME and Agri financing, and Loan against Securities, Rural finance & other loans. These five broad products provide us with the intended diversification in our credit business thereby reducing the concentration risk. While wholesale credit products cater to niche markets, retail segment loans provide the desired potential for scaling up in a vast underpenetrated market like India.

Total credit book of the Group stands at ₹150.36 billion at the end of this year compared to ₹89.53 billion at the end of previous year, a growth of 68%.

The **Mortgages** book comprises residential mortgages, small ticket housing loans, loan against property and real estate finance to developers. Its book size at the end of FY15 was ₹57.13 billion compared to ₹35.50 billion at the end of FY14.

The **Structured Collateralised loans** extended to corporate clients had an outstanding of ₹59.91 billion at the end of FY15 compared to ₹39.26 billion at the end of FY14 and were adequately secured with an average **collateral cover** of 2.3 times at the end of this year. We continue to enforce prudent risk management policies to ensure that our capital is always preserved. As a part of this policy, we also avoid undue sector/industry concentration in this book.

Edelweiss Distressed Assets business is conducted through Edelweiss ARC which scaled up its portfolio to over ₹203 billion at the end of FY15 and is now the leading ARC in the country. Edelweiss Group's support to the ARC by way of debt amounted to ~₹12.26 billion at the end of the year (₹3.25 billion at the end of FY14) which is a part of our credit portfolio. We are excited about the ARC opportunity as it helps in releasing productive assets for the Nation's economy and reduces the burden on commercial banks.

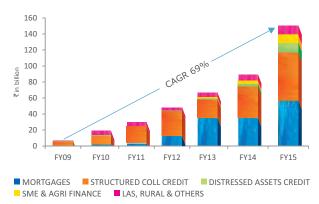
SME business includes loans to small and medium enterprises for their business requirements by way of secured and

unsecured loans and had an outstanding of $\overline{<}$ 7.62 billion at the end of FY15 compared to $\overline{<}$ 4.03 billion at the end of FY14.

During FY15, we have also diversified our loan offerings by extending finance against agri commodities which are stored in warehouses managed by Edelweiss as a part of our overall Agri Services business. As at the end of FY15, we had over 120 warehouses under our management. Control over agri commodities forming the collateral for our loan is an integral part of our risk management policy. At the end of FY15, our agri finance book was ₹1.82 billion.

Loan against Securities, Rural Finance and other loans book includes loans given to our retail broking clients against securities and had outstandings of ₹11.62 billion at the end of FY15 (₹7.48 billion at the end of FY14). Rural finance (a part of Retail Finance) includes micro loans granted to rural populace in partnership with channel partner IFMR Rural Channel and Services P. Ltd. in Tamil Nadu. Rural Finance loans were ₹560 million at the end of FY15 (₹250 million at the end of FY14) We covered around 750 villages for such micro loans compared to around 400 villages at the end of FY14.

The composition and growth of overall Credit Book is as under:



The **asset quality** of the overall credit book continued to remain under control with Gross NPLs at 1.31% and Net NPLs at 0.38%. During FY15, a few of our borrowers did face some cash flow issues in the face of poor corporate earnings due to slow return of growth, resulting in increase in our non

performing loans to ₹1,963 million at the end of FY15 compared to ₹819 million at the end of FY14. However, we were pro-active in aggressively providing for such loans though we continued to be adequately collateralised on these loans. As a result, our Provision Coverage Ratio (PCR) was 71% at the end of FY15. Including the general loan loss provision that we make on our standard assets, the PCR was 94%. We continue to focus on risk management and achieving growth

in the book without diluting risk standards.

Retail Finance

As a part of our long-term strategy of synergistic diversification of asset classes and customer segments, Edelweiss launched Housing Finance as a part of Retail Finance business in the third quarter of FY11. This was soon followed by adding Loans against Property (LAP) and Small and Medium Enterprises (SME) finance in FY12. In FY13 we added Small Ticket Housing Loans to our portfolio and then Rural Finance during December 2013 as a part of our conscious strategy to serve all sections of society.

The business operates in 36 cities via Large Ticket, SME and Small Ticket Home Loans and ~750 villages through the Rural Financing business compared to 22 cities and 400 villages at the end of FY14. Client base of Retail Finance business as on March 31, 2015 is over 41,000 compared to 16,000 at the end of FY14.

Housing Finance

The Indian housing finance market is currently witnessing low penetration. To some extent, high interest rates and high inflation, which raises the cost of inputs, during the past couple of years, have contributed to this situation. However, housing finance market is expected to grow over four times by the end of this decade given the young demographic and large middle class profile that India enjoys and the fact that it is the aspiration of every Indian to own a home.

SME Finance

SMEs account for a significant portion of India's economic output and employment. The sector is underfinanced and credit plays a crucial role in the growth of this sector. The business currently operates in 13 major cities which account for a large part of the addressable SME market. Given the sizeable contribution of SMEs to the Indian Economy, this business presents a significant opportunity to build a highly profitable and scalable business.

Retail Finance Business Performance

Retail credit demand picked up during the fiscal with change in government and improved economic sentiments. Our approach continues to be guided by strong and robust risk management and conservative underwriting approach with careful expansion of geographies.

By the end of FY15, the Retail Finance business had built a book of ₹29.00 billion compared to ₹20.90 billion at the end of FY14 and ₹16.27 billion at the end of FY13.

The retail book included Housing Loans and LAP of ₹20.81 billion and SME loans ₹7.62 billion at the end of FY15. Retail Finance

business' Assets under Management as on March 31, 2015 are higher at ₹31.71 billion as a part of its loan portfolio has been securitised in the past. The amount of Securitisation Pool outstanding as on March 31, 2015 was ₹2.71 billion with the amount of portfolio securitised during FY15 being ₹2.02 billion. The loan to value ratio in its home loans and loans against property portfolio remained at a comfortable level of ~52% with an average tenor of ~15 years.

The retail businesses of housing and SME finance follow conservative underwriting standards and have healthy asset quality with NPAs at 0.7% as at the end of FY15.

AGENCY BUSINESSES

Our Agency businesses include Financial Markets, Commodity & Agri services and Asset Management business groups.

FINANCIAL MARKETS

Edelweiss began its journey in 1996 with focus on Investment Banking and later diversified into Institutional Equities and other verticals namely Retail Broking, Wealth Management, Financial Planning Advisory Services, Financial Products Distribution and Fixed Income Advisory.

Wholesale Financial Markets

This SBU includes our mature wholesale businesses - Investment Banking and Institutional Equities businesses. We harness natural synergies between these two LoBs while maintaining appropriate Chinese walls to avoid any conflict of interest between them.

Investment Banking

Investment Banking business includes Equity Capital Markets (ECM) business and Advisory Services supported by Financial Sponsors Group. Our Financial Sponsors Group builds and strengthens relationships with financial sponsors, corporate and business groups. It is a significant part of our strategy to reach a wider range of clients with products and services across asset classes. Our client segments range from the Private to the Public Sector and from Mid-caps to Large-caps across industries.

Equity Capital Markets (ECM)

The ECM LoB provides a wide range of services including IPO transaction execution, FPOs, QIPs and Rights Issues. With corporates not feeling confident about making fresh investment in building capacities, FY15 witnessed only eight IPOs. However, our Investment Banking business handled

three transactions out of the five largest issues in the year which had evoked maximum response from the public – Wonderla, Sharda Cropchem and Monte Carlo Fashions. With this, Edelweiss was **Ranked 1**st in IPOs by issue amount with over 65% market share in **FY15** (source: Prime Database) and we have demonstrated the strength of our iBanking franchise in helping deliver marquee offerings.

In addition, we also handled one rights issue and six QIPs during the year. Among these QIPs, we were the BRLM for the QIP of ₹48,084 million for Reliance Communication which is the largest QIP in the country other than that of SBI. We thus continued to maintain our leadership in this segment.

Advisory Services

Advisory services offer mergers and acquisitions advisory, capital raising advisory, real estate & infrastructure advisory and transaction execution relating to structured finance.

Mergers & Acquisitions Advisory

Our Mergers and Acquisitions (M&A) team provides strategic and financial advice to our clients in relation to mergers, acquisitions, takeovers, tender offers, deinvestments, spin-offs, restructuring, joint ventures, strategic alliances and de-mergers. Our services encompass strategy formulation, identification of buyers or targets, valuation, negotiations and bidding, capital structuring, transaction structuring and execution.

Capital Raising Advisory

Among our Capital Raising Advisory practice, Structured Finance team provides a range of innovative structured solutions, including acquisition financing and sponsor financing. Our Private Equity Advisory arranges capital from private equity funds for companies across sectors.

Similar to ECM, the Advisory services also went through a trying time in FY15 though the activity levels were better than that in FY12 to FY14. Despite this, we were able to close seven advisory transactions in FY15 including two PE placements. These advisory transactions included the prestigious deals of being the Advisor to the Board of ING Vyasa Bank on its merger with Kotak Mahindra Bank and Stake sale of ₹1,990 million in HDFC Standard Life to Azim Premji Trust. The HDFC Standard Life transaction was a "First-of-its-kind" transaction in the Life Insurance sector in India which enabled HDFC to discover value of the life insurance business ahead of its possible listing.

Across ECM and Advisory, therefore, we executed 17 transactions in FY15 compared to eight in FY14.

Fixed Income Advisory

Fixed Income Advisory complements our fund based credit business by offering debt capital placement with public or institutions, debt syndication and debt restructuring for corporates. With this, we bring together the origination capabilities along with the relationships and underwriting capabilities to offer a one-stop solution for the end-to-end Debt requirements of our clients. This business significantly scaled up its business during the year and continued to be among leading debt arrangers in the country.

The overall stability and improved appetite for debt investments reflected in a sharp pickup in fund raising activity as compared to a relatively subdued FY14. With RBI maintaining a status quo on rates in first three quarters, corporates did not delay their debt raising plans and were active throughout the year. With rate easing having commenced and further cuts expected later in the year, debt capital market activity is expected to see reduced momentum in the beginning of the year but pick up later on and surpass the levels of FY15.

Edelweiss Fixed Income Markets platform garnered a greater share of increased market activity as we directed our efforts towards both private placements and public issuances. Even in the absence of tax-free bonds which was our forte in FY14, we ramped up our private placement market share to 18%+ from 11% in FY14. We were arrangers to 80 issues with total issuance amount of ₹664 billion, moving up to 14th position in the league table ranking (Prime Database). We put up a stellar performance in the public issuance space, ranked number 1 in the league table with a market share of 56% and mobilising 6 issues totalling ₹55 billion. In the short-term commercial paper segment too, we leaped from 9th position to 1st position with a market share of 16% and total CP placement of ₹887 billion (including deals of our own group companies). We were associated with a more diverse issuer universe this year and some of the key clientele for NCD issuers included PFC, REC, NTPC, SAIL, Konkan Railway, IFCI, IDFC, Andhra Bank, Vijaya Bank, SBoP, CanFin Homes, ICICI Home Finance, Shriram Transport Finance, Tata Group companies and Aditya Birla Group companies etc.

Our efforts at strengthening our counterparty network during the market's lean phase in FY14 proved beneficial when the market activity picked up in FY15 and sales & broking desks garnered incremental share of trading volumes. Similarly, our relationships in the Foreign Portfolio Investor (FPI) universe directed a larger share of their assets towards rupee denominated debt. Our sustained business development efforts reflected not only in the form of greater trading volumes but also helped secure multiple new fund

empanelment for both broking and counterparty services. We believe that the bond markets will continue to be vibrant in the near to medium term and develop in terms of efficiency and transparency as reforms by the finance ministry and RBI pick up pace. At the same time, we are confident of participating in the overall growth and bettering our performance of the past year.

Fixed Income Advisory - Debt Syndication and Restructuring Services

As a part of our overall Credit business, we also offer wide ranging debt syndication and debt restructuring advisory services to our corporate clients. This enables us to offer complete range of solutions to the clients besides fund based assistance. During the year under review, this line of business scaled up its activities and handled 18 advisory transactions.

Fixed Income Advisory in all handled 97 transactions in FY15 compared to 53 in FY14.

Corporate Finance Advisory and Fixed Income Advisory taken together executed 114 transactions in FY15 compared to 61 transactions in FY14 demonstrating the significant scale up that we have achieved in these businesses during FY15. We have thus been among the most active iBanks on the street in FY15. The deal pipeline also continues to be strong and thus FY16 promises to be an exciting year for this business.

Institutional Equities

Institutional Equities business that started in 2001 continued to be a market leader in FY15. We provide equity and equity-derivatives sales and trading services to a large and diversified base of FIIs and domestic institutional investors. We continued to be among the largest Indian Institutional Broking Houses in the country with a market share of 4 to 4.5% by revenue. The structural shift towards options witnessed in the past few years coupled with increasing competitive intensity in the industry resulted in broking yields continuing to slide for the industry.

Equities Research & Analytics

Edelweiss approach to Research has been part of the very existence – keenly differentiated and many a times lateral in thought. It has a formidable reputation of largest array of research processes – from thematic to fundamental, from primary to empirical, from quantitative to qualitative – at all times providing a holistic view of Economy, consumer, sectors and consumption trends covering various sectors. Our fundamental research covers 208 stocks (190 as at the end of

FY14) among 24 sectors representing over 75% of total market cap.

Corporate Access

To complement the research effort in building a sustainable Institutional Equities business, we also provide extensive corporate access to our clients. Our clients depend on access to management of companies in which they are interested in order to be able to take informed investment decisions. We fulfill this vital need through roadshows to showcase Indian companies to clients and investor trips to meet company managements.

Recognising our skills and leadership in this business, Edelweiss Securities Ltd. was adjudged as the "Best Equity Broking House – Institutional" at the Dun & Bradstreet's "BSE – D&B Equity Broking Awards 2014". Edelweiss has also been ranked as the #2 Best Local Brokerage house and #2 Best Brokerage House for Roadshows and Company Visits in the Asiamoney Brokers Poll 2014.

Edelweiss Insurance Broking Business

Edelweiss Insurance Broking Ltd. was started in 2005 and has become an established player now in the Industry. It has a team of 100 employees servicing nearly 250 clients and close to 1.8 million lives.

Its core competencies include Risk Management/Policy Management/Claims Management, End to End Solutions in the insurance life cycle. The business has been built on a foundation of trust by marquee clients, strong relationships with Insurance Companies, expertise in 'Claims Management', technically qualified and experienced senior professionals as well as deep sector understanding & customised solutions.

On an annual basis this business works on settling around 100,000 Health claims, 2,000 Marine claims, 5,000 Miscellaneous claims, 500 Motor claims and 100 Property claims. The quantum of claims handled is approx. ₹2.70 billion ranging from a ticket size of ₹5,000 to as much as a single claim of ₹850 million. All the actions of the business revolve around the customer who takes the centre stage. 'Customer Centricity' is its watchword.

Retail Financial Markets

This SBU comprises Retail Broking, Global Wealth Management (GWM), Financial Planning and Financial Products Distribution LoBs. Retail Broking includes the organically built online broking format through our internet portal www.edelweiss.in and offline broking format through acquisition of Anagram in FY11.

Retail Broking

Having established a leadership position in institutional equities business, we launched the retail broking initiative to expand into adjacent retail consumer segment, which presents large business opportunities. This business was launched through our online portal www.edelweiss.in and a call-andtrade facility about five years ago. We subsequently added the offline broking format to this business through the acquisition of Anagram, renamed as Edelweiss Financial Advisors Limited, which has now been merged with our primary retail broking entity Edelweiss Broking Limited during FY15 to bring entire retail broking under one entity and to derive the consequent efficiencies. The business has continued to gain scale and by the end of FY15 we had over 443,000 clients compared to about 421,000 clients at the end of the previous year across all the formats. We continue to build scale in this business with the aspiration to emerge as a leading retail broking house.

Our online portal www.edelweiss.in emerged as a popular site among investors with 14 million unique visitors viewing over 180 million pages during 116 million visits since its launch. Our alternate channel for trading via **Edelweiss Mobile Trader app** continued to be among the highest rated apps on Google Play Store with a Review Rating of 4.2 out of 5. The business offers innovative products along with one of the widest research recommendations for individual clients. At the end of FY15, our customised research for retail broking clients covered 54 stocks compared to 37 a year ago.

During the year under review, pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad, Edelweiss Financial Advisors Limited (erstwhile Anagram Capital Limited) has been amalgamated with Edelweiss Broking Limited with effect from the appointed date of 01 October 2013. The scheme has come into effect from the effective date of December 9, 2014.

Global Wealth Management (GWM)

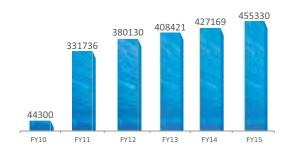
GWM business offers Wealth Management Advisory and investment services to HNI clients with an emphasis on research and analytics. It offers clients customised value-added services and asset allocation strategies with innovative and structured solutions. We continued to be among the largest domestic issuers of structured products with outstandings touching ₹17.50 billion at the end of FY15 compared to ₹13.60 billion at the end of FY14. AuAs for GWM, which were at ₹48 billion at the beginning of FY15, have now crossed the level of ₹100 billion, again demonstrating the significant scale up achieved in this business.

Financial Planning

GWM offers fee based **Financial Planning** services for individual clients that enable a client to prioritise financial needs, goals and aspirations and guides to achieve the same. This is part of conscious strategy to provide value added services to a wider set of clients including the mass affluent. This line of business caters to over 900 clients at the end of FY15.

Including all the LoBs, Retail Financial Markets business had 455,000 clients at the end of FY15 having added around 28,000 clients in the year.

Retail Financial Market Clients



Securities Broking Volumes & Income

Our total clients' securities broking average daily volume (ADV) for FY15 (including institutional equities, online & offline retail volumes) was ₹50.3 billion in FY15 compared to ₹31.3 billion in FY14, a growth of 61%. Our Securities Broking business earned a commission of ₹2.35 billion in FY15, compared to ₹1.42 billion in FY14, a growth of 65%, marginally higher than the growth in broking volumes. Our Broking income accounts for around 6.3% of our total revenue for FY15 compared to 5.6% in FY14 indicating the turnaround in the capital markets.

AGRI & COMMODITY SERVICES

As a part of our strategy of diversifying asset classes, Edelweiss set up its commodities business about seven years ago. The expected financialisation of commodities markets in India will act as a growth driver for this strategically important business. Edelweiss aims to offer financial services to meet a new emerging need for the economy by bridging the physical with the financial needs of the commodities market. Commodities is now a relevant asset class for Edelweiss which has helped us diversify our revenue streams as also tap a significant emerging business opportunity. We continue to build our commodities business across two large verticals — agri commodities and precious metals.

Agriculture in India

and will continue to play a crucial role in driving economic growth. Also, in terms of volume of produce, India is the second largest agri commodities producer nation in the world. Agri business industry in India is traditionally dominated by brokers and large traders who arrange the required capital from informal sources and a major part of agri commodities holding in the country is deprived of credit from formal channels like banks. However, the industry is entering a critical phase in its development. New entrants are making headway in the industry in order to broaden their portfolios. By expanding operations and sales into these markets, agribusiness companies can fuel new growth and expand. Another important trend that can be discerned now is the increasing financialisation of commodities in India in a way similar to what has already happened in developed countries. This transformation offers a huge opportunity for agri businesses in India and early movers will have a decided

Agriculture has been a key contributor to the Indian economy

Agri Commodities – Edelweiss Approach:

We see agri business as a significantly large and untapped opportunity in India. Essentially, we are looking at this from value-creation perspectives — sourcing of commodities through our infrastructure and intermediary network, making credit available to the participants in the value chain; capacity for storage and transit of agricultural produce leading to efficient distribution and lower wastage. We see immense value in creating an integrated business model that can be captured in a statement — from farm to forks. Edelweiss agri commodities business comprises of two verticals — domestic agri services and agri international.

Agri Services Business

advantage.

In the Indian scenario, the agri industry is often seen as a fragmented and segregated market, wherein no single player offers services across all links within the value chain. Current players offer complimentary services in silos: warehousing & collateral management, procurement & financing or trading & distribution. In order to complete a transaction from start to finish, one must go through various service providers thus increasing the time, costs, documentation and infrastructure etc. Edelweiss' approach to the agri commodities business is comprehensive - it has been our endeavour to diversify across commodity buckets while also intensifying our presence throughout the value chain. This approach is evident with the recent progress made into agri value chain services business. We see value in creating an integrated business model by

establishing presence throughout the value chain. We are working towards creating a comprehensive set-up that offers services ranging from procurement, quality assaying and certification, warehousing, collateral management, trading & distribution and primary processing among other ancillaries.

Our clients will include entire ecosystem – right from farmers, to service providers to processors to wholesalers. We rely on our strong pedigree and expertise to streamline the commodity business. We believe we can offer a structured approach to an otherwise relatively unorganised sector, pass on greater returns to clients by eliminating the need to pass through multiple layers to complete a single transaction.

In an industry that is plagued by stale data, slow responses times, low availability of information and numerous operational risk issues, we aim to set benchmarks by providing professionalism and transparency which will be enabled by leveraging technology. To ensure a lasting presence in the agri sphere, we are constantly working on extending our reach across the value chain—from producers to trading houses, brokers, exchanges and down to the end consumer—with an aim to pass on rich dividends to everyone involved.

Domestic agri business

What started out as an exchange trading desk in 2009 today has presence across more than 30 centres in India, a commodity basket covering cash crops, oilseeds, pulses and others — with an average annual volume of over 6 lac mt. Our understanding of Agri Commodities industry has developed over years of experience in the domestic markets. In order to further this commitment to the Indian domain, we are looking to leverage our distribution network—setting up India centric desks for our flow business and adding procurement & distribution centres to ensure presence across all major mandis across the country.

Edelweiss Commodities holds industry trust in high regard. We maintain a responsible approach by ensuring ethical and transparent dealing practices. To this effect, our operational standards are of the highest order and include proactive safeguards such as audit trails for each transaction, electronic trade confirmations and recorded lines among others. Furthermore, we only deal via reputed brokers and service providers while ensuring that adequate documentation and agreements are executed with counter parties. Our dealing desk also ensures efficiency and effectiveness thanks to a real-time access to price and stock information across major trading hubs via our feet-on-field model.

International agri business

India and China put together account for about half the world's population. Even though, India is predominantly an economy

driven by agriculture, the country also imports a large number of commodities whose domestic production does not fully meet demand and same is the case with China. Natural commodity flows originate usually from Africa and the Americas and are directed towards India, China and the Middle East. Edelweiss saw an opportunity here, whereby we can take part in these natural flows by bridging the gap between agri production and consumption hubs across the globe.

Set up in 2013, our international agri flow business now covers procurement and distribution worldwide in a variety of agro buckets such as pulses, peas, and beans among others. From Dubai, the Agri Commodities arm has spread out globally with procurement centres across Canada and parts of the African continent. This degree of reach gives Edelweiss a strong Indian footprint alongside a substantial global presence.

Metals: Edelweiss Approach

India is one of the largest consumers and also has the largest on-ground stock of gold bullion in the world. As against this, the comparative primary processing capacity amongst institutional players is very limited. A backward integration into processing helps us gain better control over supply thus supplementing our existing distribution desk by ensuring a stable supply of bullion.

We set forth in Dec'13 post final approvals to put up a Green Field Precious Metals Refinery of international standards over a 15,000 sq mt plot in Ahmedabad - with an aspiration to set a benchmark in the Indian and global precious metals industry – the 'Edelweiss Gold Standard'. We are proud to share that our refinery is now fully commissioned and operational - a state of the art refinery built from scratch in the record time of one year.

Only the second of its kind in India, the refinery began operations in December 2014. It has a capacity to process 70 mt of gold & 200 mt of silver in the current phase and 200 mt of gold and 1000 mt of silver in phase II. It employs best in class technology, security & production capabilities which have received international accolades from world renowned players across the spectrum — assayers, traders & miners alike. Our output has also been certified by NCDEX for good delivery. Our goal for the refinery is to attain the status of "LBMA good delivery" for our output which we hope to achieve by FY18.

In terms of our existing bullion distribution set up, we have made headway by increasing our pan India reach - we are now present across 16 centres domestically and 2 internationally - in addition to expanding our customer base which now spans 400+ customers across jewellery houses, traders & dealers.



▲ Silver Refining Plant



▲ Bullion Casting

GLOBAL ASSET MANAGEMENT

Global Asset Management business comprises of four lines of businesses – Alternatives - Illiquids, Alternatives - Liquids, Liquid – Traditional (Retail Asset Management) and Asset Reconstruction.

Alternatives – Illiquids

Illiquid Alternatives business was launched in 2007 and focuses on mobilising subscriptions from offshore and domestic institutions and HNIs through funds structures to invest in alternative asset classes in India. Our objective in creating this SBU is to offer innovative and differentiated products to institutional and HNI investors. We achieve this by combining Edelweiss platform with investment capabilities to create a superior investment performance.

Our product portfolio at the end of FY15 comprised of EW SBIH Crossover fund, EWI Special Assets fund, E-STAR — an Asset Reconstruction fund and a Real Estate domestic fund. AuMs/AuAs under Illiquid Alternatives business were over ₹14 billion at the end of FY15. We plan to soon launch Edelweiss Special Opportunities Fund II.

Alternatives – Liquids

During this year, Edelweiss acquired Forefront Capital Management, a high net worth focused Asset Management Company in the **Liquid Alternative** strategies space. This acquisition further strengthens and diversifies Edelweiss' presence in the asset management business. This business crossed AuMs/AuAs of 5 billion by the end of FY15. Forefront Alternative Equity Scheme, an absolute return equity fund launched in August 2014 on the Category III Alternative Investment Fund platform is one of the best performing and largest funds in its category. The focus of the business is on building innovative liquid alternative products backed by consistent investment performance, and building market leadership and distribution presence in this category.

Liquid – Traditional (Retail Asset Management)

Our Retail Asset Management business through Edelweiss Mutual Fund aims at providing differentiated asset management solutions to domestic retail customers. While growth in assets under management for the Mutual Fund industry has been muted till FY14, Mutual Funds witnessed renewed interest from retail investors and the industry AuMs have recorded significant growth in FY15. At the same time, given low Indian penetration of MF AuMs, we are confident that the mutual fund industry has the potential for sustainable long-term growth.

Retail Asset Management business managed 11 funds across Equity, Debt and Liquid schemes, with average AuMs of over ₹7.5 billion during the fourth quarter of FY15. It has since crossed the milestone of total AuMs of ₹10 billion. It had an active base of over 18,300 investors (12,300 at the end of FY14) and a distributor base of over 3,400 at the end of the year. The Mutual Fund conducted 90 Awareness Programmes till the end of FY15 as a part of SEBI – AMFI initiative for enhancing investor awareness. Focus of this business continues to be on building investment capabilities and creating a track record. This is visible from the fact that various schemes of our Mutual Fund have demonstrated excellent performance. We will continue to nurture our domestic asset management business, an integral part of our overall retail strategy, and be ready to capture growth when the industry fortunes change for the better.

Asset Reconstruction Business

Edelweiss Asset Reconstruction business is conducted through Edelweiss Asset Reconstruction Company where Edelweiss holds 49.9% equity stake, maximum permitted as per the RBI regulations for the sponsor or any single investor.

The economic downturn in Indian economy in FY13 and FY14 resulted in corporate earnings coming under strain. This in turn impacted the asset quality of banks, especially PSU banks and the lag effect of the economic slowdown manifested in Gross NPAs of many PSU banks crossing 4% in FY15. Taken together with the restructured loans, the percentage of troubled assets with some of the banks is now in double digits. ARCs present a viable alternative to the banks for asset resolution as they take off the NPAs from their balance sheet allowing them to direct resources for more productive purposes. Edelweiss ARC was well positioned for this opportunity and acquired assets worth around ₹110 billion to take its total portfolio to ₹203 billion at the end of FY15 compared to ₹92 billion as at the end of FY14. It has approximately 500 accounts in this portfolio. Edelweiss ARC is now the leading ARC in the country and plans to further scale up its AuMs in FY16 as the banks are expected to continue to resort to ARCs for managing their NPAs.

By acquiring NPAs from the banking system at a discounted price, ARCs manage and recover illiquid NPAs by putting them on resolution path thereby helping banks to focus on core activities. In the process, ARCs help unlock capital of the banking system held in NPAs as also help put the underlying assets held as security (industrial and other assets) back to productive use at sustainable values through the resolution. This is a unique business model and a large opportunity and by being the leader in this space, we hope to play a crucial role in the industry.

LIFE INSURANCE

Edelweiss expanded its addressable retail markets by launching Edelweiss Tokio Life Insurance Company (ETLI) in 2011. It was started in partnership with Tokio Marine of Japan, one of the oldest and largest Insurance companies globally. Edelweiss Tokio was launched with a capital of ₹5.5 billion — among the highest start-up capital for any Indian life insurer, signifying our commitment to building a long-term sustainable business. The commitment of both the JV partners was further demonstrated during FY14 when they infused fresh capital of ₹2.5 billion taking the paid up capital to ₹8.0 billion. Currently, Edelweiss holds 74% equity in this JV with Tokio Marine holding the rest.

Life insurance business offers exciting opportunities in India given the current low level of penetration where India ranks 136 in the world. However, given the demographics in India, it is expected to emerge as one of the top three markets in the world by the end of current decade. Rising life expectancy and absence of state social security will also propel demand for insurance products. Edelweiss Tokio aspires to play a major role in meeting the insurance needs of the Indian populace in a customer centric manner in this growing market with its "VijayPath" philosophy which has all its sales force and customers excited about it.

Edelweiss Tokio was the fastest growing life insurance company in India in FY15. Winner of the Rising Star Insurer Award in 2013, it continues to scale up its business with a focus on enhancing quality of business with a focus on the customer. Gross premium of the business was ₹1,931 million in FY15 compared to ₹1,109 million in the previous year, a growth of 74%.

It continues to expand its distribution footprint across agency, partnership and direct channels. Its presence is spread across 59 branches across 49 major cities in India. The agency channel force has also scaled up with the total number of Personal Financial Advisors crossing 10,000 by the end of this financial year compared to around 7,000 a year ago.

Edelweiss Tokio's distribution strategy is based on "Need Based Sales" philosophy and the key message in its communication, "Insurance se badhkar hai aapki zaroorat", continues to emphasise the core value of customer centricity.

Edelweiss Tokio offers 21 individual products designed to meet six key needs of customers viz. education funding, wealth accumulation, wealth enhancement, income replacement, impaired health and retirement funding. It also offers three group products, one each for life protection, credit protection and retirement savings. Edelweiss Tokio launched **CritiCare+**, a standalone critical illness cover for 17 illnesses, with a higher coverage up to ₹10 million with both single and multiple claim

options during the year. Other products launched during the year included **Mylife+** a competitive online term plan offering coverage up to the age of 80 years, and **Cashflow Protection Plus** offering long-term guaranteed payout up to the age of 100 years.

Edelweiss Tokio Ulip funds have been rated top performers by Morningstar with 5 of 6 individual ULIP funds rated 5 Star as on 31 March, 2015. Its focus on consistent top performance places it well to leverage the renewed customer interest in ULIP offerings.

"Yamraj to the Rescue", a safety awareness campaign conducted by Edelweiss Tokio in association with the Indian Railways won the best campaign award in the Public and Social Service Category at the Outdoor Advertising Awards, 2014 and National Gold in Public Service Category Consumer Connect Awards 2014.

Tokio Marine Group, Joint Venture partner in Edelweiss Tokio, has actively contributed in various facets of building the insurance business such as actuarial risk management, product development and asset liability management and continues to be an active partner.

BALANCE SHEET MANAGEMENT UNIT (BMU)

Edelweiss started treasury operations along with setting up of Institutional Equities business in 2001-02 in order to optimally utilise working capital employed in that business. Initial focus of treasury operations was to deploy surplus funds in equity arbitrage which went on to include special situation arbitrages. However, changes in taxation laws in FY09 coupled with emergence of Options as the dominating component of daily volumes significantly shrank arbitrage opportunities. By this time, our credit and commodities businesses also had started scaling up resulting in increase in capital employed in those businesses and consequent increase in the size of our Balance Sheet. This was followed in last four years with lengthening of asset side duration as our retail finance book also started scaling up.

These developments made it imperative for us to focus on balance sheet management including asset liability management and liquidity management. Accordingly, treasury operations underwent a significant realignment of priorities in the last four years and the treasury has now transformed itself into the Balance Sheet Management Unit.

BMU now manages our Group's liquidity in a way similar to that of the Treasury of a commercial bank, while also managing the balance sheet and ensuring that maturing liabilities are repaid smoothly. As a part of this transformation, we have also developed **Balance Sheet Management Rules** to

measure, monitor & change key ratios & positions to ensure healthy Balance Sheet. Among other things, these include managing key components of assets and liabilities without allowing any mismatches to creep in, monitoring interest rate sensitivity in our portfolio and taking preemptive steps to mitigate any potential liquidity and interest rate risks.

Our BMU assets as at the end of FY15 were ₹51.03 billion, which mainly included fixed income securities and bank fixed deposits, compared to ₹29.81 billion as at the end of the previous year. BMU assets form about 19% of our effective Balance Sheet size as on March 31, 2015. BMU assets are structured to maintain sufficient liquidity to address capital needs of our businesses as also to manage interest rate risk. Our strong focus on enterprise wide risk management ensures optimum returns in this business while preserving our capital.

Asset Liability Management Committee (ALCO)

Edelweiss ALCO primarily manages allocation of capital among businesses along with Asset Liability Management. It also oversees implementation of an effective process for managing the Group's interest rate, liquidity, capital and other market risks relating to the balance sheet and associated activities, including compliance with Balance Sheet Management Rules, adoption of policies, risk limits and capital levels from time to time. Some of the major functions of ALCO are as under:

- Monitoring of various macro-economic indicators and using them to take decisions regarding liquidity situation, borrowing plans and deployment strategies.
- Monitoring of the regulatory changes & consequent impact (if any) on our business models.
- Monitoring of liquidity GAP and recommending appropriate financing and asset deployment strategies, depending on whether the GAP is a net asset position or a net liability position respectively.
- Monitoring interest rate GAP and recommending re-pricing options for asset and liability portfolios.
- Reviewing various "what-if" scenarios and preparing contingency plans.
- Approving liquidity risk and interest rate risk tolerance levels by reviewing how these risks may adversely affect the Group's earnings and capital.
- Monitoring capital management of the Group to ensure that capital levels are maintained in accordance with regulatory requirements and our policy.

- Considering product pricing for advances, desired maturity profile and mix of incremental assets and liabilities taking into account all available data.
- Deciding source and mix of liabilities or sale of assets, by developing a view on future direction of interest rate movements.
- Deciding on funding mixes between fixed vs. floating rate funds, wholesale vs. retail funding, money market vs. capital market funding, etc.

Balance Sheet Management

For any large financial services firm, its capital forms the most important resource, besides the human capital. From its earliest days, Edelweiss has recognised this and has always focused its energies in creating a strong and liquid balance sheet. In fact, one of the Business Guiding Principles also emphasises its importance. A strong capital base provides us the freedom and ability to deploy capital for launching and scaling up new businesses, which are integral to our core strategy of diversification to derisk the business model. A strong balance sheet also enables us easier access to market borrowings on the back of a strong credit rating. A liquid balance sheet simultaneously enables Edelweiss to redeploy capital efficiently towards business opportunities that appear at short notice. It also helps in confidence building exercise with our lenders. At the same time, a growing balance sheet like ours requires us to be constantly on our toes to identify and manage newer risks and adopt newer strategies.

In order to manage Balance Sheet actively, we prepare a daily balance sheet for real time monitoring and adopt a process of projecting a balance sheet rolling monthly, for end of the quarter and year-end, which eliminates any surprises. Any abrupt change in assets or liabilities is closely monitored and situation rectified in time. To further strengthen this process, we have developed framework to assess the ALM in short-term buckets ranging from overnight to 30 days.

Overnight Liquidity Cushion

In order to manage liquidity, we employ a Liquidity Scenario Model to monitor environmental liquidity conditions based on various market indicators. We also quantify our consolidated liquidity position for all buckets, which gives us a broad idea of our liquidity scenario from the next day to 90 days. We take care to ensure adequate liquidity cushion is maintained by way of unencumbered assets and undrawn bank lines to take care of immediate requirements of next seven days. Thus, pro-active balance sheet and liquidity management covers various possible scenarios in the short-term and

medium-term with a back-up plan. Quantum of such liquidity cushion is also dynamically and pro-actively monitored and altered depending upon the overall liquidity situation prevailing or anticipated in the markets. Given that Edelweiss is now a ₹270 billion asset base company, the current level of overnight liquidity cushion is between ₹8 billion to ₹10 billion under normal conditions. We plan to increase the liquidity cushion going forward to ₹20 billion.

Changing Liabilities Profile in Sync with Lengthening of Asset Profile

Edelweiss has not only continued to maintain a liquid balance sheet, but over the last four years has embarked on a strategy of reducing dependence on market borrowings and increasing liabilities in the six months to five years bucket thereby bringing down dependence on short-term borrowings to within acceptable limits. Towards this end, FY15 witnessed Edelweiss contracting over ₹37 billion of medium to long-term debt by way of placement of NCDs with Mutual Funds, Insurance Companies, Banks, Pension & Provident Funds and Foreign Institutional Investors besides again tapping the Retail Bonds via Public Issues. In addition, the efforts to secure longer term credit facilities from Banks continued throughout the year under review. Our total sanctioned Bank lines of credit at the end of FY15 were ₹73 billion compared to ₹52 billion a year ago.

Diversification of Sources of Funding

We have also diversified the sources of borrowings by tapping newer sources like life insurance companies, Pension and Provident Funds during FY15. ECL Finance, our main NBFC subsidiary, accessed public markets through its issue of retail bonds which mobilised ₹8 billion in maturities varying from three to five years in March 2015. This issue provided us stable medium-term funds in a cost effective manner.

During the year, two of our subsidiaries also raised Tier II capital by way of subordinated non-convertible redeemable debentures amounting to ₹8.5 billion (ECL Finance ₹8.0 billion and EHFL ₹0.5 billion), out of which ₹4 billion was through a Public Issue in June 2014 and ₹4.5 billion was from three Banks, which also strengthens the balance sheet by providing long-term liabilities from a new source besides providing Tier II capital.

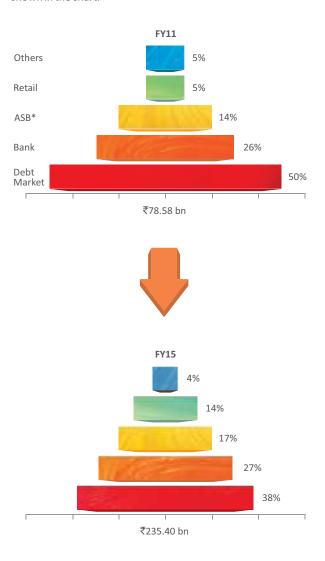
We plan to tap the alternative of public issue of retail bonds including subordinated debt going forward too as it provides a platform to grow our capital based businesses with confidence.

In addition to the above, one of our subsidiary company also raised Long-Term Funds of ₹4 billion from a leading insurance

company. A group of our subsidiaries raised Long-Term Funds of ₹10 billion from a leading Mutual Fund during the year.

Our Retail Finance business also securitised a part of its book amounting to ₹2.02 billion during FY15 to diversify its sources of funding and to release a part of its resources for future growth. Securitisation also helps us in managing risk.

As a result of conscious efforts, we have reduced the dependence on short-term money market borrowings and diversified our sources of borrowings over the last four years as shown in the chart.



*ASB - Asset Specific Borrowings

OUTLOOK & STRATEGY

While FY12 to FY14 had witnessed challenging macroeconomic and business environment, FY15 saw the reversal of these conditions. Current account and fiscal deficits are now in comfort zone and inflation has nearly halved from a year ago. Most importantly, Indian electorate chose to grant full majority to a single party in the Lok Sabha, for the first time in the last three decades. Consequently, there has been significant improvement in investors' perception with portfolio flows touching \$45 billion of in FY15 itself and the business optimism is now positive. While, some critics may complain about the pace of reform process, the Government has indeed been able to push through a number of progressive decisions. However, business environment in FY15 was only marginally better compared to previous years and the cash flows and balance sheets of corporates continue to be stretched. Hence, we feel that the first half of FY16 may continue to see difficult business environment before growth starts returning gradually in the second half.

With the capital markets turning positive and sentiments improving during the year, at Edelweiss, all our business Groups responded well to capture their share of growth and in fact, improve their market share in some verticals. All the businesses have scaled up and have shown significant improvement in their financial and business performance in the year. To cite a few examples, our Credit portfolio scaled up from ₹89.53 billion in the beginning of the year to ₹150.36 billion by the end of FY15, a growth of 68%. In our Wealth Management business, the AuMs of the business scaled up from ₹48 billion at the beginning of the year to current level of ₹100 billion. Our Mutual fund has now crossed the AuMs of ₹10 billion. Thus our established businesses under Credit and Agency segments fared well, with only Life Insurance business remaining to break even.

Apart from this, the initiatives undertaken to strengthen the organisation include making careful investment in infrastructure & technology, risk management, governance, customer centricity and leadership development and all the SBUs are looking at FY16 with renewed anticipation. During FY15, we scaled up our hiring across businesses to be ready to participate in the growth and for strengthening the senior management across the organisation. FY16 is also likely to see similar response from Edelweiss in its quest for being future ready.

Edelweiss, strategy focuses on long-term growth and sustained value creation. We retain our long-term vision while achieving short-term targets. At the same time, while taking decisions which are ultimately in the long-term interest of the stakeholders and the company, we are also prepared to make

short-term sacrifices. Continuing to invest in building new businesses despite challenging environment, which impacted our short-term profitability during the diversification phase, is a typical example of our long-term growth strategy.

While we were diversifying our businesses during 2008-12, it impacted our profitability in the short-term. Given our focus on long-term growth of the company, we opted to suffer short-term pains. With the investment phase complete, we have focused on improving operating and capital efficiency during 2012-14 followed by FY15 which starts a new phase of growth for Edelweiss. Though we have achieved these efficiencies including improvement in our return on tangible equity and cost to income ratio excluding Insurance in some measures, we need to still push these vectors to be best in class. With the improvement in our business and financial performance in the past three years, we feel confident that we are in right position to garner our share of growth when it returns. At the same time, we are now ready to achieve scale in our various businesses as also improve sustainability of our performance.

Going forward, the building blocks of our organisation, viz. people, technology, processes, risk management and governance are in right place and ready to garner our share of growth. We see ahead of us a macro scenario rich with latent opportunity and we are well positioned to leverage our potential. We are ready to grow and we are environment agnostic now. Along with the above, our other organisational priorities for FY16 include rigorous balance sheet management, organisational structure strengthening with divergent talent acquisition and leadership development, institutionalisation of culture and strengthening our risk and compliance functions, gradual decentralisation of decision making and enterprise functions to Strategic Business Groups (SBGs) and SBUs and instill customer centricity.

"In a period of 19 years since inception,
Edelweiss has built an organisation with a strong
foundation and is well positioned to grow by
leveraging the potential."

OPPORTUNITIES

FY12 to FY14 have been challenging years for financial services companies as India's growth slipped to sub-5% levels. However, business sentiments improved in FY15 as a result of which we at Edelweiss were not only able to encash the opportunities that came our way, we even improved our market share in some of our businesses. The long-term India growth story is

intact and the improvement in the macro-economic indicators augurs well for the diversified financial services firms like ours and we see a lot more opportunities coming our way in FY16 and beyond as under:

- With India already projected to have among the fastest rates
 of growth in FY16 among the global or emerging markets,
 we see large opportunities for us to grow our various
 diversified businesses. At conservative estimates, financial
 services are expected to grow four to five times by 2020
 compared to FY12 and hence various businesses can easily
 grow at 20 to 25% rate during this period.
- Indian savers or investors have been predominantly choosing instruments like bank deposits or equities investments among the financial assets though the ratio is highly skewed in favour of bank deposits. Going forward, we see a greater diversification of asset classes among the investors widening the markets.
- Social, Mobility, Analytics and Cloud Computing (SMAC) are the emerging trends in technology. Increasing usage of Social media for business purposes, all types of mobile devices becoming popular with public, analytics which can analyse on the go and cloud computing are going to change the landscape of the way business is done. We are already exploring ways in which we can exploit the emerging opportunities so that our businesses keep ahead of the curve. We already have virtualisation of our servers to some extent which brings down the costs and turnaround time for addition of storage space for data intensive businesses. Use of internet or mobile-based technologies for financial transactions presents vast opportunities for techsavvy companies like ours to offer convenient solutions to customers. Our online options in Life Insurance and online & mobile options in retail broking aim to capture this opportunity.
- We believe the policy liberalisation and forward-looking regulatory changes will help markets grow in size, thus making available newer opportunities for all participants in financial services.

"Our core is in identifying new exciting long-term opportunities in financial services and building great and differentiated businesses in these areas based on the Edelweiss value system."

THREATS

At the same time, we perceive following threats for growth of financial services sector in India:

- Slower than expected recovery of macro-economy or inability of Government to push through economic reforms or important legislations can delay the return of growth.
 The investment cycle is going through a prolonged downturn and corporate cash flows are under strain resulting in subdued credit growth and stressed asset quality of commercial banks.
- Monsoon is predicted to be below normal this year, second year in a row, and a larger than expected impact of El Nino effect can cause a few worries for the Indian economy. If poor monsoon stokes up the inflation, further easing of interest rates may get pushed back delaying the return of growth.

ENTERPRISE GROUPS

The four business groups of Edelweiss including BMU are controlled and supported by a core of Enterprise Groups that provide consistent quality and rigour to key process functions. With the scaling up of our diverse businesses during the past three years, the need to provide them with strong support was never greater. To this end, we have invested significantly in scaling up the Enterprise functions commensurate with increase in size and complexity of our businesses. Various steps taken by us to improve efficacy of Enterprise functions are detailed in the following discussion on our major Enterprise groups.

RISK MANAGEMENT

The diversified financial services business activities of Edelweiss are exposed to various risks that are either inherent to the business or have their genesis in changes to external environment. In order to maintain financial soundness of the company, Edelweiss has established a proprietary eight risk framework. The framework provides comprehensive risk control by way of identification, monitoring and reporting of all critical risks. Highest standards are always maintained in Risk Management at Edelweiss. It is the constant endeavour of Edelweiss to heighten risk awareness and effectiveness of risk management.

The focus of Edelweiss is to proactively control risk exposure and maintain it within the boundaries of its risk appetite. Our risk management structure is based on sound risk management practices and effective risk management framework. Risk is the cornerstone of our business philosophy and it is one of our Guiding Principles, "We will respect risk".

Edelweiss follows a four-tiered Risk Management and Oversight Structure:



The risk team at each business unit of Edelweiss ensures implementation of risk philosophy and practices at business level. The enterprise risk team, also known as Global Risk Group, is focused towards policy formation and managing risk at the consolidated level. The enterprise risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed. The Board of Directors oversee the risk management process at Edelweiss by way of committees, specifically the Risk Management Committee, which ensures execution of responsibilities of risk management for the entire Group.

Key Risks

Edelweiss deals in multiple asset classes and all client segments across the financial markets and is thus exposed to various risks that can be broadly classified as credit risk, market risk, operational risk, fraud risk and technology risk.

Credit Risk

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

Market Risk

Edelweiss deals in multiple asset classes which gives us an edge in diversifying concentration risk. However, it has its own associated complexities. These asset classes may move in diverse directions due to a multitude of macroeconomic factors, global developments and regulatory policy.

In order to monitor such market risk, a comprehensive set of reports and limits has been put in place that track positions, value at risk and duration of assets. Limits at various levels are defined to capture Risk Appetite. The risk framework ensures that the risks are monitored and necessary timely action is taken for every single instance of breach, in case they occur.

Additionally, the asset liability mismatch and margin utilisations are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source.

We have diversified our borrowings by raising capital through public offer of NCDs mainly targeting retail investors since January 2014 or through private placement of medium to long-term NCDs with a variety of lenders. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

Operational Risk

Operational risk arises from the failure of systems, people and processes through which we operate. Operational risk covers several sub-categories of risks such as legal risk, reputational risk, environmental risk and physical risk among others.

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

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

Edelweiss has state-of-the-art Data Centre at Edelweiss House to ensure uninterrupted and reliable service to our clients and businesses. We continue to have a comprehensive Business Continuity Plan that is periodically tested.

Fraud Risk

Business environment, increasing complexities, sophistication of technology, coupled with enhanced presence in retail space makes us vulnerable to both internal & external fraud risks. At Edelweiss we have defined and implemented an anti-fraud framework which lays emphasis on proactive reporting & early detection of incidents. Trainings & campaigns ensure that Edelites are cognisant of this risk.

Technology Risk

Technology is a critical enabler to doing business and we are cognisant of the associated risks that it manifests. A robust technology risk framework has been ingrained in the DNA of Edelweiss that covers product design, testing, ongoing use & monitoring, while ensuring minimal down time & a rich technology experience.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

Edelweiss' Philosophy on Risk Management and Control:

Edelweiss has since inception focused on growth and diversification while remaining well within the ambit of its strong governance and compliance framework and by adopting prudent risk management practices. Risks and rewards go hand-in-hand and optimum and sustainable results are achieved only when there is a balance between the two. The Company has consistently maintained high levels of Controls within the various businesses, Operations and functions, which in turn have acted as strong growth enablers throughout its journey.

Internal Financial Controls and the requirements of the Companies Act, 2013

As per the Companies Act, 2013, which came into force w.e.f. April 01, 2014 the Board of Directors in case of a listed company now need to mention in their report that the Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively. Also, as per Clause 49 of the Listing Agreement, the CEO and CFO are required to certify internal control systems.

We at Edelweiss have always adopted a risk balancing approach and followed a process of Risk evaluation, monitoring and control. With the advent of the Companies Act, 2013, we have now adopted a more holistic and methodical approach towards risk management and control.

The Group has adopted a more structured and uniform method of risk monitoring and control through the RCSA (Risk and Control Self-Assessment) Framework.

What constitutes Internal Financial Controls?

- Policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies
- Safeguarding of its assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

The RCSA Approach:

We believe that self-regulation and control is the best way of managing our risks and controls. We have followed the Risk and Control Self Assessment (RCSA) approach to take care of various risk identification, assessment, monitoring, controlling and periodic review (internal and external) of various risks and their mitigating controls as identified by the management and followed by an independent review by an external agency.

The RCSA approach mainly entails the following steps:

 Preparing detailed Standard Operating Procedures (SOPs) across Businesses, Operations and Functions:

Detailed SOPs are prepared encompassing the processes undertaken by the businesses, operations and functions which mainly include the description of the process, identification of the process owner, key process activities, detailed flow-charts for the process activities, identification of key stakeholders, various input and output data points along with the timelines.

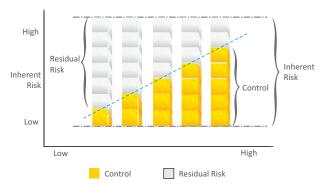
Assessment of the Risks and Controls

Various risks and controls associated with each process are identified and documented. These risks and controls are reviewed on a periodic basis and updated based on the modifications in the process, resulting in change in any risks/ risk parameters if any, along with the corresponding controls to mitigate the same.

Assessment of Residual Risk

Higher control effectiveness leads to lower residual risk and vice-versa

[Residual Risk = Inherent Risk (-) Control Effectiveness] Assessment of Residual Risk



Preparation of Risk Register collating the details of the various risks and their controls

Various risks and their controls are collated in a Risk Register in order to facilitate their monitoring and review. These risks are further analysed and documented specifying their type, owner, impact and probability. Various controls for each risk are further analysed and documented specifying their type, owner and effectiveness.

• Formulation of mitigating/corrective Action Plan

Key actionables are arrived at after analysing the various items in the risk register and action plan is formulated for each risk wherever required. Clear timelines are mentioned and responsibilities assigned and documented. Progress of the action plan is monitored and long-term action plan reviewed on a periodic basis.

• Reporting of the RCSA results through Heat Maps

There are various ways in which the RCSA results are reported and reviewed. Risk register forms the basis of all the review and reporting. One of the other ways in which we monitor the risks is through Heat Maps/Risk Grading Matrix. Risk heat map is a pictorial presentation of the various residual risks based on their impact and probability. This is an effective tool which helps senior management focus of major risk items and enables management by exception.

urring	Almost Certain - Has a high probability of recurring within 6 months	5	Medium	Medium	Medium	High	High
the Risk event occurring	Likely - will probably occur in the next 6 to 12 months	4	Medium	Medium	Medium	High	High
he Risk e	Probable - Likely to occur in a 12 to 18 months timeframe	3	Low	Low	Medium	Medium	Medium
Probability of t	Rare - Not Likely to occur more than once in 18 to 36 months timeframe	2	Low	Low	Low	Medium	Medium
Probal	Unlikely - Not Likely to occur beyond 36 months timeframe	1	Low	Low	Low	Medium	Medium
			1	2	3	4	5

• Ongoing Monitoring and periodic review of documents

The management monitors the RCSA results and action plan on a periodic basis in order to ensure timely completion of

RCSA and implementation of action plan. Periodic review is conducted for the risks and controls in the light of development in techno-business environment, introduction of new products, entry in new geography, change in organisational structure, major loss events, pending action plan, non-compliance etc.

Training and supporting various teams involved in implementation of RCSA framework

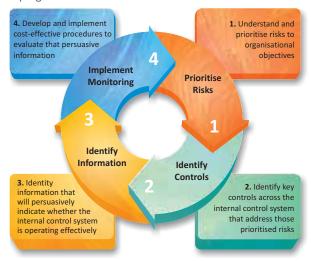
In order to effectively implement the RCSA framework, employees are trained in various aspects of RCSA, risk event identification, evaluation, documentation and reporting on an ongoing basis.

• Testing of Controls and analysing test results

A key activity in ensuring that risks are adequately mitigated is monitoring the effectiveness of controls. Various controls identified are tested for their effectiveness through a rigorous process of self-assessment of the effectiveness which is established through sample testing of the controls for various activities and processes and checking of whether these controls were operating effectively during the year. Results of the tests are then collated and reported to the management for review.

Independent audit/review of the control assessments

The results of the control assessment are also audited by an independent agency. This helps to ensure objectivity in the entire process. Adequate analysis is done for the results of the independent audit findings. If major differences are found, the same are analysed in consultation with the risk owner and the independent auditor. Major differences are also included in the management reporting along with reasons for same and action plan is documented and its progress monitored.



COSO Framework for Monitoring Design and Implementation Progression

TECHNOLOGY

Edelweiss has always been at the forefront when it comes to employing the state-of-the-art technology for all of its businesses to keep ahead of the competition and to keep ahead of the curve. A robust technological back-end for our products or services would make it more difficult for the industry players to replicate our products because while the product features can be copied in no time, creating the required technological back-end would not be as easy. We see technology as an enabler for driving efficiency and growth, building robust risk management systems, building competitive advantage, delivering accurate and timely MIS as well as fostering greater customer connect.

This year, our Technology Enterprise Group has created several new business enabling solutions by focusing on new-age technologies. Among these is a uniquely architectured core system to manage the day-to-day operations of Institutional Equities. It delivers industry-leading low-latency performance consistently and reliably even during peak hours. Another is an intranet portal to automate various management reports and simulation models. It serves as a decision support system to the top level management. A third system has been built to provide guidance on the appropriate course of action to improve our dealings, risk management, reporting, accounting and other business activities. We have migrated our practices and are now certified for the recent most ISO/IEC 27001:2013 standard. The Business Continuity Plan (BCP) set-up at our Sion facility is being maintained well with two businesses added to the scope in the year. The set-up has been tested twice in the last one year with successful results. The Chief Information Security Officer (CISO) at Edelweiss is recognised as amongst Top 50 promising CISOs at InfoSec Maestros Awards 2015.

Technology: The Way Froward

For Edelweiss Technology, the current thrust area is leveraging our capabilities for driving growth, improving productivity and enhancing customer experience. We are undertaking initiatives using cutting-edge technologies for internal as well as for customers' and partners' use.

Understanding the criticality of data and the various threat vectors, Edelweiss has bought into the idea of using the Data centric approach to Information Security. Data flow analysis programme would be initiated at SBU Level to identify and address data risks. To further fortify Technology Risk initiative, a detailed third-party technology risk assessment on framework as well as methodology is underway.

Our focus on mobility has led to an improved relationship with our customers. Edelweiss Mobile Trader has about one hundred thousand users across various mobile platforms. Better mobility also enables our employees and partners to deliver better value. Various other mobility initiatives are underway which will transform the way we do business.

Edelweiss will continue with its IT investment strategy with even greater rigour to encourage innovation to achieve customer-focused business objectives and drive future growth. We aspire to be a technology and data driven organisation.

CORPORATE FINANCE & ACCOUNTS

Over the years, the business environment has brought lots of opportunities to Edelweiss businesses and with it challenges too. To cope with these challenges and give a robust platform to all financial and regulatory reporting, Edelweiss has established a core Finance & Accounts team to cater to dynamic business environment requirements. This team functions as an enabler to businesses by providing real time information for decision making, planning and reporting at zero tolerance level.

Corporate Finance & Accounts group (F&A) in Edelweiss comprises of various functions and/or processes viz. Reporting, Financial Control, Accounts Payable and Receivable, Taxation, Banking Transactions Control & Monitoring etc., across all the Group entities and Group Financial Consolidation. The F&A group has professionally qualified members with considerable experience. The function is further divided into entity clusters based on business verticals. The team manages accounting, audits, tax planning and compliance and regulatory reporting for all group entities as a central unit. The structure of our diversified varied businesses & legal entities and various regulators requires the teams to have a high quotient of synergy amongst them. The function caters to the ever changing regulatory environment in India with a proactive enabling approach.

The F&A group is also entrusted with regulatory compliance responsibilities complementing the classic finance and accounting controllership roles. The thrust has been on improving the process efficiency by leveraging various technologies available. As a port through which pass all business transactions for reporting, it is at a vantage point to be able to identify potential control risks and threats and enable businesses to institutionalise robust controls around them on a continual basis. It also is a valued contributor to group-wide strategic projects.

As Edelweiss embarks on the growth mission in the coming years, the Corporate Finance & Accounts group is investing in technology, training, knowledge enhancing workshops & more robust interactions with the businesses to keep pace with this growth.

GOVERNANCE

Best practices of Corporate Governance demand that a company must put in place rules, systems and procedures through which it operates. It should also have necessary mechanism through which the company and those in control are held accountable to the stakeholders of the company. Thus a company must always act in the best interests of its stakeholders.

Among the ten Edelweiss Guiding Principles, we have the following principles which directly transcend the best corporate governance practices a company must follow:

- Our Reputation and image is more important than any financial reward
- We will respect risk
- · We will obey and comply with the rules of the land and
- We will be fair to our clients, our employees and all stakeholders

These guiding principles have always ensured that we follow the best in class standards of governance at all times.

Edelweiss complies with all the provisions of Corporate Governance as per Clause 49 of the Listing Arrangement with the Stock Exchanges. The Board of EFSL as on 31 March, 2015 comprised of 13 directors out of which eight directors were independent. During FY15, we have expanded the Board by including a woman director and an independent director. All of the external directors are persons of eminence in their field and come with a wealth of experience in financial services. We thus have a Board which is appropriate in size, composition, skills and commitment to enable it to discharge its duties effectively.

Though Edelweiss is a listed company since December 2007, the Company has always valued the immense contribution brought in by the independent directors to the Company. The concept of a Board as a body imposing independent oversight and acting as a sounding board of third party objective experts has been a part of Edelweiss structure and DNA even before listing. Hence, even as far back as FY01, Edelweiss had a Board of Directors consisting of three independent and two management directors even though such was not a statutory requirement for an unlisted Company.

The Edelweiss Board plays a vital role as:

- Policy maker
- Sounding board for strategic initiatives; provides leadership and sets strategic objectives
- Body for protection of minority investors and other stakeholders
- Body to ensure highest standards of corporate governance and ethics

 Mentor for Management Committee members and Senior Leadership Group of Edelweiss

With their diverse and rich background, the independent directors' contribution to Board deliberations is immense and meaningful. Besides the Board meetings, the independent directors are also actively involved in various Board Committees and other initiatives including social responsibility. The strength of independent directors vis-a-vis management directors also provides the much desired independence to the Board.

Given the diverse nature of businesses of Edelweiss, we are regulated by all the regulators in the financial industry – from RBI to NHB to SEBI to FMC to IRDAI. As a result of this, there is a greater need for us to ensure high quality oversight and highest standards of corporate governance in our operations. Strict adherence to the laws of the land, as mandated by our Guiding Principles and the commitment to act ethically and responsibly is the key to our clean track record on which we at Edelweiss take pride.

Given the strong track record of corporate governance, Edelweiss had earlier won the award for "Best Corporate Governance, India 2013" from the London based Capital Financial International Jury.

HUMAN RESOURCES

For a large and diversified financial services Group like ours, financial capital and human resources capital form the most critical resources for growth. At Edelweiss we believe that our human capital is our greatest strength and is the driver of growth, efficiency and productivity. We continue to focus on building entrepreneurial, innovative and leadership qualities in our employees through a number of well designed measures so that we have competent leaders for future growth.

FY15 has been an eventful year from the HR perspective and we saw many significant changes in the course of the past twelve months, some of which are summarised below:

- We ended FY15 with a total headcount of 5,555 spread across 240 offices in 125 cities worldwide, up from 4,001 as of March 31, 2014. At Edelweiss, we have always valued our gender mix and are happy that 19% of our employees are women, which is above the average industry standard.
- As growth comes back gradually, we have added people at all levels, including over 110 senior professionals (above VP), the highest we have ever added in any one year. We also added significant number of employees for our new initiative on Agri Services business and for scaling up enterprise groups to meet the challenges of increasing scale and complexity of our diverse businesses.

- Our management team has gone from strength to strength in FY15 – on the back of internal growth and lateral additions at senior levels. Our Hiring and Retention ratios for senior team members are one of the best in the industry. We have a large pool of senior people who are with Edelweiss for more than 5 years.
- Our campus recruitment programme has become stronger and we continue to be a Day 1 campus recruiter. We hired a total of 110 young professionals from premier management institutes, engineers, CA's and bright graduates from various colleges. We hope that these young people will greatly add to the leadership pool in the years to come.
- We have also embarked on a unique hiring programme where
 we are recruiting about 25-30 young post graduates from
 premier schools with 1-2 years of experience. This will
 enhance our DNA and provide high quality management
 depth in the future.
- What is particularly striking is the fact that a significant 40%+
 of our hiring has been through references from Edelweiss
 employees. This not only helps us get better quality of talent
 but reinforces the commitment and belief of existing Edelites.

In FY16 we aim to hire 100 women professionals through the 'Women Power 100' programme. This plan will strengthen the presence of women and enhance the diversity of our workforce.

Amongst our much strength, we must count our performance appraisal system, which has helped to instil fairness and development orientation in the organisation. The process of Performance Appraisal is based on evaluations against pre-set and clearly documented goals and has stood the test of time.

Our compensation philosophy focuses on fairness, meritocracy and long-term wealth building. This has helped us to build a healthy work place where we are able to differentiate and reward talent who contribute, show potential and are committed to the long-term. Our approach is appreciated not only within the organisation but also in the market.

Evolve, our Learning & Development platform, helps us to develop employees at Edelweiss. Evolve provided employees e-learning inputs and class-room programmes in functional, behavioural and leadership related areas. In this year we held around 80 such training programmes covering approximately 1,300 employees. This is going to be an area of focus for us in the coming year.

Building Leadership for Future:

Investing in leadership has been an integral part of our philosophy. As a part of this objective, our Leadership Programme encompassing Senior Leaders, Advancing Leaders and Emerging Leaders has been moving along briskly.

Our leadership groups now comprise a healthy mix of those who have been with the organisation for quite a few years and those who are new, thereby providing a variety of perspectives and views. We are committed to providing an opportunity to all who can contribute at a leadership level.

We are confident that the strong business foundation coupled with depth of leadership that we have developed in the last few years will ensure that the organisation is ready to meet our growth objectives. We will continue to invest in people development, improve processes, and focus on productivity and efficiency. Learning & Development will be the key in growing our Functional & Management leadership with customised training programmes.

CUSTOMER CENTRICITY

While Edelweiss was predominantly handling wholesale clients till 2008, the diversification phase since then has seen addition of a large number of retail clients with the result that by now we service over 572,000 clients across Institutional, HNI and Retail client segments. Whether wholesale or retail businesses, we believe that customer centricity is going to be THE key differentiator.

The only way, therefore, we can differentiate ourselves in the market place is by enhancing customer experience. Customer centricity goes to the heart of how we think and manage our businesses and our relationships with the clients. It is about how we design our products, how we build our internal systems and processes, how we sell and finally how we service our customers. Customer Centricity also builds a long lasting relationship with the clients based on trust and fair play.

We feel that in Edelweiss we truly differentiate on Customer Centricity. Great customer service transcends experience and becomes a memory, which clients associate with a brand. If we are able to provide each customer of Edelweiss a unique experience that translates into a happy memory, we have the potential to turn customers into brand ambassadors.

Three big insights that have helped us in enhancing customer centricity are:

- Customer experience is not only about Retail businesses!
 While retail businesses need a higher level of customer experience, wholesale businesses have similar challenges; customer feedback is usually immediate and the tendency of wholesale customers to walk away at the slightest instance is high if we are not focused on their needs.
- Customer centricity starts with enterprise groups within a company as they have "internal customers". They too need to provide great customer experience by aligning their internal systems and support mechanism to this.
- Customer centricity must become a way of life. It is core to everything we do internally and externally.

We have setup a central LoB to focus on Customer Centricity, which works with various SBUs on specific projects to measure and enhance the customer experience. A system of measuring customer feedback – internal as well as external customers – has been developed using the Net Promoter Score (NPS) Methodology and improving upon the scores based on this feedback is an integral part of the KRAs of each LoB.

Some Highlights of our Customer Engagement

- All customers were contacted within 48 hrs wherever they shared any negative experience. Teams resolved their issues on priority.
- Steps were taken to improve Delivery/Service Transactions.
- Customer's positive experience has improved from 49% to 62% by end of the year.
- Customer's not recommending our products has now reduced from 39% to 27%.

The Future:

Edelweiss is now focused on consistently improving our Net Promoter Score, improving customer experience at each touch-point, better communication facilities and transparency in transactions.

Customer Vision Statement

We have a simple Customer Service promise:

"Edelweiss Customers will have a unique experience"

Four Pillars of Customer Centricity at Edelweiss help us in enhancing the customer experience:



Our Motto to the Customer:

 $\hbox{``Listen to Understand. Respond to Solve''}$

In Hindi this motto is aptly stated as



The above has also been produced in the form of a jingle to spread the message in a popular way.

INTERNAL CONTROL SYSTEMS

Edelweiss has an Internal Control System, well commensurate with the size, scale, nature and complexity of its operations. The Company conducts its internal audit within the parameters of regulatory framework including preparation and execution of annual internal audit plan. It conducts Risk Based Internal Audit across the Group through external audit firms as well as In-house team. The internal audit function includes assessing the adequacy, efficiency and effectiveness of internal control systems across the Group.

Internal Audit

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures etc. and ensures compliance with Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014. The risk based Audit Plan is focused on the objectives viz., efficiency and effectiveness of operational and other activities, reliability and accuracy of management information systems, compliance to Company's policies and procedures, applicable laws and regulations and protection of Company assets. Internal Audit Team develops an annual audit plan based on the risk profile of business activities of the organisation and the business activities are prioritised for audit accordingly. The audit plan is approved by the Audit Committee, which periodically reviews adherence to the plan.

The Internal Audit team continuously monitors the efficacy of internal controls to provide an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes to the Audit Committee.

Internal Control

The Internal Control Procedures include monitoring compliance with relevant matters covered under Section 134(1)(e) of the Companies Act 2013, delegation of powers, segregation of duties, third party confirmations, periodic reconciliations, Risk Control Self Assessments (RCSA), physical verification and checks on accuracy; completeness and timely update of records, compliance, risk and periodical financial statement. The company has in place Risk and Control Self Assessment Framework and documentation for the same.

Corporate Controller's Office

To further strengthen the Governance function, an Independent vertical viz. Corporate Controller's Office reporting to Board has been set up recently. The Internal Audit Function has been carved out of CFO's Office and is now reporting to the Corporate Controller's Office with effect from April 01, 2015.

Control Framework

Corporate Controller Function is also entrusted with designing the Framework to strengthen the overall assurance practices, processes, controls, by periodic assessments, sharing of best practices, establishing and overseeing control dashboards and above all creating control consciousness in the entire Organisation as detailed below:

• Assurance Practices:

To put in place self certification through RCSA framework and check on the same driven by internal audit. To improve quality of assurance practices by driving internal, concurrent, external audits, etc. and carrying out special assignments, where necessary.

• Process Assessments:

Use a maturity framework to assess adoption of the best practices of documentation across the Strategic Business Units (SBUs), the progress of the SBUs on various parameters to bring them up the curve.

• Sharing of best practices:

Encouraging culture to share best practices within the Organisation and across the SBUs to improve efficiency and effectiveness of the processes.

• Control Dashboards:

Identifying factors that are critical for the success of the functions and ensuring that these are monitored for trends, deviations, warning signals, etc. The focus is on building a framework for timely intervention and prevention.

• Culture for ethics, risk and controls:

Encouraging ownership, self discipline, transparency by inculcating a culture that advocates ethical practices and controls consciousness.

INTERNAL CONTROL POLICIES

Edelweiss has institutionalised a strong compliance culture across the Group recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We have a Global Compliance Group that ensures compliance with all the applicable laws. With our rapid expansion across the Globe, we have also strengthened the International Compliance function.

Edelweiss endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. We are committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. To achieve these objectives, Edelweiss has put in place a code of conduct on the

Prevention of Insider Trading to be followed by all directors, officers, employees and connected persons.

Edelweiss has formulated **Conflicts of Interest Policy** as per SEBI circular for SEBI registered intermediaries, which will guide Intermediaries for fair treatment of clients and elimination of conflicts of personal interest with the client's interest and not to deal in securities, in case of availability of client's material non published information.

Edelweiss believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. To this end, Edelweiss has put in place a strong **Whistleblower Policy** that not only encourages employees to report wrongdoing within the organisation, but also ensures that their identity is protected so that they do not face any adverse repercussions. Edelweiss was one of the first Indian financial services companies to sign up for Corporate Whistleblower Initiative (CWI), via a portal (www.cwiportal.com) that facilitated complete anonymity of whistleblower and aimed at encouraging and protecting whistleblowers in the corporate sector.

We have also set a compliance framework and good governance guidelines which are translated into six e-learning course modules followed by a mandatory assessment which act as SHIELD of knowledge for all Edelites. The SHIELD programme is designed to empower all the employees to shield us, as an organisation, and also all the employees against inappropriate behaviour at our workplace.

Know Your Client Process

Edelweiss Group provides diversified financial services to a wide cross section of clients. The individuals/entities desiring to become clients of Edelweiss Group open an account to carry out those specific activities. The clients are registered separately for separate activities. These individuals/clients are required to complete the **Know Your Client (KYC) process** including the KYC compliant application form and submission of required proof of identity & address and other documentary requirement before opening their account. **In-Person Verification** (IPV) of these clients is carried out to verify the actual identity of the client. IPV process is aligned to the regulatory requirements.

Politically Exposed Persons (PEPs) are also identified at the time of account opening and monitored subsequently. A more rigorous checking process is carried out for identification of clients coming under this category. Additionally, the clients are also scanned through (1) List of SEBI debarred clients and (2) Financial Action Task Force (FATF) (3) UNSC's Al-Qaeda sanctions list, etc. issued by various authorities. The KYC

details of clients are also uploaded to KYC Registration Agency (KRA), which has a centralised database to avoid hassles of clients going through same KYC registrations again.

Prevention of Money Laundering

The Prevention of Money Laundering Act, 2002 (PMLA) and its relevant Circulars issued by the regulators/exchanges from time to time has imposed certain responsibilities on various financial institutions and intermediaries with regard to preventing terrorist financing and money laundering.

Edelweiss has put in place required internal controls for preventing and impeding Money Laundering and Terrorist Financing as per the guidelines of regulators.

Edelweiss has appointed Principal Officer for respective entities to play an active role in identification and assessment of potentially suspicious transactions and onward reporting of suspicious transactions to Financial Intelligence Unit (FIU). Edelweiss has appointed Designated Director in the reporting entity to ensure overall compliance with the obligations imposed. Client identification, IPV and client acceptance processes are followed rigorously. As per PMLA guidelines, a risk based approach is adopted at the time of establishing business relationship with a client. The client is categorised based on the information available in 'Know your Client' (KYC) forms at the time of registering the client/opening of his account. Further, Special Categories clients are invariably classified as High Risk client. The clients are informed to update their financial details periodically and/or in case their trading pattern does not commensurate with their financial/s.

STAKEHOLDER RELATIONS

Stakeholders Relations at Edelweiss is an integral aspect of our business as we believe in building a transparent, honest and open channel of communication with all our stakeholders. As a listed company, our primary aim is to allow stakeholders such as investors, analysts, lenders, rating agencies and other stakeholders to gain a greater understanding of our company's business, governance, financial performance, prospects and strategies for the future. We continue to build upon a foundation of accurate and consistent communication with them.

Our Stakeholder Relations efforts include frequent interaction with institutional investors, analysts, lenders and rating agencies through one-on-one meetings and attendance at investor conferences. These efforts are complemented by the half-yearly earnings conference calls, dissemination of quarterly performance updates via Press Release and Investor Presentation and constant and immediate updating of

information useful to stakeholders on our corporate website. Following the best practices, we keep the archives of the transcripts from all our earlier Earnings Calls on our website. Our website www.edelweissfin.com provides a facility to Investors and other stakeholders to subscribe to receive quarterly updates automatically. During the year, we held more than 200 interactions with our stakeholders.

With growing complexities in their operations, companies are facing increasing demands for information from a diverse range of stakeholders. How we prioritise them and reconcile their needs with the need to protect certain information to maintain competitive edge in the market place is a constant issue for stakeholder relations function. Balancing these conflicting needs, we have been constantly enhancing our disclosures to the maximum possible extent. We are focusing on a much more comprehensive discussion of our individual businesses that are crucial to our Group and the balance sheet management as we cross the level of a ₹270 billion asset base company. Our Annual Investor Presentation, available on www.edelweissfin.com, indeed enhances the levels of our disclosures. We hope this would enable the stakeholders to understand and appreciate our diverse businesses and our long-term strategy in a true perspective. As a listed entity, we respect the rights of our stakeholders and we provide them with appropriate information and facilities to allow them to exercise their rights effectively.

CREDIT RATINGS

Edelweiss Financial Services Limited (EFSL) and six subsidiaries, namely ECL Finance Limited (ECLF), Edelweiss Commodities Services Limited (ECSL), Edelweiss Housing Finance Limited (EHFL), Edelweiss Finance and Investments Limited (EFIL), Edelweiss Retail Finance Limited (ERFL) and Edelweiss Securities Limited (ESL) are rated by one or more of the major Rating Agencies of the country, namely CARE, Crisil and ICRA. Wherever taken, our short-term debt credit rating is the highest at "CARE A1+" or "Crisil A1+" or "ICRA A1+".

EFSL has a long-term debt rating of "CARE AA" and "[ICRA]-AA".

ECLF has a long-term debt and/or bank facilities rating of "CARE AA" and "[ICRA]-AA", "BWR AA" and "Crisil AA-/Crisil AA-r".

ECSL has a long-term debt and/or bank facilities rating of "CARE AA" and "[ICRA]-AA". It also has a preference shares rating of "Crisil AA-".

EFIL has a long-term debt rating of "CARE AA", "[ICRA]-AA". It also has a long-term debt and preference shares rating of "Crisil AA-".

EHFL has a long-term debt rating and/or bank facilities rating of "CARE AA" and "[ICRA]-AA" and "Crisil AA-".

ERFL has a long-term debt and/or bank facilities rating of "CARE AA" and "[ICRA]-AA".

ESL has a long-term bank facilities rating of "Crisil AA-".

All the long-term ratings from Crisil have a Stable outlook as on March 31, 2015. Subsequently Crisil have upgraded the outlook from "Stable" to "Positive". All ratings are current as on March 31, 2015. For a full list of Credit Ratings on the above companies, please visit www.edelweissfin.com.

REGULATORY STRUCTURE

Edelweiss Group has 63 companies including EFSL, 56 subsidiaries and six associate companies as at 31 March, 2015 spread across various business lines in India as well as outside India.

EFSL (formerly Edelweiss Capital Limited) commenced operations in 1996 as a Merchant Banker governed by SEBI (Merchant Banking) Regulations, 1992. Since then, the Company has diversified into a number of financial services businesses run by separate subsidiaries or associate companies or a JV, which are regulated by different regulators.

The non-banking financing activities are mainly conducted through subsidiaries ECL Finance Limited, Edelweiss Finance & Investments Limited and Edelweiss Retail Finance Limited which are registered with RBI as Non-Banking Financial Companies not accepting public deposits and are Systemically Important NBFCs (NBFC-ND-SI). Housing finance business is conducted through subsidiary Edelweiss Housing Finance Limited, registered with National Housing Bank as a non deposit accepting housing finance company.

The asset reconstruction business is conducted through our associate company Edelweiss Asset Reconstruction Company Limited, governed by RBI.

The business of commodities trading, broking and warehousing is mainly carried out through subsidiaries Edelweiss Commodities Services Limited, Edelweiss Integrated Commodity Management Limited, Aster Commodities DMCC, EC Commodity Limited and Edelweiss Comtrade Limited, governed by Forward Contracts (Regulation) Act, 1952 under the oversight of FMC. The newly set-up gold refinery runs under Edelweiss Metals Limited.

The stock broking activities are mainly conducted through subsidiaries Edelweiss Securities Limited (ESL) and Edelweiss Broking Limited (EBL), governed by SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. While ESL is a SEBI registered Depository Participant with CDSL, EBL is SEBI registered participant with NSDL. The custodial services business is

carried out through Edelweiss Custodial Services Limited, governed by SEBI.

The mutual fund business is conducted through subsidiary Edelweiss Asset Management Limited, registered with SEBI. The liquid alternatives business is conducted through recently acquired subsidiary Forefront Capital Management Private Limited, registered with SEBI.

Edelweiss Tokio Life Insurance Company Limited, the life insurance Joint Venture with Tokio Marine Holdings, is regulated by IRDAI. Insurance advisory business is conducted through subsidiary Edelweiss Insurance Brokers Limited, which is also regulated by IRDAI.

REGULATORY CHANGES POSING CHALLENGES AND OPPORTUNITIES

We are constantly aware of regulatory changes and related challenges and opportunities that affect our business environment. We are also proactive in aligning ourselves in terms of adherence to compliance requirements and to make the most of opportunities that arise from regulatory changes. Following is a summary of important regulatory changes that have come in during FY15 and their likely implications for the Industry and Edelweiss businesses:

Regulation/Act	Changes	Implication
Reserve Bank of India	 RBI vide circulars dated August 21, 2014 and April 10, 2015 issued norms to NBFC on 'Lending against Shares' RBI vide circulars dated November 10, 2014 and March 27, 2015 issued Revised Regulatory Framework for NBFCs RBI vide circulars dated July 15, 2014, December 15, 2014 and January 19, 2015 issued guidelines to banks and NBFCs for flexible structuring and refinancing of fresh term loans to long-term project loans to infrastructure and core industries RBI vide circular dated February 6, 2015 directed the NBFCs to become member of all the Credit Information Companies RBI vide circular dated February 20, 2015 issued revised Guidelines on Private Placement of NCDs (maturity more than 1 year) by NBFCs 	 The norms are intended to bring the desired discipline in lending against shares by NBFCs RBI intends to bring NBFCs at par with banks on NPA and provisioning norms and have also revised regulatory framework for NBFCs This step of RBI paved the way for long-term (up to 25 years) restructuring and refinancing of project loans to infrastructure and core industries and will be a boost for these sectors This is intended to addresses the problem of making available the credit information of borrowers to all the creditors This will provide certain level of flexibility to NBFCs for raising funds by way of NCDs on private placement
RBI on ARCs	RBI vide its circular dated August 5, 2014 revised the contribution of ARC in SR deals to 15% compared to 5% earlier. It also revised guidelines for planning period, period for valuation of Securities Receipts and accrual of management fees based on NAVs	This has made ARC business more capital intensive. Edelweiss ARC having the advantage of Edelweiss sponsorship is able to allocate required capital in the revised scenario. Other changes impact the pricing strategy of ARCs
National Housing Bank	NHB has advised HFCs not to charge foreclosure charges/pre-payment penalties on floating rate loans to individual borrowers	This provides relief to individual borrowers who want to re-finance existing home loans
The Union Budget 2015-16 Direct Taxes	 For domestic companies, surcharge on income tax increased on taxable income above ₹1 crore Corporate tax rate proposed to be reduced from 30% to 25% over next four years, starting from Financial Year 2016-17 Levy of wealth tax abolished with effect from Assessment Year 2016-17 Threshold limit for applicability of Domestic Transfer Pricing provisions increased from ₹5 crore to ₹20 crore 	 Increase in surcharge will add to the overall tax cost Reduction in Corporate tax rates will help reduce the overall tax cost This will reduce tax cost marginally and help reduce compliance burden The increase will help reduce compliance burden
The Union Budget 2015-16 Indirect Taxes	Rate of Service tax increased from 12.36% to 14% effective from a date to be notified	This will lead to increase in cost of services
US - Foreign Account Tax	Reporting of entities for US FATCA compliance is required to be done	Indian Govt. has consented to sign Model 1 Inter Government Agreement and this will be implemented through CBDT

Regulation/Act	Changes	Implication
SEBI	 SEBI introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof SEBI introduced SEBI (Research Analysts) Regulations 2014 providing a framework to register and regulate research analysts SEBI amended the Delisting of Shares Regulations and expanded the framework for Offer for Sale SEBI modified the stipulation for minimum dilution to public in IPOs 	 Increased regulatory framework to tighten gaps in existing norms Provides clear demarcation of Investment Banking and Research activity which was not clearly regulated so far This will enhance participation of investors in delisting offers and increase retail participation in Offer for Sale Will help many mid cap companies and their PE investors as new regulations allow for a lower dilution at the IPO stage
SEBI	SEBI has revised the SLBM framework with regard to agreement between Clearing Member and Client for the purpose of lending and borrowing of securities	Due to the removal of Tri-partite agreement between the parties, client on-boarding for SLBM would be faster
SEBI / Exchanges	SEBI has prescribed norms to enhance risk management systems at clearing corporations for creation of a Core Settlement Guarantee Fund	This will strengthen the clearing process
BSE	BSE has introduced Self-trade prevention check (STPC) functionality in Equity, Equity Derivative & Currency Derivation to check a buy and a sell order entered in the same order book by a member for the same client code originating from same or different trading terminals of the member. This check is not for Institutional order	This functionality will result in enhancement of preventive check/s in trading platform of the Exchange
SEBI / Exchanges /	SEBI has initiated a system of Risk Based Supervision of Stockbrokers and Depository Participants in alignment with the global best practices. Brokers and Depository Participants have to provide Risk Based Supervision data to the Exchanges and Depositories periodically	SEBI has decided to adopt a supervision model, based on risk levels for various market entities including brokers and depository participants. The new supervisory approach will be based upon the overall risk assessment of the intermediary
FMC/Exchanges	 FMC revised the guideline pertaining to the Settlement of Accounts of clients by the members FMC has revised Common Uniform Client Registration form (KYC) which is now identical to that prescribed by SEBI for securities markets FMC has revised Open Position Limits 	 This will reduce some practical and operational difficulties faced by the Members and clients in settlement of accounts This will smoothen the process for clients This will lead to depth and liquidity in the commodities market

Regulation/Act	Changes	Implication
Insurance Laws (Amendment) Act, 2015	 Insurance Companies can have foreign investment up to 49% (raised from earlier cap of 26%) with the ownership and control remaining with the Indian domestic partner. Prior approval of FIPB will be required for this 	 Access to capital is likely to become a key differentiator for players and would lead to increased investments towards expansion plans including increase in insurance penetration
	 Removed cap on commission limits and Expenses of Management prescribed in the erstwhile Act by delegating the same to the IRDAI 	 IRDAI now has powers to revise remuneration structure for intermediaries which could act as catalyst to sales by distributors
	 Restriction for Life Insurance Company to cancel or repudiate claims after three years from the date of the policy 	 Insurers will need to strengthen underwriting processes and ensure increased due diligence for the quality of life it covers
	Shifted the process of Appointment of Individual Agents to Insurers	 IRDAI has issued Guidelines on the appointment of Insurance Agents as per which, Insurers have to exercise due diligence in appointing insurance agents and the manner in which products are sold and customers are services by insurance agents
	 Introduced provision pursuant to which the order passed by IRDAI are now appealable at Securities Appellate Tribunal (SAT) 	SAT has been made competent Authority to hear an appeal against the order of IRDAI
IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015	Recognised new distribution modal viz. Insurance Marketing Firm (IMF) to solicit and distribute insurance products along with other financial products and to undertake insurance service activities through their employees	This opens up a new distribution channel through IMFs who are permitted to sell products of two life, two non-life, and two health insurance companies







Edelweiss voted a winner two years in a row!

References

- [1] Ranked 192 by Profit after Tax amongst publicly listed companies in India as per Capitaline
- [2] Insurance Regulatory Development Authority
- [3] Among new age Insurance companies started after 2005 IRDAI
- [4] Prime database
- [5] The Survey of Edelweiss Employees (SEE) is administered every alternate year and covers all employees across the organisation
- [6] Retail weighted new business premium basis
- [7] Bloombera
- [8] Association of Mutual Funds of India
- [9] tradingpicks.com

Cautionary Statement

Statements made in this Annual Report contain certain forward looking statements based on various assumptions on the Edelweiss Group's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The discussion relating to business wise financial performance, financial statement, asset books of Edelweiss and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding. The concept of the seven chakras has been used as a metaphor in this annual report. The content is not intended for religious use and does not aim to hurt the views of any person, individual or groups of individuals or any organisation.

Annexures to Board's Report

Disclosures as required under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines): During the year ended March 31, 2015, the Company had 6 employee stock option plans, the details of which and the details of options granted upto March 31, 2015 are as under:

Particulars	ESOP 2004 (Scheme F)	ESOP 2006 (Scheme G)	ESOP 2007	07	ESOP Scheme 2009	ESOP Scheme 2010	ESOP Scheme 2011
			-	=			
Approval	Approved by a special resolution passed by the Company at its EGM dated September 17, 2004 for the grant of 2.4 million options under "ESOP 2004 - Scheme F".	Approved by a special resolution passed by the Company at its EGM dated January 9, 2006 for the grant of 4.8 million options under "ESOP 2006 - Scheme G".	Approved by a special resolution passed by the Company at its EGM dated July 20, 2007 for the grant of 8.1 million options under "ESOP 2007 Scheme I,II & III."	ecial I by the GM dated the grant tions under me I,II	Approved by a special resolution passed by the Company by postal ballot on March 30, 2009 for the grant of 5 million options under the "ESOP Scheme 2009".	Approved by a special resolution passed by the Company by postal ballot on June 30, 2010 for the grant of 3 million options under the "ESOP Scheme 2010".	Approved by a special resolution passed by the Company by a postal ballot on April 26, 2011 for the grant of 100 million options under the "ESOP Scheme 2011".
Options granted*	2,77,71,000	1,88,82,000	65,37,500	1,16,45,000	2,63,75,000	2,28,10,000	9,96,82,100
The pricing formula	Please refer Note 2						
Options vested	2,33,49,320	1,62,40,000	65,37,500	1,16,45,000	1,56,30,500	1,57,86,625	2,77,38,275
Options exercised	1,70,77,860	1,62,40,000	29,34,000	13,12,000	56,30,100	19,72,500	1,06,80,687
Total number of shares arising out of exercise of options	1,70,77,860	1,62,40,000	29,34,000	13,12,000	56,30,100	19,72,500	1,06,80,687
Options forfeited/ lapsed/ cancelled	1,06,93,140	26,42,000	36,03,500	74,73,000	1,27,93,650	79,24,000	1,41,65,463
Variation of terms of options	I	ī	During the financial year 2010-11 the members of the Company approved extension of exercise of vested options by three years.	ial year nbers of broved cise of three	1	1	I
Money realized by exercise of options (₹ in million)	7.62	12.27	6.53	4.76	22.22	9.57	33.66
Total number of options in force	I	ı	1	28,60,000	79,51,250	1,29,13,500	7,48,35,950

NOTES: -

1. Details of options granted during the financial year ended March 31, 2015:

Parti	culars	Options granted under ESOP Scheme 2011
(a)	Directors and Key Managerial Personnel	
	Mr. Himanshu Kaji	16,00,000
	Mr. Rujan Panjwani	7,00,000
	Mr. S. Ranganathan	4,00,000
	Mr. B. Renganathan	40,000
(b)	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (includes ex-employees and group company employees)	
	Mr. Raviprakash R. Bubna Mr. Vikas Khemani	20,00,000 20,00,000
	Mr. D. P. Jhawar	20,00,000
(c)	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None

2. Pricing Formula:

a)	ESOP 2004 (Scheme F) Exercise price of options	₹ 1.04 to ₹ 16.67
b)	ESOP 2006 (Scheme G) Exercise price of options	₹ 7.92 to ₹ 16.67

c) ESOP 2007 Scheme (I)

₹ 21.70	
	From July 1, 2011
	From October 1, 2010 to Sept

Period during which vested options are exercised	From July 1, 2010 to June 30, 2011	From July 1, 2011 to June 30, 2015
Exercise price payable for such vested options	₹ 50.00	₹ 33.30

d) ESOP Scheme 2009

The Exercise price of the Vested Options will be higher of the closing market price of the shares on the date of the Grant or Book Value of the shares as per the last audited balance sheet as on the date of the Grant.

e) ESOP Scheme 2010

The Exercise price of the Vested Options will be higher of the closing market price of the shares on the date of the Grant or Book Value of the shares as per the last audited balance sheet as on the date of the Grant.

f) ESOP Scheme 2011

The Exercise price of the Vested Options will be higher of the closing market price of the shares on the date of the Grant or Book Value of the shares as per the last audited balance sheet as on the date of the Grant.

- 3. Diluted EPS for the financial year ended March 31, 2015 ₹ 1.36
- 4. Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation (calculated on the basis of fair value of options):

The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, the employee compensation would have been higher by ₹201.91 million and the profits would have been lowered by ₹201.91 million.

5. Impact on the profits and EPS for the financial year ended March 31, 2015, if the Company had followed the accounting policies specified in Clause 13 of the ESOP Guidelines:

Impact on Profit	Impact on Basic EPS	Impact on diluted EPS
₹ 201.91 million	₹ 0.26	₹ 0.25

6. Significant assumptions made during the year to estimate the fair value of options:

_		·
i.	Risk-free interest rate	6.50% - 8%
ii.	Expected life	3.19 – 9 years
iii.	Expected volatility	16.29% - 47.70%
iv.	Expected dividend yield	0.25% - 3.12%

Following summarises the information about stock options outstanding as at March 31, 2015:-

Plan	ESOP 2004 Scheme F	ESOP 2006 Scheme G	ESOP 2007 Scheme I	ESOP 2007 Scheme II	ESOP Scheme 2009	ESOP Scheme 2010	ESOP Scheme 2011
As at March 31, 2015							
- Range of exercise price	₹ 7.92	₹ 7.92	Pricing formula	Pricing formula	₹ 39.44 to ₹ 50.26	₹ 41.40 to 61.00	₹ 24.60 to ₹ 70.05
 Number of shares arising out of options 	-	-	-	28,60,000	79,51,250	1,29,13,500	7,48,35,950
- Weighted average life of Outstanding options (in		-	0.25	0.84	1.90	5.78	
Weighted average exercise prices (₹)of stock options							
 outstanding at the beginning of the year 	7.92	7.92	21.70	33.30	40.19	48.86	31.60
- granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	33.89
 forfeited/cancelled during the year 	-	7.92	21.70	33.30	41.79	48.55	34.26
- exercised during the year	7.92	7.92	21.72	33.30	39.46	48.53	31.59
 outstanding at the end of the year 	N.A.	N.A.	N.A.	33.30	40.42	48.91	32.45
- exercisable at the end of the year	N.A.	N.A.	N.A.	33.30	40.42	48.91	32.51

The weighted average market share price for stock options exercised during the year is ₹ 54.95 (Previous year: ₹ 29.55).

Note: Exercise price of grants and number of options has been computed after making adjustment for splits, bonuses and consolidation, since the institution of the Employee Stop Option Plans.

Rashesh Shah
Chairman, Managing Director & CEO
DIN No. 00008322

May 15, 2015

Annexure III

Remuneration Policy

Objective

The Companies Act, 2013 ('the Act') and the Listing Agreement requires a Company to frame a policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.

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

The objective of this Policy is to ensure that:

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

Remuneration of the Independent Directors and Non-executive Directors

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

Remuneration of the Managing Director & Executive Directors

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

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

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

Policy Review

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

Rashesh Shah Chairman, Managing Director & CEO DIN No. 00008322

May 15, 2015

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

The CSR Policy of the Company is uploaded on the website of the Company at http://edelweissfin.com/portals/0/documents/miscellaneous/CSRPolicy.pdf.

- 2. The Composition of the CSR Committee is as under:
 - Mr. Venkat Ramaswamy Executive Director
 - Mr. Himanshu Kaji Executive Director
 - Mr. Rujan Panjwani _ Executive Director
 - Mr. P. N. Venkatachalam Independent Director
- 3. Average net profit of the Company for last three financial years: ₹ 693.50 million
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 13.90 million
- 5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year: ₹ 14.00 million
 - (b) Amount unspent, if any: Nil

								(₹ in million)
1	2	3	4	5		5	7	8
SI. No.	CSR project or activity	Sector in which the	Projects or programs	Amount outlay	Amount spent o	. ,	Cumulative expenditure	Amount spent : Direct or through
	identified	project is covered	(1) Local area or other	(budget) project or	Sub – I	heads:	up to the reporting	implementing agency
		(2) The State and wise district where projects or programs was undertaken	(1) Direct expenditure on projects or programs	(2) Overheads:	period	3 ,		
i.	Agastya International Foundation	Education	Alibaug, Maharashtra	1.52	1.52	-	1.52	Implementing Agency - Edelgive Foundation
ii.	Agastya Science Centre	Education	Alibaug, Maharashtra	2.47	2.47	-	2.47	Implementing Agency - Edelgive Foundation
iii.	Chehak Trust	Education	Mumbai, Maharashtra	2.15	0.43	1.72	2.15	Implementing Agency - Edelgive Foundation
iv.	Ibtada	Education	Alwar, Rajasthan	2.42	2.28	0.14	2.42	Implementing Agency - Edelgive Foundation
V.	Shoshit Seva Sangh	Education	Patna, Bihar	2.50	2.50	-	2.50	Implementing Agency - Edelgive Foundation
vi.	New Resolution India	Livelihood	Mumbai, Maharashtra	2.22	0.88	1.34	2.22	Implementing Agency - Edelgive Foundation
vii.	Adharshila Shiksha Samiti	Education	Agraa, Madhya Pradesh	0.72	0.37	0.35	0.72	Implementing Agency - Edelgive Foundation
		Total		14.00	10.45	3.55	14.00	

EdelGive Foundation is the strategic philanthropic arm of the Edelweiss Group and is registered under Section 25 of the Companies Act, 1956.

7. A responsibility statement of the CSR Committee –

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- Sd/-

Himanshu Kaji Venkat Ramaswamy
(Executive Director) (Chairman CSR Committee)

DIN No. 00009438 DIN No. 00008509

May 15, 2015

^{6.} In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:- Not Applicable

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Personnel) Rules, 2014]

To
The Members
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai – 400098

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Edelweiss Financial Services Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

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

We have examined the books, papers, minute books, form and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

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

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes (since not approved by the Central Government).

We further report that -

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

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that -

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

- (i) Bought Back 20,30,048 equity shares for an aggregate value of ₹ 7.61 crores.
- (ii) Issued 560 Secured Redeemable Non-Convertible debentures of face value of ₹ 10,00,000 each at a discount of ₹ 98,795 per Debenture (i.e. at ₹ 9,01,205 per Debenture) aggregating to ₹ 50,46,74,800 on a private placement basis.
- (iii) Issued 175 Secured Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000 each at par aggregating to ₹ 17.50 crores on private placement basis.
- (iv) Issued 1000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000 each at par aggregating to ₹ 100 crores on private placement basis.
- (v) Obtained approval of members by way of special resolution to authorize the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserve of the Company, but not exceeding a sum of ₹ 10 000 crores.
- (vi) Obtained approval of members by way of special resolution to authorize the Board of Directors to make loans and investments and provide guarantees in excess of the limits prescribed under section 186 of the Companies Act, 2013, but not exceeding a sum of ₹ 10,000 crores.

For **BNP & Associates**Company Secretaries

Keyoor Bakshi
Partner

FCS 1844/CP No. 2720

Place: Mumbai Date: May 15, 2015

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	REG	ISTRATION AND OTHER DETAILS:	
	i)	CIN	L99999MH1995PLC094641
	ii)	Registration Date	21/11/1995
	iii)	Name of the Company	Edelweiss Financial Services Limited
	iv)	Category / Sub-Category of the Company	Public Company/Limited by Shares
	v)	Address of the Registered Office and contact details	Edelweiss House, Off. C.S.T. Road, Kalina Mumbai – 400098 Email – efsl.shareholders@edelweissfin.com Tel No.: +91 22 4009 4400 Fax No.: +91 22 4086 3759
	vi)	Whether listed company	Yes
	vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai – 400078. Tel No.: +91 22 2594 6970 Fax No.: +91 22 2594 6969.
II.	Allth	ICIPAL BUSINESS ACTIVITIES OF THE COMPANY ne business activities contributing 10% or more of the total turnover ne Company	As per Attachment - A
III.	PAR	TICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment - B
IV.		RE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP ERCENTAGE OF TOTAL EQUITY)	
	i)	Category-wise Share Holding	As per Attachment - C
	ii)	Shareholding of Promoters	As per Attachment - D
	iii)	Change in Promoters' Shareholding	As per Attachment - E
	iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - F
	v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment - G
V.	IND	EBTEDNESS	
		btedness of the Company including interest outstanding/accrued not due for payment	As per Attachment - H
VI.	Rem	uneration of Directors and Key Managerial Personnel	
	Α.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment - I
	В.	Remuneration to other directors	As per Attachment - J
	C.	Remuneration to Key Managerial Personnel other than MD/ Manager/WTD	As per Attachment - K
VII.	PEN	ALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	As per Attachment - L

Attachment - A

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover / income of the Company are given below:-

SI. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover / income of the Company ⁵
1.	Investment Banking and Advisory Services	649	71.54
2.	Holding Activities / Investments – (Dividend income from subsidiaries)	642	20.19

^{*} As per National Industrial Classification- Ministry of Statistics and Programme Implementation

Attachment - B

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
1.	Edel Finance Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65920MH1989PLC053909	Subsidiary	100	2(87)(ii)
2.	Edelweiss Securities Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67110AP1993PLC052266	Subsidiary	100	2(87)(ii)
3.	Edelweiss Finance & Investments Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67120AP1994PLC052372	Subsidiary	100	2(87)(ii)
4.	Edelweiss Comtrade Limited Address: Anagram House, H.L. Commerce College–Stadium Road, Navarangpura, Ahmedabad – 380 009	U66990GJ1995PLC025267	Subsidiary	100	2(87)(ii)
5.	Edelweiss Retail Finance Limited Address: 2A & 2B, Savitri Tower, 3A, Dr. Martin Luther King Sarani, (Formerly Upper Wood Street), Kolkata – 700 017	U67120WB1997PLC082953	Subsidiary	100	2(87)(ii)
6.	Edelweiss Insurance Brokers Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U72200MH2000PLC124096	Subsidiary	100	2(87)(ii)
7.	Edelweiss Web Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65990MH2005PLC154276	Subsidiary	100	2(87)(ii)

^{\$} On the basis of Gross Income

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
8.	ECL Finance Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65990MH2005PLC154854	Subsidiary	92.20	2(87)(ii)
9.	Edelweiss Trustee Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2005PLC155191	Subsidiary	100	2(87)(ii)
10	Arum Investments Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65993MH2006PTC164007	Subsidiary	94.37	2(87)(ii)
11.	Edelweiss Commodities Services Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034.	U45201AP2006PLC078157	Subsidiary	100	2(87)(ii)
12.	Edelweiss Asset Management Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098.	U65991MH2007PLC173409	Subsidiary	100	2(87)(ii)
13.	Edelweiss Trusteeship Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC173779	Subsidiary	100	2(87)(ii)
14	Edelweiss Global Wealth Management Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC174819	Subsidiary	100	2(87)(ii)
15.	ECap Equities Limited Address: 2 nd Floor, M.B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2008PLC057122	Subsidiary	100	2(87)(ii)
16.	Edelcap Securities Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67120AP2008PLC057145	Subsidiary	100	2(87)(ii)
17.	Edelweiss Broking Limited Address: Anagram House, H.L. Commerce College–Stadium Road, Navarangpura, Ahmedabad -380 009	U65100GJ2008PLC077462	Subsidiary	100	2(87)(ii)
18.	Edelweiss Alternative Asset Advisors Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67190MH2008PLC182205	Subsidiary	100	2(87)(ii)
19.	EdelGive Foundation Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2008NPL182809	Subsidiary	100	2(87)(ii)
20.	Edelweiss Housing Finance Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65922MH2008PLC182906	Subsidiary	100	2(87)(ii)
21.	Edelweiss Investment Adviser Ltd. Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74140MH2008PLC182920	Subsidiary	100	2(87)(ii)

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
22.	EC Commodity Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51109AP2008PLC065146	Subsidiary	100	2(87)(ii)
23.	Edel Commodities Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51900AP2008PLC065549	Subsidiary	100	2(87)(ii)
24.	Edel Land Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034.	U74900TG2008PLC084221	Subsidiary	100	2(87)(ii)
25.	Edelweiss Custodial Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U51109MH2008PLC187594	Subsidiary	100	2(87)(ii)
26.	Forefront Capital Management Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67120MH2009PTC194273	Subsidiary	100	2(87)(ii)
27.	Edel Investments Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65923MH2009PLC197268	Subsidiary	100	2(87)(ii)
28.	Edelweiss Tokio Life Insurance Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098.	U66010MH2009PLC197336	Subsidiary	74	2(87)(ii)
29.	Edelweiss Capital Markets Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2010PLC208738	Subsidiary	100	2(87)(ii)
30.	EFSL Commodities Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51900TG2011PLC077654	Subsidiary	100	2(87)(ii)
31.	EFSL Comtrade Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2011PLC077784	Subsidiary	100	2(87)(ii)
32.	Edel Commodities Trading Limited Address: 2 nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2011PLC077783	Subsidiary	100	2(87)(ii)
33.	Edelweiss Metals Limited Address: Anagram House, H.L. Commerce College–Stadium Road, Navarangpura, Ahmedabad – 380 009	U27109GJ2012PLC069162	Subsidiary	100	2(87)(ii)
34.	Edelweiss Integrated Commodity Management Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U63090MH2014PLC256473	Subsidiary	100	2(87)(ii)

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
35.	Eternity Business Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259027	Subsidiary	100	2(87)(ii)
36.	Olive Business Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259032	Subsidiary	100	2(87)(ii)
37.	Burlington Business Solutions Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259023	Subsidiary	100	2(87)(ii)
38.	Auris Corporate Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259034	Subsidiary	100	2(87)(ii)
39.	Serenity Business Park Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74120MH2014PLC259073	Subsidiary	100	2(87)(ii)
40.	EC Global Limited Address: c/o Citco (Mauritius) Limited, 4 th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
41.	Edelweiss Capital (Singapore) Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
42.	Edelweiss Investment Advisors Private Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
43.	EC International Limited Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
44.	Aster Commodities DMCC Address: 46-J, Almas Tower, Jumeirah Lake Towers, Dubai, U.A.E, P. O. Box No. 113741	N.A.	Subsidiary	100	2(87)(ii)
45.	EAAA LLC Address: c/o Citco (Mauritius) Limited, 4 th Floor, Tower A, 1 CyberCity Ebene, Mauritius.	N.A.	Subsidiary	100	2(87)(ii)
46.	Edelweiss International (Singapore) Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
47.	Edelweiss Alternative Asset Advisors Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
48.	EW Special Opportunities Advisors LLC Address: c/o Citco (Mauritius) Limited, 4 th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	67	2(87)(ii)
49.	EW India Special Assets Advisors LLC Address: c/o Citco (Mauritius) Limited, 4 th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
50.	EW SBI Crossover Advisors LLC Address: c/o Citco (Mauritius) Limited, 4 th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	60	2(87)(ii)
51.	Edelweiss Securities (Hong Kong) Private Limited Address: Unit 1001, 10/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong	N.A.	Subsidiary	100	2(87)(ii)
52.	Forefront India Capital Management Address: c/o CIM Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
53.	Edelweiss Financial Services Inc. Address: 266-12 72 nd Road, Floral Park, NY-11004, USA	N.A.	Subsidiary	100	2(87)(ii)
54.	Edelweiss Commodities Pte. Ltd. Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
55.	Edelweiss Commodities Nigeria Limited Address: Suite 21B West Pavilion Entrance 1, 1 st Floor, Tafawa Balewa, Square Complex, Lagos – 12539	N.A.	Subsidiary	100	2(87)(ii)
56.	Edelweiss Commodities (Chad) SARL Address: AV. Mubutu, N'djamena, Chad P.O. Box 621	N.A.	Subsidiary	100	2(87)(ii)
57.	Edelweiss Fund Advisors Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U70200MH2005PTC155545	Associate	40	2(6)
58.	Edelweiss Asset Reconstruction Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC174759	Associate	49.91	2(6)
59.	Allium Finance Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67120MH2008PTC180229	Associate	46.13	2(6)
60.	Magnolia Commodities Services Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65993MH2009PTC195495	Associate	50	2(6)

SI. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
61.	Dahlia Commodities Services Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2009PTC195730	Associate	50	2(6)
62.	Aeon Credit Service India Private Limited Address: Unit 702, 7 th Floor, C&B Square Building, Andheri Kurla Road, Chakala, Andheri (East), Mumbai-400 059	U65929MH2011FTC214516	Associate	25	2(6)

^{*}Representing aggregate % of shares held by the Company and / or its subsidiaries

Attachment – C

Category-wise Share Holding

Category of Shareholders			s held at the ar as on April 1,	2014			eld at the end of March 31, 2015		% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A. Promoters									
(1) Indian									
a) Individual/HUF	22,86,89,490	-	22,86,89,490	29.74	24,16,89,490	-	24,16,89,490	30.53	0.79
b) Central Govt	-	-	-	-	-	-	-		-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	_	-	-	-	-	-	-
f) Any Other	-	-	_	-	-	-	-	-	-
Sub-total (A) (1):-	22,86,89,490	-	22,86,89,490	29.74	24,16,89,490	-	24,16,89,490	30.53	0.79
(2) Foreign									
a) NRIs – Individuals	-	-	_	-	-	-	-	-	-
b) Other –Individuals	_	_	_	_	_	_	_	-	
c) Bodies Corporate	_	_	_	_	_	_	_	-	_
d) Banks / FI	_	_	_	_	_	_	_	_	_
e) Any Other	_	_	_	_	_	_	_	_	_
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding	22,86,89,490	-	22,86,89,490	29.74	24,16,89,490	-	24,16,89,490	30.53	0.79
of Promoter (A) =(A)(1)+(A)(2)	, , ,		, , ,		, , ,		, , ,		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,673	-	8,673	-	55,10,311		55,10,311	0.70	0.70
b) Banks / FI	1,62,372	-	1,62,372	0.02	3,26,997		3,26,997	0.04	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs / FPI	17,36,55,134	-	17,36,55,134	22.58	20,64,92,427		20,64,92,427	26.08	3.50
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	_	-	-	-	-	-	-
a) Qualified Foreign Investors	1,00,000	-	1,00,000	0.01	2,00,000	-	2,00,000	0.03	0.02
b) Foreign Portfolio Investor	-	-	-	-	7,38,051	-	7,38,051	0.09	0.09
Sub-total (B)(1):-	17,39,26,179	-	17,39,26,179	22.62	21,32,67,786	-	21,32,67,786	26.94	4.32

Cat	egory of Shareholders		No of Chara	s held at the		No. of Shares held at the end of				%
Cai	egory of Shareholders			r as on April 1,	2014			March 31, 2015		% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
2.	Non-Institutions									
a)	Bodies Corporate									
	i) Indian	4,86,81,708	-	4,86,81,708	6.33	5,75,87,883	-	5,75,87,883	7.27	0.94
	ii) Overseas	12,54,98,694	1,56,000	12,56,54,694	16.34	4,79,11,313	1,56,000	4,80,67,313	6.07	(10.27)
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	2,65,12,011	1,16,210	2,66,28,221	3.46	4,12,75,847	1,06,670	4,13,82,517	5.23	1.77
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,41,20,938	5,60,000	9,46,80,938	12.31	11,66,54,979	-	11,66,54,979	14.73	2.42
c)	Others:									
	Clearing Member	7,24,264	-	7,24,264	0.09	19,13,728	-	19,13,728	0.24	0.15
	Non Resident Indians	1,61,23,445	5,55,000	1,66,78,445	2.17	1,65,64,531	5,55,000	1,71,19,531	2.16	(0.01)
	Non Resident Indians (Non Repatriable)	4,60,529	-	4,60,529	0.06	9,43,531	-	9,43,531	0.12	0.06
	Independent Directors	80,22,180	-	80,22,180	1.04	81,27,180	-	81,27,180	1.03	(0.01)
	Trusts	4,48,98,682	-	4,48,98,682	5.84	4,49,98,681	-	4,49,98,681	5.68	(0.16)
Sul	o-total (B)(2):-	36,50,42,451	13,87,210	36,64,29,661	47.64	33,59,77,673	8,17,670	33,67,95,343	42.53	(5.11)
	ral Public Shareholding =(B)(1)+(B)(2)	53,89,68,630	13,87,210	54,03,55,840	70.26	54,92,45,459	8,17,670	55,00,63,129	69.47	(0.79)
C.	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Gra	and Total (A+B+C)	76,76,58,120	13,87,210	76,90,45,330	100	79,09,34,949	8,17,670	79,17,52,619	100	

Attachment – D

(ii) Shareholding of Promoters

SI. No.	Shareholder's Name		ding at the l ar as on Apr	0 0	Sharehold Year as	% change		
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	in share holding during the year
1.	Mr. Rashesh Chandrakant Shah	13,43,01,730	17.46	-	14,43,01,730	18.23	11.37	0.77
2.	Mr. Venkat Ramaswamy	5,30,26,560	6.90	0.58	5,60,26,560	7.08	4.55	0.18
3.	Ms. Vidya Shah*	2,93,61,200	3.82	1.52	2,93,61,200	3.71	2.93	(0.11)
4.	Ms. Aparna T. C.*	1,20,00,000	1.56	-	1,20,00,000	1.52	-	(0.04)
	Total	22,86,89,490	29.74	2.10	24,16,89,490	30.53	18.85	0.79

^{*}The variation in the % is due to change in the paid-up share capital of the Company.

Attachment – E

(iii) Change in Promoters' Shareholding

SI. No.	Particulars		beginning of	ling at the the year as on ., 2014	Cumulative Shareholding during the Year		
			No. of % of total shares shares of the Company		No. of shares	% of total shares of the Company	
	At the beginning of the year		22,86,89,490	29.74	22,86,89,490	29.74	
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):						
1	Mr. Rashesh Shah	Purchased on December 30, 2014	1,00,00,000	1.29	23,86,89,490	30.31	
2	Mr. Venkat Ramaswamy	Purchased on December 30, 2014	30,00,000	0.39	24,16,89,490	30. 69	
	At the End of the year		24,16,89,490	30.53	24,16,89,490	30.53	

Attachment - F (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.	Name	Shareholdi beginning of on April	the year as		ecrease in shar Iring the year	reholding	Date of change	Cumu Shareholding ye	g during the
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Reason		No. of shares	% of total sshares of the Company
1	First Carlyle Ventures Mauritius*	6,80,48,557	8.85%	-	-	-	-	6,80,48,557	8.59%
2	Edelweiss Employee Welfare Trust*	3,75,95,270	4.89%	-	-	-	-	3,75,95,270	4.75%
3	PRIVAT Bank IHAG ZURICH AG	3,16,36,155	4.11%	3,71,724 1,99,951	4,00,000	Transfer Transfer Transfer	11.04.2014 18.04.2014 23.05.2014		4.16% 4.07% 4.02%
4	Caladium Investment Pte. Ltd.	6,22,74,300	8.10%	-	1,00,000 1,29,71,517 1,77,50,000	Transfer Transfer Transfer	30.05.2014 31.12.2014 30.01.2015	3,17,07,830 4,93,02,783 3,15,52,783	4.00% 6.23% 3.99%
5	Saif Advisors Mauritius Limited A/C Saif India IV FII Holdings Limited	2,51,35,431	3.27%	1,96,435 1,40,884 82,151 78,604		Transfer Transfer Transfer Transfer	11.04.2014 09.05.2014 16.05.2014 23.05.2014	2,54,72,750 2,55,54,901	3.20% 3.22% 3.23% 3.24%
6	Fidelity Investment Trust Fidelity International Discovery Fund	-	-	11,15,937 1,77,89,566	-	Transfer Transfer	23.01.2015 30.01.2015	11,15,937 1,89,05,503	0.14% 2.39%
7	FIL Investments (Mauritius) Ltd	-	-	1,61,51,043	63,907	Transfer Transfer	11.04.2014 29.08.2014	1,61,51,043 1,60,87,136	2.04%
				-	8,33,979 4,50,739 3,25,323	Transfer Transfer Transfer	05.09.2014 12.09.2014 19.09.2014	1,52,53,157 1,48,02,418 1,44,77,095	1.93% 1.87% 1.83%
				-	2,54,206 32,068	Transfer Transfer	30.09.2014 10.10.2014	1,42,22,889 1,41,90,821	1.80% 1.79%
8	BIH,SA* Naresh Lakshmansingh Kothari	1,40,43,180	1.83% 1.96%	-	7,00,000	- Transfer	25.04.2014	1,40,43,180 1,43,66,220	1.77% 1.81%
					8,60,000 5,00,000 1,00,000 4,00,000	Transfer Transfer Transfer	09.05.2014 13.06.2014 08.08.2014	1,35,06,220 1,30,06,220 1,29,06,220	1.71% 1.64% 1.63% 1.58%
10	Amansa Holdings Private Limited	-	_	1,19,00,000	4,00,000	Transfer Transfer Transfer	31.12.2014 09.01.2015 19.12.2014	1,21,06,220	1.58% 1.53% 1.50%

^{*}The variation in the % is due to change in the paid-up share capital of the Company. Note: The date of change is the date on which the beneficiary position is downloaded.

Attachment - G

(v) Shareholding of Directors and Key Managerial Personnel:

SI. No.	Name	Shareholdi beginning of on April 2	the year as	Date	Increase/ Decrease in shareholding	Reason	Cumulative SI during th	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A)	Directors							
1)	Mr. Rashesh Shah	13,43,01,730	17.46	30.12.2014	1,00,00,000	Market Purchase	14,43,01,730	18.23
2)	Mr. Venkat Ramaswamy	5,30,26,560	6.90	30.12.2014	30,00,000	Market Purchase	5,60,26,560	7.08
3)	Mr. Himanshu Kaji	-	-	03.05 2014	3,87,500	Allotment of Shares on exercise of the Stock Options	3,87,500	0.05
4)	Mr. Rujan Panjwani	1,01,61,380	1.32	03.05 2014	3,00,000	Allotment of Shares on exercise of the Stock Options	1,04,61,380	1.34
				08.01.2015	3,00,000	Allotment of Shares on exercise of the Stock Options	1,07,61,380	1.37
				12.03.2015	9,30,000	Allotment of Shares on exercise of the Stock Options	11,691,380	1.48
5)	Ms. Vidya Shah*	2,93,61,200 (Appointed with effect from 01.08. 2014)	3.82	-	-	-	2,93,61,200	3.71

SI. No.	Name	Shareholdi beginning of on April 1	the year as	Date	Increase/ Decrease in shareholding	Reason	Cumulative Sh during th	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6)	Mr. Narendra Jhaveri	78,000	0.01	03.05.2014	62,500	Allotment of Shares on exercise of the Stock Options	1,40,500	0.02
				01.12.2014	15,000	Allotment of Shares on exercise of the Stock Options	1,55,500	0.02
7)	Mr. P. N. Venkatachalam	20,000	-	03.05.2014	12,500	Allotment of Shares on exercise of the Stock Options	32,500	-
				01.12.2014	15,000	Allotment of Shares on exercise of the Stock Options	47,500	0.01
8)	Mr. Berjis Desai	-	-	-	-	-	-	-
9)	Mr. Sanjiv Misra	-	-	-	-	-	-	-
10)	Mr. Sunil Mitra	-	-	-	-	-	-	-
11)	Mr. Kunnasagaran Chinniah	-	-	-	-	-	-	-
12)	Mr. Navtej S. Nandra*	79,24,180	1.03				79,24,180	1.00
13)	Mr. Biswamohan Mahapatra	(Appointed with effect from 26.03.2015)	-	-	-	-	-	-

^{*}The variation in the % is due to change in the paid-up share capital of the Company.

SI. No.	Name	Shareholdi beginning of on April	the year as	Date	Increase/ Decrease in shareholding	Reason	Cumulative Sh during th	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	Key Managerial Personnel							
1)	Mr. S. Ranganathan	-	-	03.05.2014	2,00,000	Allotment of Shares on exercise of the Stock Options	2,00,000	0.03
				05.06.2014	25,000	Market Sale	1,75,000	0.02
				25.06.2014	25,000	Market Sale	1,50,000	0.02
				10.11.2014	50,000	Market Sale	1,00,000	0.01
				01.12.2014	1,50,000	Allotment of Shares on exercise of the Stock Options	2,50,000	0.03
				27.01.2015	25,000	Market Sale	2,25,000	0.03
2)	Mr. B. Renganathan	-	-	03.05.2014	9,437	Allotment of Shares on exercise of the Stock Options	9,437	-
				25.09.2014	7,500	Market Sale	1,937	-
				01.12.2014		Allotment of Shares on exercise of the Stock Options	12,937	-
				03.02.2015	11,000	Market Sale	1,937	-

Attachment - H

V. INDEBTEDNESS

Indebtehdness of the Company including interest outstanding/accrued but not due for payment

(₹ in million)

				(
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,454.06	7,036.45	_	8,490.51
ii) Interest due but not paid	_	5.96	_	5.96
iii) Interest accrued but not due	15.10	_	_	15.10
Total (i+ii+iii)	1,469.16	7,042.41	_	8,511.57
Change in Indebtedness during the financial year				
 Addition 	2,440.90	37,992.20		40,433.10
 Reduction 				
Net Change	2,440.90	37,992.20	_	40,433.10
Indebtedness at the end of the financial year				
i) Principal Amount	3,632.17	45,034.28	_	48,666.45
ii) Interest due but not paid	_	0.33	_	0.33
iii) Interest accrued but not due	277.89	_	_	277.89
Total (i+ii+iii)	3,910.06	45,034.61	_	48,944.67

Attachment – I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in million)

	Particulars of Remuneration	Mr. Rashesh Shah	Mr. Venkat Ramaswamy	Mr. Himanshu Kaji	Mr. Rujan Panjwani	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	9.08	1.20	9.07	1.25	20.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	_	0.04	0.04	0.12
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	_	_	-	_	-
2.	Stock Option (perquisite value)	_	_	1.12	65.08	66.20
3.	Sweat Equity	_	_	_	_	_
4.	Commission	_	_	_	_	_
	- as % of profit					
	- others					
5.	Others: Bonus	12.50	_	10.00	_	22.50
	Total (A)	21.62	1.20	20.23	66.37	109.42
	Ceiling as per the Act					Refer Note

Note: In terms of the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Circulars issued thereunder, the remuneration paid to the Managing Directors and the Executive Directors is within the ceilings prescribed.

(₹ in million)

Annexures to Board's Report (Continued)

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors:

Particulars of	1.	2.	3.	4.	5.	.9	7.	8	9.	
Remuneration	Mr. Narendra Jhaveri	Mr. P N Venkatachalam	Mr. Berjis Desai	Mr. Sunil Mitra	Mr. Sanjiv Misra	Mr. Navtej S. Nandra	Mr. Kunnasagaran Chinniah	Mr. Biswamohan Mahapatra #	Ms. Vidya Shah ^{\$}	Total
				Independe	Independent Directors	, S			Non- executive, Non- Independent	
 Independent Directors 										
Fee for attending board/committee of meetings	0.32	0.32	0.28	0.18	0.26	0.18	0.30	I	I	1.84
Commission	I	I	1.25	1.25	1.25	1.25	1.25	I	I	6.25
Others	I	I	I	I	I	I	I	I	I	I
Total (1)	0.32	0.32	1.53	1.43	1.51	1.43	1.55	I		8.09
2. Other Non- executive Directors										
 Fee for attending board/committee of meetings 	I	ı	I	I		I	_	ı	ı	I
 Commission 	ı	I	1	ı	ı	ı	ı	ı	I	1
Others	ı	ı	I	I	I	I	ı	ı	I	I
Total (2)	1	ı	1	-	_	1	_	-	1	1
Total B (1+2)	0.32	0.32	1.53	1.43	1.51	1.43	1.55	ı		8.09
Total Managerial Remuneration (A+B)										117.51
Overall Ceilling as per the Act										Refer Note

Note: The total managerial remuneration is within the ceilings prescribed.

Attachment J

^{*} appointed with effect from March 26, 2015.

 $^{^{\$}}$ appointed with effect from August 1, 2014.

Attachment – K

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ in million)

				(
	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.92	6.31	14.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.03	0.07
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option (perquisite value)	3.64	0.13	3.77
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others			
5.	Others: Bonus	8.00	3.20	11.20
	Total	19.60	9.67	29.27

Attachment – L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Тур	e	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment			NONE		
	Compounding			NONE		
В.	DIRECTORS					
	Penalty					
	Punishment			NONE		
	Compounding			NONE		
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment			NONE		
	Compounding					

Rashesh Shah Chairman, Managing Director & CEO DIN No. 00008322

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

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

Sr. No.	Disclosure Requirement		Disclosure Details				
1	Ratio of the remuneration of each	Directors	Title	Ratio			
	director to the median remuneration of the employees of the Company for	Mr. Rashesh Shah	Chairman, Managing Director & CEO	24.63X			
	the financial year	Mr. Venkat Ramaswamy	Executive Director	1.37X			
		Mr. Himanshu Kaji	Executive Director	21.78X			
		Mr. Rujan Panjwani	Executive Director	1.47X			
		During the year Mr. Berjis Desai, Mr. Navtej S. Nandra, Mr. Sanjiv Misra, Mr. Sunil Mitra, Mr. Kunnasagaran Chinniah were paid commission of ₹ 1.25 million each, representing the ratio of 1.42X each.					
2.	Percentage increase in remuneration	Directors/KMP's	Title	% increase in remuneration			
	of each director, Chief Financial Officer, Chief Executive Officer,	Mr. Rashesh Shah	Chairman, Managing Director & CEO	(5.89)			
	Company Secretary or Manager, if any,	Mr. Venkat Ramaswamy	Executive Director	(77.53)			
	in the financial year	Mr. Himanshu Kaji	Executive Director	144.25			
		Mr. Rujan Panjwani	Executive Director	(60.28)			
		Mr. S Ranganathan	Chief Financial Officer	113.83			
		Mr. B Renganathan	Company Secretary	73.67			
3.	Percentage increase in the median remuneration of employees in the financial year	27.40%. The employees who not considered for this purpo		the financial year 2014-15 are			
4.	Number of permanent employees on the rolls of Company at the end of the year	142 permanent employees w	vere on the rolls of the Co	ompany as on March 31, 2015.			
5.	Explanation on the relationship between average increase in remuneration and Company's performance	70.60% and median increase in the remuneration was 23.28%, which is in line with					
6.	Comparison of the remuneration of the Key Managerial Personnel against	The total remuneration of the 2014-15, increased by 31.299		onnel during the financial year o₹ 68.72 million.			
	the performance of the Company	During the financial year 2014-15, the profit before tax increased by 70.60% from $\stackrel{?}{\stackrel{?}{$\sim}}$ 802.77 million to $\stackrel{?}{\stackrel{?}{$\sim}}$ 1,369.53 million.					

Sr. No.	Disclosure Requirement			Disclosu	ıre Detail:	S		
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalis compared to ₹22,03 The price earning rato 10.05 as on Marc The market quotatic compared to ₹ 28.65 NSE. The market quotatic (65.27% as on Marc the initial public offeactions such as bonu	3 million attion of the h 31, 2014 on of the 5 per share otation of h 31, 2014 or in 2007	Company at 4 based on shares as e as on Ma the Compa 4) than the which was	h 31, 2014 as on Mar diluted EF on March rch 31, 20 any as on N rate at w at ₹82.50	1. och 31, 201 PS. 31, 2015 14 (face va March 31, 2 hich the Co	.5 was 16.4 was ₹ 63.9 alue Re. 1 p 2015 was 22 ompany car	7 compared 0 per share er share) on 2.55% lower me out with
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration Comparison of each remuneration of	The average increase in the employment increase is 26.47%. The average increase	during t	he financia	al year 20)13-14 and		the average
Э.	the Key Managerial Personnel against the performance of the Company		Mr. Rashesh Shah	Mr. Venkat Ramaswamy	Mr. Himanshu Kaji	Mr. Rujan Panjwani	Mr. S. Ranganathan	(₹ in million) Mr. B. Renganathan
		Remuneration in the financial year 2014-15	21.62	1.20	19.12	1.29	15.96	9.54
		Revenue			2,	481.60		
		Remuneration as % of revenue	0.87	0.05	0.77	0.05	0.64	0.38
		Profit Before Tax (PBT)		ı	· · · · · · · · · · · · · · · · · · ·	369.53	ı	
		Remuneration as % of PBT	1.58	0.09	1.40	0.09	1.16	0.70
10.	Key parameters for any variable component of remuneration availed by the Directors	The key parameters Directors are as per Committee which is	r the reco	ommendati	ons of the	e Nominat	ion and Re	muneration
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	As on March 31, 201 of the highest paid [o received	remunerati	on in excess
12.	Affirmations that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the Company.	ne remun	eration pai	d is as pe	r the Rem	uneration F	Policy of the

Rashesh Shah Chairman, Managing Director & CEO DIN No. 00008322

Corporate Governance Report

Company's philosophy on Corporate Governance

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align as nearly as possible the interests of individuals, corporates and society and enhancing the stakeholders' value. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. Good Corporate Governance practices have always been an integral part of your Company's philosophy and is committed to achieving and maintaining the highest standards of Corporate Governance.

Board of Directors

The Board of Directors provide strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

Composition

The Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2014-15 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2015 are as under:

Name and DIN No. of the	Category		d Meetings	Attendance	No. of		Position*
Directors		Held	Attended	at the last	directorships	Member	Chairman
				AGM held	in other		
				on July 25,	public limited		
				2014	companies ^{\$}		
Mr. Rashesh Shah	Executive	5	5	Yes	3	-	-
[Chairman,	(Promoter)						
Managing Director & CEO							
(DIN No. 00008322)							
Mr. Venkat Ramaswamy	Executive	5	5	Yes	3	-	-
(DIN No. 00008509)	(Promoter)						
Mr. Himanshu Kaji	Executive	5	5	Yes	3	1	-
(DIN No. 00009438)							
Mr. Rujan Panjwani	Executive	5	5	Yes	6	2	-
(DIN No. 00237366)							
Ms. Vidya Shah^	Non-Executive,	2	1	-	3	-	-
(DIN No. 00274831)	Non-Independent						
	(Promoter)						
Mr. Narendra Jhaveri	Independent	5	5	Yes	6	4	1
(DIN No. 00198912)							
Mr. P. N. Venkatachalam	Independent	5	5	Yes	9	3	2
(DIN No. 00499442)							
Mr. Berjis Desai	Independent	5	4	Yes	9	3	2
(DIN No. 00153675)							
Mr. Sanjiv Misra	Independent	5	4	Yes	-	-	-
(DIN No. 03511635)							
Mr. Sunil Mitra	Independent	5	4	Yes	7	4	1
(DIN No. 00113473)				.,			
Mr. Navtej S. Nandra	Independent	5	3	Yes	-	-	-
(DIN No. 02282617)		_	_				
Mr. Kunnasagaran Chinniah	Independent	5	5	Yes	1	1	-
(DIN No. 01590108)	In demandent				2		
Mr. Biswamohan Mahapatra#	Independent	-	-	-	2	-	-
(DIN No. 06990345)		<u> </u>					

- ^{\$} Only Directorships of public limited companies incorporated in India have been considered.
- * Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee positions.
- Ms. Vidya Shah was appointed as Non-Executive Non-Independent Director by the Board on August 1, 2014.
- [#] Mr. Biswamohan Mahapatra was appointed as an Independent Director by the Board on March 26, 2015.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the public limited companies in which he is a Director.

The Board met five times on the following dates during the financial year 2014-15:

April 23, 2014; May 17, 2014; July 25, 2014; October 17, 2014 and January 23, 2015.

Mr. Rashesh Shah and Ms. Vidya Shah are related to each other. None of the other Directors is related to each other.

Board Meetings

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated in advance to the Board Members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions.

Committees of the Board:

A) Audit Committee

Composition as at March 31, 2015:-

Mr. Narendra Jhaveri	-	Chairman
Mr. P.N. Venkatachalam	-	Member
Mr. Berjis Desai	-	Member
Mr. Sanjiv Misra	-	Member
Mr. Sunil Mitra	-	Member

All the members of the Committee are Independent Directors and have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of Reference of the Committee

i. Powers of the Audit Committee

The Audit Committee has the powers to:

- i. Investigate any activity within its terms of reference;
- ii. Seek information from any employee;
- iii. Obtain outside legal or other professional advice; and
- iv. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Corporate Governance Report (Continued)

ii. **Role of the Audit Committee**

The role of the Audit Committee inter alia include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; 2)
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission 4) to the board for approval.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Evaluation of internal financial controls and risk management systems; 6)
- Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the 7) internal control systems;
- 8) Discussion with internal auditors of any significant findings and follow up there on;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as 9) post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower/Vigil mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. 11)

Meetings held

During the financial year 2014-15, four meetings of the Committee were held on May 16, 2014; July 25, 2014; October 17, 2014 and January 23, 2015.

Attendance:

Name of the Member	No. of n	neetings
Name of the Member	Held	Attended
Mr. Narendra Jhaveri	4	4
Mr. P. N. Venkatachalam	4	4
Mr. Berjis Desai	4	3
Mr. Sanjiv Misra	4	3
Mr. Sunil Mitra	4	4

The Auditors, Internal Auditors, Chief Financial Officer and Group Deputy CFO are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

Mr. Narendra Jhaveri, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on July 25, 2014.

B) **Nomination and Remuneration Committee**

Composition as at March 31, 2015:

Mr. Berjis Desai	- Member
Mr. Sanjiv Misra	- Member
Mr. Kunnasagaran Chinniah	- Member
Mr. Navtej S. Nandra	- Member

Meetings held

During the financial year 2014-15, two meetings of the Committee were held on May 16, 2014 and July 25, 2014.

Attendance:

Name of the Member	No. of meetings		
Name of the Member	Held Attende	Attended	
Mr. Berjis Desai	2	2	
Mr. Sanjiv Misra	2	1	
Mr. Kunnasagaran Chinniah	2	2	
Mr. Navtej S. Nandra	2	2	

Brief Description of the Terms of Reference

The terms of reference inter alia includes:

- Identifying the persons who can become Directors;
- ii) Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director; and
- iii) Recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel."

Remuneration Policy

The Company has framed a Remuneration Policy pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, which is annexed to the Board's Report.

Remuneration to the Directors

Non-executive Directors

The Company pays sitting fee of ₹ 20,000/- per meeting to the Independent Directors for attending the meetings of the Board and Committees thereof. The members of the Company have authorised the payment of commission of upto 1% of the net profits of the Company to the Non-executive Directors of the Company. The Commission is distributed amongst the Non-executive Directors inter alia based on their attendance, contribution etc. at the Board and various Committee Meetings.

The details of sitting fees and the commission paid to the Independent Directors during the year ended March 31, 2015 are as under:

(₹ in million)

Name of the Director	Sitting fees	Commission (for the financial year 2013-14)
Mr. Narendra Jhaveri	0.32	_
Mr. P. N. Venkatachalam	0.32	_
Mr. Berjis Desai	0.28	1.25
Mr. Sunil Mitra	0.18	1.25
Mr. Sanjiv Misra	0.26	1.25
Mr. Navtej S. Nandra	0.18	1.25
Mr. Kunnasagaran Chinniah	0.30	1.25
Mr. Biswamohan Mahapatra*	_	_

^{*}Appointed w.e.f March 26, 2015

During the year, the Company has paid fees of ₹ 0.61 milion to J Sagar Associates, in which Mr. Berjis Desai is a partner.

Corporate Governance Report (Continued)

Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year ended March 31, 2015 are as under:

(₹ in million)

Particulars	Mr. Rashesh Shah, Mr. Venkat		Mr. Himanshu Kaji,	Mr. Rujan Panjwani,	
	Chairman, MD & CEO	Ramaswamy,	Executive Director	Executive Director	
		Executive Director			
Salary	9.08	1.20	9.07	1.25	
Perquisites	0.04	-	1.16	65.12	
Bonus	12.50	-	10.00	-	
Total	21.62	1.20	20.23	66.37	
Service Contract	April 1, 2014 to	April 1, 2014 to	November 1, 2014 to	June 24, 2013 to	
Service Contract	March 31, 2017	March 31, 2017	October 31, 2019	June 23, 2016	
No. of Stock options granted	-	-	16,00,000	7,00,000	
Notice Period	N.A	N.A	N.A	N.A	
Severance Fee	N.A	N.A	N.A	N.A	

The shareholding of the Directors in the Company as on March 31, 2015 is as under:

Sr. No.	Name of the Directors	No. of Equity Shares*	% of the paid up capital
1.	Mr. Rashesh Shah	14,43,01,730	18.23
2.	Mr. Venkat Ramaswamy	5,60,26,560	7.08
3.	Mr. Himanshu Kaji	3,87,500	0.05
4.	Mr. Rujan Panjwani	1,16,91,380	1.48
5.	Ms. Vidya Shah	2,93,61,200	3.71
6.	Mr. Narendra Jhaveri	1,55,500	0.02
7.	Mr. P. N. Venkatachalam	47,500	0.01
8.	Mr. Berjis Desai	-	-
9.	Mr. Navtej S. Nandra	79,24,180	1.00
10.	Mr. Sanjiv Misra	-	-
11.	Mr. Sunil Mitra	-	-
12.	Mr. Kunnasagaran Chinniah	-	-
13.	Mr. Biswamohan Mahapatra	-	-

^{*} Shares held singly or as a first shareholder are only considered.

Stakeholders' Relationship Committee C)

Composition as at March 31, 2015:-

Mr. Berjis Desai	- Member
Mr. Kunnasagaran Chinniah	- Member
Mr. Venkat Ramaswamy	- Member

Meetings held

During the financial year 2014-15, two meetings of the Committee were held on May 16, 2014 and January 23, 2015.

Attendance:

Nove of the Manubay	No. of meetings		
Name of the Member		Held	Attended
Mr. Berjis Desai		2	1
Mr. Kunnasagaran Chinniah		2	2
Mr. Venkat Ramaswamy		2	2

Mr. B. Renganathan is the Company Secretary & Compliance Officer of the Company.

Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company received 35 requests/complaints during the year ended March 31, 2015 which were satisfactorily resolved/replied to. As on March 31, 2015 there were no pending requests/complaints.

Risk Management

The Risk Management Committee of the Board of Directors of the Company has framed and implemented a Risk Management Policy. The composition of the Committee is in compliance with Clause 49 of the Listing Agreement.

Board Evaluation

The Board has framed a Evaluation Policy (the Policy) for evaluating the performance of the Board, Chairman, Managing Director/Executive Directors, Independent Directors, the Non-executive Directors and the Committees. Based on the same, the performances evaluation was carried out for the financial year ended March 31, 2015.

The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging in its functions, etc.

Familiarization Programme:

The Independent Directors are familiarized with their roles, rights, responsibilities etc. The details of which are uploaded on the website of the Company at http://edelweissfin.com/portals/0/documents/miscellaneous/familiarisationProgrammeforIndepe ndentDirectors.pdf

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	No. of special resolutions passed
2012 2014	Luk 25 2044	2.00	Edelweiss House, Off C.S.T. Road,	2
2013-2014	3-2014 July 25, 2014 3.00 p.m.		Kalina, Mumbai- 400 098.	2
2012 2012	012 2012		Edelweiss House, Off C.S.T. Road,	_
2012-2013 July 26, 2013 3		3.00 p.m.	Kalina, Mumbai- 400 098.	5
2011 2012	Edelweiss House, Off C.S.T. Road,		2	
2011-2012	July 26, 2012	3.00 p.m.	Kalina, Mumbai- 400 098.	2

Corporate Governance Report (Continued)

Postal Ballot

The details of resolutions passed through Postal Ballot during the financial year 2014-15 and the voting pattern are as under:-

Sr No.	Business		Ballot forms received Valid Votes casted hysical + Electronic (Physical + Electronic)			
		Total	Valid	Total	In favour	Against
1	Special Resolution to authorise the Board of Directors of the Company to borrow moneys in excess of the paid-up share capital and free reserves of the Company upto ₹ 10,000 crores and to secure repayment thereof, under Section 180 of the Companies Act, 2013 (the Act).		166	166	48,70,49,235 (99.998%)	8,531 (0.002%)
2	Special Resolution to authorise the Board to make loans to any person or other bodies corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise securities of any body corporate, upto ₹ 10,000 crores, under Section 186 of the Act.		166	166	48,40,90,851 (99.391%)	29,66,915 (0.609%)
3	Special Resolution to authorise the Board to issue Non-convertible Debentures upto ₹ 1,000 crores on a private placement basis pursuant to Section 42 of the Act.		165	165	48,70,49,055 (99.998%)	8,631 (0.002%)
4.	Special Resolution to enable Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI") to acquire and hold, on their own account and on behalf of their SEBI approved sub-accounts, Equity Shares of the Company, upto 40% of the total paid-up Equity Share Capital of the Company.		165	165	48,70,39,165 (99.996%)	18,551 (0.004%)

Mr. Keyoor Bakshi, Partner, KBNT Associates, Practicing Company Secretary, was appointed as the Scrutinizer to conduct the postal ballot process.

The Notice dated August 4, 2014 was sent to the members and the last date for receipt of postal ballot forms was September 8, 2014.

The result of the postal ballot was declared on September 10, 2014 and published on September 13, 2014 in an English daily and a Marathi daily for the information of the members.

Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

Disclosures

- i. The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the Notes to accounts.
- ii. The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.
- iii. There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority, during the last three years, except:
 - a. that the Company had submitted an offer of settlement with Securities and Exchange Commission, USA (SEC) and the same has been accepted by SEC without admitting or denying the findings, in relation to their charges of non registration as a broker dealer while acting as a Book Running Lead Manager/Co lead manager in the private placement/initial public offering/ further public offering of Indian issuers, wherein shares were sold or marketed and also for providing brokerage services to U.S. investors during the period 2008-2011.
 - b. SEBI has passed an adjudication order dated November 28, 2014 in the matter of Initial Public Offer ("IPO") of CARE Limited imposing a penalty of ₹ 10 million which the Merchant Bankers to the IPO are liable to pay jointly and severally. The Company along with other Merchant Bankers to the IPO have filed an appeal before Securities Appellate Tribunal (SAT) against the aforesaid adjudication order.
- iv. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement.
- v. The Company has a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to the Audit Committee.
- vi. The Company has a Risk Management Policy for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

vii. CEO / CFO Certification

The CEO and the CFO have certified to the Board, the requirements of Clause 49(IX) of the Listing Agreement.

viii. Compliance Certificate

Pursuant to Clause 49 of the Listing Agreement, a certificate from a Practising Company Secretary, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Agreement forms part of this Report.

Means of Communication

- i. The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in an English daily and a Marathi daily. The quarterly/annual results, press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company www.edelweissfin.com.
- ii. The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Board's Report and forms part of this Annual Report.

Corporate Governance Report (Continued)

iii. The consolidated financial statements of the Company prepared in accordance with 'Accounting Standard – 21' forms part of this Annual Report.

iv. **General Shareholder Information**

i. AGM: Date, time and venue Tuesday, July 21, 2015 at 3:00 p.m. at the Registered Office of the Co		Tuesday, July 21, 2015 at 3:00 p.m. at the Registered Office of the Company at
		Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098.
ii.	Financial Year	April 1, 2014 to March 31, 2015
iii.	Book Closure dates	July 14, 2015 to July 21, 2015
iv.	Dividend payment date	July 24, 2015 to July 31, 2015

٧. **Listing of Equity Shares on Stock Exchanges:**

The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees, to these Stock Exchanges for the financial year 2015-2016.

vi. **Stock Codes (Equity Share):**

Trading Symbol

BSE Limited 532922

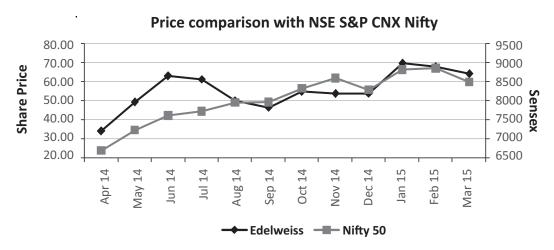
National Stock Exchange of India Limited **EDELWEISS**

ISIN with NSDL and CDSL INE532F01054

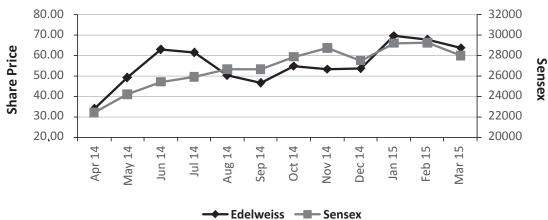
Market Price Data: Stock Market price data for the financial year 2014-2015. High/ Low of daily closing market price of the Company's shares traded at BSE and NSE during each month in the financial year ended March 31, 2015 are as under:

B.d mails		BSE			NSE	
Month	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-14	37.80	27.10	41,80,523	37.80	27.60	1,48,43,834
May-14	54.90	33.80	41,71,936	55.00	33.75	1,80,64,707
Jun-14	66.90	49.20	8,20,66,579	66.95	49.50	11,41,52,070
Jul-14	66.50	56.00	32,52,524	66.50	55.55	1,20,95,787
Aug-14	64.70	49.80	45,82,617	65.00	49.80	1,60,08,761
Sep-14	56.10	44.60	65,05,576	56.10	44.50	1,83,68,495
Oct-14	57.35	45.05	45,79,623	56.90	45.10	1,35,97,623
Nov-14	60.35	49.65	47,57,950	60.40	49.60	1,81,95,278
Dec-14	56.45	46.90	1,81,37,385	56.45	46.90	2,07,94,873
Jan-15	82.25	52.05	1,24,81,276	82.40	52.05	6,56,63,032
Feb-15	73.10	62.00	63,72,001	73.00	61.60	2,29,30,821
Mar-15	73.75	58.30	45,67,082	73.90	58.20	1,61,47,606

viii. Performance of share price in comparison with the broad - based indices viz., NSE Nifty & BSE Sensex:







- ix. Registrar and Share Transfer Agent: Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent acknowledges and executes the transfer of shares and arranges for issue of dividend warrants and also undertakes the dematerialization/rematerialisation of Equity Shares. The Registrar and Share Transfer Agent also accepts, deals with and resolves complaints of the shareholders.
- x. Share Transfer System: The Company's shares are traded on the Stock Exchanges in compulsory demat mode. The transfer of Physical shares are processed and returned to the shareholders within a period of 15 days. With a view to expediting the process of share transfers, transmissions etc., the Managing Director, the Executive Director and the Company Secretary, have been severally empowered to approve the same.

Corporate Governance Report (Continued)

Distribution of shareholding as on March 31, 2015: xi.

No. of Equity Shares		No. of Shareholders	% of Share holder	Total no. of shares held	% of Shares held
1 -	500	1,18,086	92.09	1,25,73,813	1.59
501 -	1000	4,690	3.66	38,94,096	0.49
1001 -	2000	2,237	1.74	34,77,438	0.44
2001 -	3000	854	0.67	22,17,576	0.28
3001 -	4000	427	0.33	15,53,177	0.20
4001 -	5000	438	0.34	21,18,299	0.27
5001 -	10000	649	0.51	49,25,106	0.62
10001	and above	844	0.66	76,09,93,114	96.11
Total		1,28,225	100.00	79,17,52,619	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2015

Sr. No.	Category	No. of Shares	% of Holding
1.	Promoters and Promoters Group	29,87,15,690	37.73
2.	Mutual Funds / Fls / Banks / Insurance Companies	58,37,308	0.74
3.	FII's/QFI's/ FPI's	20,74,30,478	26.20
4.	NRIs / Foreign Nationals / Foreign Bodies Corporate	6,51,30,375	8.22
5.	Public and Others	21,46,38,768	27.11
	Total	79,17,52,619	100.00

- Dematerialisation of shares: As on March 31, 2015, 79,09,34,949 Equity Shares representing 99.90% of the issued share capital of the Company were held in dematerialised form and 8,17,670 Equity Shares representing 0.10 % of the issued share capital were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practising Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form.
- xiii. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

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

Details of shares lying in the suspense account (pursuant to Clause 5A of the Listing Agreement):

Sr.		Details		
No.	Particulars	No. of Shareholders	No. of shares	
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	111	8,890	
2	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	4	320	
3	Number of shareholders to whom shares were transferred from the suspense account during the year	4	320	
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	107	8,570	

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

- Plant locations Not Applicable XV.
- xvi. Address for correspondence: For any assistance, request or instruction regarding transfer or transmission of shares and debentures, dematerialisation of shares, change of address, non receipt of annual report, dividend warrant and any other query relating to the shares and debentures of the Company, the investors may please write to the following address:

Link Intime India Private Limited

Unit: Edelweiss Financial Services Limited

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai – 400078. Tel: +91 22 2594 6970

Fax: +91 22 2594 6969

e-mail: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

The Company Secretary

Edelweiss Financial Services Limited Edelweiss House, Off C.S.T. Road,

Kalina, Mumbai - 400 098.

Tel: +91 022 - 4009 4400

Fax: +91 022 - 4086 3759

E-mail: efsl.shareholders@edelweissfin.com

xvii. For queries relating to the financial statements and investor information, other than those relating to shares/dividend, please write to:

Mr. Shailendra Maru

Associate Director - Investor Relations

Edelweiss Financial Services Limited

Edelweiss House, Off C.S.T. Road,

Kalina, Mumbai - 400 098.

Tel: +91 22 4009 4400

Fax: +91 22 4086 3759

E-mail: ir@edelweissfin.com

Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the Edelweiss Code of Conduct

In accordance with Clause 49 (II) (E)(2) of the Listing Agreement, I hereby declare that for the financial year ended March 31, 2015 the Directors and Senior Management Personnel of the Company have affirmed compliance with the Edelweiss Code of Conduct applicable to all the Directors and Senior Management.

For Edelweiss Financial Services Limited

Rashesh Shah Chairman, Managing Director & CEO

DIN No. 00008322 May 15, 2015

Corporate Governance Report (Continued)

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Edelweiss Financial Services Limited,

We have examined the compliance of conditions of corporate governance by Edelweiss Financial Services Limited ('the Company'), for the year ended 31 March, 2015, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') [together referred to as the 'Stock Exchanges']. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

> For **BNP Associates Company Secretaries**

Keyoor Bakshi Partner FCS 1844/ CP No. 2720

Place: Mumbai Date: May 15, 2015 **Abridged Consolidated Financial Statements**

Independent Auditors' Report on Abridged Consolidated Financial Statements

To The Members of, **Edelweiss Financial Services Limited**

Report on the abridged consolidated financial statements

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at 31 March 2015, the abridged consolidated statement of profit and loss, and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Edelweiss Financial Services Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group'), its associates for the year ended 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 15 May 2015.

The abridged consolidated financial statements do not contain all the disclosures required by Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the

Management's responsibility for abridged consolidated financial statements

Management is responsible for the preparation of abridged consolidated financial statements in accordance with first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 from the audited consolidated financial statements of the Group for the year ended 31 March 2015, prepared in accordance with accounting principles generally accepted in India including, the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditors' responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements are derived from the audited consolidated financial statements of the Group and its associates for the year ended 31 March 2015 which are prepared in accordance with first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 and are a fair summary of those consolidated financial statements.

Other matters

We did not audit the financial statements of 44 subsidiaries whose financial statements reflects total assets of Rs. 81,863 million as at 31 March 2015, total revenues of Rs. 96,932 million and net cash inflow of Rs. 1,154 million for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 110 million for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries and associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors. Our opinion on the abridged consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Independent Auditors' Report on Abridged Consolidated Financial Statements (Continued)

The actuarial valuation of insurance liabilities is the responsibility of the Group's life insurance subsidiary's appointed actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at 31 March 2015 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the life insurance subsidiary that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of Edelweiss Tokio Life Insurance Company Limited have relied upon Appointed Actuary's certificate in this regard.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai 15 May 2015

Independent Auditors' Report

To the Members of Edelweiss Financial Services Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, comprising of the consolidated balance sheet as at 31 March 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ('hereinafter referred to as the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 23, Accounting for investment in Associates). The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions, if any, of the applicable Companies Act for safeguarding the assets of the Group and its associates 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 of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditors' Report (Continued)

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements of 44 subsidiaries whose financial statements reflects total assets of Rs. 81,863 million as at 31 March 2015, total revenues of Rs. 96,932 million and net cash inflow of Rs. 1,154 million for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 110 million for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The actuarial valuation of insurance liabilities is the responsibility of the Group's life insurance subsidiary's appointed actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at 31 March 2015 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the life insurance subsidiary that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of Edelweiss Tokio Life Insurance Company Limited have relied upon Appointed Actuary's certificate in this regard.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies and associate companies incorporated in India excluding Edelweiss Tokio Life Insurance Company Limited, Forefront Wealth Advisors LLP, Forefront Alternate Investment Advisors LLP to which the Order does not apply, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries and associates as furnished by the management as noted in the 'other matter' 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;

Independent Auditors' Report (Continued)

- (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 reports of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditors' 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 auditors on separate financial statements of subsidiaries and associates as furnished by the management as noted in the 'Other matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates refer note 2.40 to the consolidated financial statements;
 - ii. The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies incorporated in India.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai 15 May 2015

Annexure to the Independent Auditors' Report - 31 March 2015

(Referred to in our report of even date)

As stated in paragraph 1 of our report on 'Other Legal and Regulatory requirements' in our Independent Auditors' Report of even date on the consolidated financial statements for the year ended 31 March 2015, our reporting on the matter specified in para 3 & 4 of the Order includes 36 subsidiary companies and 7 associate companies incorporated in India (excluding Edelweiss Tokio Life Insurance Company Limited, Forefront Wealth Advisors LLP, Forefront Alternate Investment Advisors LLP to which the Order does not apply) and is based on the comments in the respective Independent Auditors' Report of the Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India.

- i. In respect of the fixed assets of the Holding Company and its aforesaid subsidiary companies and associate companies incorporated in India:-
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion and the opinion of other auditors, is reasonable. According to the information and explanations given to us and based on the auditors' report of the aforesaid subsidiary companies and associate companies incorporated in India, no material discrepancies were noticed on such verification.
- ii. In respect of stock-in-trade of the Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India:-
 - (a) As explained to us and based on the auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, physical verification of commodities conducted on the basis of actual verification or on the basis of electronic accounting stock statements received from Commodity Exchange and in respect of securities, on the basis of electronic statements received from depository participants, by management of the respective entities at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us and based on the auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, the procedures of verification of stockin-trade followed by the respective management were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and according to the information and explanations given to us and based on the auditors' reports of the aforesaid subsidiaries and associate companies incorporated in India, the Holding Company and its aforesaid subsidiary companies and associate companies incorporated in India, have maintained proper records of its stock-in-trade and no material discrepancies were noticed on physical verification.
- iii. The Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act by the respective entities except Edelweiss Trustee Services Limited and Edelweiss Capital Markets Limited. These two subsidiary companies have granted loans, to companies, firms or other parties covered in the Registers maintained under Sec 189 of the Act.
 - (a) In the case of loans granted to companies listed in the registers maintained under section 189 by the respective entities, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.
 - (b) There is no overdue amount of more than Rupees one lakh in respect of loans granted to any of the companies listed in the register maintained under section 189 by the respective entities.

Annexure to the Independent Auditors' Report - 31 March 2015 (Continued)

- In our opinion and according to the information and explanations given to us and based on the auditors' reports of the iv. aforesaid subsidiary companies and associate companies incorporated in India, there is an adequate internal control system in the respective entities commensurate with the size and the nature of their business, with regard to the purchase of stockin-trade, fixed assets and sale of goods and services. During the course of our audits and based on auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, we have not observed any major weaknesses in the internal control system during the course of the audit.
- According to the information and explanations given to us and based on the auditors' report of the aforesaid subsidiary companies and associate companies incorporated in India, the Holding Company, its subsidiary companies and associate companies incorporated in India have not accepted any deposits from the public during the year and do not have any unclaimed deposits to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
- According to the information and explanations given to us and based on the auditors' report of the aforesaid subsidiary companies and associate companies incorporated in India, the provisions of Clause 3(vi) of the Order are not applicable to the Holding Company, its aforesaid subsidiary and associate companies incorporated in India as the respective entities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- According to the information and explanations given to us and based on auditors' report of the aforesaid subsidiary companies and associate companies incorporated in India, in respect of statutory dues of the Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India:
 - The respective entities have been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax and value added tax, wealth tax, duty of customs, duty of excise, cess, and other material statutory dues applicable to it with the appropriate authorities, except in case of Edelweiss Global Wealth Management Limited whereby value added tax amounting to Rs. 0.09 million which is outstanding for more than six months as at 31 March 2015, due to registration formalities in progress with respective statutory authority.
 - Details of dues of stamp act, income tax, value added tax and service tax which have not been deposited as at 31 March 2015 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs. million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	358.66	Various periods from	Commissioner of Income Tax (Appeals)
			AY 2008-09 to AY 2012-13	
Income Tax Act, 1961	Income tax	1.44	AY 2005-06 and	Income Tax Appellate Tribunal
			AY 2008-09	
Income Tax Act, 1961	Income tax	0.17	AY 2013-14	Commissioner of Income Tax (Appeals)
				Ahmedabad
Tamil Nadu Value Added	Value added	603.17	AY 2015-16	Joint Commissioner (Commercial Tax)
Tax Act, 2006	tax			
Gujarat Value Added Tax	Value added	118.43	AY 2010-11	Joint Commissioner (Appeals)
Act, 2003	tax			
Madhya Pradesh Value	Value added	2.15	AY 2013-14	Additional Commissioner (Appeals)
Added Tax Act, 2002	tax			
Finance Act, 1994	Service tax	78.07	Various periods from April	Custom Excise & Service Tax Appellate
			2001 to March 2012	Tribunal - Ahmedabad
Finance Act, 1994	Service tax	1.74	AY 2004-05 to AY 2012-13	Customs, Excise and Service Tax
				Appellate Tribunal / Commissioner of
				Service Tax (Appeal)
The Bombay Stamp Act,	Stamp duty	24.51	AY 2005-06 to AY 2007-08	Maharashtra State Government
1958				

Annexure to the Independent Auditors' Report - 31 March 2015 (Continued)

There are no dues on account of wealth tax, sales tax, duty of customs, duty of excise and cess which have not been deposited as at 31 March 2015 on account of dispute.

- According to the information and explanations given to us, there are no dues of investor education and protection fund which are required to be transferred in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Group and its associate companies do not have consolidated accumulated losses at the end of the financial year and the Group and its associates have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us and based on auditors' report of the aforesaid subsidiary companies and associate companies incorporated in India, the respective entities have not defaulted in repayment of dues to their bankers, financial institutions or debenture holders during the year.
- As explained to us and based on the auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, the Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India have not given guarantees for loans taken by others outside of the Group and associate companies incorporated in India from banks and financial institutions and accordingly, the provisions of clause (x) of paragraph 3 of the Order are not applicable to these consolidated financial statements.
- In our opinion and according to the information and explanations given to us and based on auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, the term loans taken by the Holding Company, its subsidiary companies and associate companies incorporated in India have been applied for the purpose for which they were raised.
- To the best of our knowledge and belief and according to the information and explanations given to us and based on the auditors' reports of the aforesaid subsidiary companies and associate companies incorporated in India, no material fraud on the Holding Company, its aforesaid subsidiary companies and associate companies incorporated in India has been noticed or reported during the year with an exception to Edelweiss Housing Finance Limited, whereby one instance of fraud amounting to Rs. 2.19 million was identified and reported during the year. We have been further informed that the fraud on the aforesaid company was mainly related to misrepresentation by the borrower with respect to his employment and falsification of documents.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai 15 May 2015

Abridged Consolidated Balance Sheet as at 31 March 2015

(Statement containing salient features of consolidated Balance Sheet as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

	As at	As at
	31 March 2015	31 March 2014
I EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital (Refer note 2.15)		
Equity	791.75	769.05
(b) Reserves and surplus	4.474.00	2.602.20
(i) Capital reserves	4,151.83	3,682.39
(ii) Securities premuim account (Refer note 2.15) (iii) Statutory reserves	12,487.54 2.381.57	12,005.98 1.860.53
(iv) General reserves	916.82	749.23
(v) Surplus in statement of profit and loss	10,833.72	9.834.22
(v) Surplus in statement of pront and loss	31,563.23	28,901.40
	·	,
2 Minority interest	3,708.77	3,656.99
3 Share application money pending allotment (Refer note 2.4)	42.41	0.08
4 Non-current liabilities		
(a) Long-term borrowings	80,978.03	35,503.48
(b) Other long-term liabilities	421.97	304.76
(c) Long-term provisions	2,986.17	1,401.94
	84,386.17	37,210.18
5 Current liabilities	425 020 00	07.256.04
(a) Short-term borrowings	135,829.98	87,256.81 8.722.85
(b) Trade payables (c) Other current liabilities	13,147.85 33,100.54	14,791.69
(d) Short-term provisions	3,030.43	1,363.65
(a) Short term provisions	185,108.80	112,135.00
TOTAL - EQUITY AND LIABILITIES (1+2+3+4+5)	304,809.38	181,903.65
II ASSETS		
6 Non- current assets		
(a) Fixed assets		
(i) Tangible assets (original cost less depreciation)	5,242.51	4,507.54
(ii) Intangible assets (original cost less depreciation/amortisation)	351.54	305.20
(iii) Capital work-in-progress	1,011.26	504.13
(iv) Intangible assets under development	53.17	27.04
(b) Non-current investments (Refer note 2.17)	16,026.55	8,724.14 517.62
(c) Deferred tax assets (net) (d) Long-term loans and advances	974.03 67,345.55	41.178.85
(e) Other non-current assets	10,224.36	3.557.89
(c) Other non-editent assets	101,228.97	59,322.41
7 Current assets		
(a) Current investments (Refer note 2.17)	11,896.21	12,538.98
(b) Stock-in-trade	87,087.43	37,909.94
(c) Trade receivables	4,347.22	4,203.00
(d) Cash and bank balances (e) Short-term loans and advances	23,652.55 67,363.80	19,637.06 43.151.12
(f) Other current assets	9,233.20	43,151.12 5,141.14
(i) Other current assets	203,580.41	122,581.24
TOTAL ASSETS (6+7)	304.809.38	181.903.65
	30-1,303130	101,000.00

See accompanying accounting policies and notes to the financial statements 1 & 2

Compiled from the audited consolidated financial statements of the Company referred to in our report dated 15 May 2015

Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website - www.edelweissfin.com

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants
Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Membership No.: 042554

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani

S Ranganathan B Renganathan Mumbai 15 May 2015

Chairman, Managing Director & CEO Executive Director Executive Director

Executive Director Chief Financial Officer EVP & Company Secretary DIN: 00008322 DIN: 00008509 DIN: 00009438 DIN: 00237366

Abridged Consolidated Statement of Profit and Loss for the year ended 31 March 2015

(Statement containing salient features of consolidated Statement of Profit and Loss as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

		For the year ended 31 March 2015	For the year ended 31 March 2014
1	Income	31 Warch 2015	31 March 2014
	Revenue from operations		
	(a) Fee and commission income	5,727.16	3,556.28
	(b) Income from treasury	4,968.59	2,740.96
	(c) Interest income	25,851.41	17,759.67
	(d) Premium from life insurance business	1,865.75	1,062.08
	(e) Other operating revenue	385.09	219.05
	Net Revenue from operations	38,798.00	25,338.04
	Net nevenue nom operations	38,738.00	25,556.04
II	Other income	140.06	93.22
III	Total income (I+II)	38,938.06	25,431.26
	Total income (1711)	36,536.00	23,431.20
IV	Expenditure		
	(a) Employee benefits expense	7,086.30	4,580.20
	(b) Finance costs	18,315.48	12,106.70
	(c) Depreciation and amortisation expenses	716.41	524.10
	(d) Change in life insurance policy liability	1,394.88	608.73
	(e) Other expenses	6,325.98	4,220.60
	Total expenditure	33,839.05	22,040.33
V	Profit before tax (III-IV)	5,099.01	3,390.93
VI	Tax expense		
	(a) Current tax	2,463.40	1,748.95
	(b) Minimum alternate tax	-	(245.35)
	(c) Deferred tax	(446.41)	(157.53)
VII	Profit for the year (V-VI)	3,082.02	2,044.86
VIII	Share of associates in profit for the year	181.41	124.06
IX	Share of minority interest	(23.70)	(33.54)
Х	Profit for the year after minority interest (VII+VIII-IX)	3,287.13	2,202.46
XI	Earnings per equity share: (Refer note 2.3)		
	(a) Basic	4.09	2.86
	(b) Diluted	3.88	2.85

See accompanying accounting policies and notes to the financial statements 1 &~2

 $Compiled from the audited consolidated financial statements of the Company \ referred \ to \ in \ our \ report \ dated \ 15 \ May \ 2015$

As per our report of even date attached.

For B S R & Associates LLP Chartered Accountants

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh Partner

Partner Membership No.: 042554

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani S Ranganathan

S Ranganathan B Renganathan Mumbai 15 May 2015 Chairman, Managing Director & CEO Executive Director Executive Director

Executive Director
Chief Financial Officer
EVP & Company Secretary

DIN: 00008322 DIN: 00008509 DIN: 00009438 DIN: 00237366

Abridged Consolidated Cash Flow Statement for the year ended 31 March 2015

(Statement containing salient features of consolidated Cash Flow Statement as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

		For the year ended	For the year ended
		31 March 2015	31 March 2014
I	Cash flow used in operating activities	(91,831.97)	(1,508.05)
П	Cash flow used in investing activities	(8,625.48)	(10,204.87)
Ш	Cash generated from financing activities	100,142.95	12,578.55
IV	Net (decrease) / increase in cash and cash equivalents (I + II + III)	(314.50)	865.63
V	Cash and cash equivalents at the beginning of the year	8,116.51	7,250.88
VI	Cash and cash equivalents at the end of the year (Refer note 2.16)	7,802.01	8,116.51

See accompanying accounting policies and notes to the financial statements 1 $\&\,2$

Compiled from the audited consolidated financial statements of the Company referred to in our report dated 15 May 2015

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants
Firm Registration No.: 116231W/W-100024

N Sampath Ganesh Partner

Membership No.: 042554

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani

S Ranganathan B Renganathan

Mumbai 15 May 2015 Chairman, Managing Director & CEO

DIN: 00008322

DIN: 00008509

DIN: 00009438

DIN: 00237366

Executive Director
Executive Director
Executive Director
Chief Financial Officer

athan Chief Financial Officer athan EVP & Company Secretary

Notes to the abridged consolidated financial statements for the year ended 31 March 2015

1 Significant accounting policies

1.1 Basis of preparation of abridged consolidated financial statements

The accompanying abridged consolidated financial statements are prepared pursuant to first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 and are based on the annual accounts for the year ended 31 March 2015. The abridged financial statements are presented in Indian Rupees in millions.

1.2 Principles of consolidation

- a) The consolidated financial statements relate to Edelweiss Financial Services Limited ('the Company') and its subsidiaries and associates (together 'the Group'). The consolidated financial statements have been prepared on the following basis:
 - In respect of subsidiary enterprises, the financial statements have been consolidated on a line-by-line basis
 by adding together the book values of like items of assets, liabilities, income and expenses, after as far
 as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or
 losses in accordance with Accounting Standard 21 Consolidated Financial Statements.
 - In case of Associate Enterprises, the financial statements have been consolidated as per Accounting Standard 23 Accounting for Investment in Associates.
 - Investments in subsidiaries where control is intended to be temporary or where the objective of control over the subsidiary is not to obtain economic benefits there from, have not been consolidated.
 - Assets and liabilities of the foreign subsidiaries are translated into Indian Rupees at the rate of exchange
 prevailing as at the balance sheet date. Revenue and expense are translated into Indian Rupees at the
 average exchange rate prevailing during the year and the resulting net translation adjustment has been
 disclosed as foreign exchange translation reserve in Reserves and Surplus.
 - The excess of cost over the Company's investments in the subsidiaries is recognised in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
 - The share of minority interest in the net profit of subsidiaries for the year is identified and adjusted against the income of the Group to arrive at the net income attributable to the Group.
 - The share of minority interest in net assets of subsidiaries is identified and presented in the consolidated financial statements separate from liabilities and the equity of the Group.
 - The consolidated financial statements are prepared using uniform accounting policies for like transactions
 and other events in similar circumstances and are presented in the same manner as the Company's separate
 financial statements.
- b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 Accounting for Investments.

Significant accounting policies (Continued) 1

1.2 Principles of consolidation (Continued)

The subsidiaries and associates considered in the consolidated financial statements :

Sr. No.	Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2015
	Subsidiaries		
1	Edelweiss Securities Limited	India	100.00%
2	Edelweiss Finance & Investments Limited	India	100.00%
3	ECL Finance Limited	India	92.20%
4	Edelweiss Global Wealth Management Limited	India	100.00%
5	EC Global Limited ²	Mauritius	100.00%
6	Edelweiss Insurance Brokers Limited	India	100.00%
7	Edelweiss Trustee Services Limited	India	100.00%
8	Edelweiss Web Services Limited ³	India	100.00%
9	Edelcap Securities Limited ⁴	India	100.00%
10	Edelweiss Asset Management Limited	India	100.00%
11	ECap Equities Limited	India	100.00%
12	Edelweiss Broking Limited	India	100.00%
13	Edelweiss Trusteeship Company Limited	India	100.00%
14	Edelweiss Alternative Asset Advisors Limited	India	100.00%
15	Edelweiss Housing Finance Limited 5	India	100.00%
16	Edelweiss Investment Adviser Limited	India	100.00%
17	EC Commodity Limited	India	100.00%
18	Edel Commodities Limited ⁵	India	100.00%
19	Edel Land Limited	India	100.00%
20	Edelweiss Custodial Services Limited ¹	India	100.00%
21	EC International Limited	Mauritius	100.00%
22	Edelweiss Capital (Singapore) Pte. Limited	Singapore	100.00%
23	Edelweiss Alternative Asset Advisors Pte. Limited ⁶	Singapore	100.00%
24	Edelweiss International (Singapore) Pte. Limited ⁶	Singapore	100.00%
25	Aster Commodities DMCC 7	United Arab Emirates	100.00%
26	EAAA LLC ⁷	Mauritius	100.00%
27	EW Special Opportunities Advisors LLC 8	Mauritius	67.00%
28	EW India Special Assets Advisors LLC 8	Mauritius	90.00%
29	Edel Investments Limited	India	100.00%
30	Edelweiss Tokio Life Insurance Company Limited	India	74.00%
31	Edelweiss Investment Advisors Private Limited ⁶	Singapore	100.00%
32	Edelweiss Commodities Services Limited	India	100.00%
33	Edelweiss Comtrade Limited ¹	India	100.00%
34	Edel Finance Company Limited ³	India	100.00%
35	Edelweiss Capital Markets Limited ⁵	India	100.00%
36	EW SBI Crossover Advisors LLC ⁸	Mauritius	60.00%
37	EFSL Commodities Limited 10	India	100.00%
38	Edel Commodities Trading Limited 10	India	100.00%
39	EFSL Comtrade Limited ⁵	India	100.00%

1 Significant accounting policies (Continued)

1.2 Principles of consolidation (Continued)

The subsidiaries and associates considered in the consolidated financial statements :

Sr.	Name of the Entity	Country of	Proportion of
No.		Incorporation	ownership interest
			as at 31 March 2015
40	Edelweiss Retail Finance Limited 12	India	100.00%
41	Edelweiss Securities (Hong Kong) Private Limited ¹	Hong Kong	100.00%
42	Edelweiss Metals Limited ⁵	India	100.00%
43	Edelweiss Financial Services Inc ¹	United States of America	100.00%
44	Edelweiss Commodities Pte. Limited 14	Singapore	100.00%
45	Edelweiss Commodities Nigeria Limited 14	Nigeria	100.00%
46	Edelweiss Integrated Commodity Management Limited 5	India	100.00%
47	Forefront Capital Management Private Limited	India	100.00%
48	Forefront India Capital Management (Mauritius) 9	Mauritius	100.00%
49	Forefront Alternate Investment Advisors LLP 9	India	100.00%
50	Forefront Wealth Advisors LLP 5	India	100.00%
51	Auris Corporate Centre Limited ³	India	100.00%
52	Olive Business Centre Limited ²	India	100.00%
53	Eternity Business Centre Limited 5	India	100.00%
54	Serenity Business Park Limited ⁵	India	100.00%
55	Burlington Business Solutions Limited ¹	India	100.00%
56	Edelweiss Commodities (CHAD) SARL 14	Chad	100.00%
	Associates		
57	Allium Finance Private Limited 5	India	46.13%
58	Edelweiss Asset Reconstruction Company Limited 11	India	49.91%
59	Edelweiss Fund Advisors Private Limited	India	40.00%
60	Dahlia Commodities Services Private Limited ¹	India	50.00%
61	Magnolia Commodities Services Private Limited ¹	India	50.00%
62	Arum Investments Private Limited ¹	India	50.00%
63	Aeon Credit Services India Private Limited 13	India	25.00%

¹ held through Edelweiss Securities Limited

² held through Edelweiss Finance & Investments Limited

³ held through Edelweiss Broking Limited

⁴ held through ECap Equities Limited

⁵ held through Edelweiss Commodities Services Limited

⁶ held through Edelweiss Capital (Singapore) Pte. Limited

⁷ held through EC International Limited

⁸ held through EAAA LLC

⁹ held through Forefront Capital Management Private Limited

¹⁰ held through Edel Commodities Limited

¹¹ held through Edelweiss Custodial Services Limited

¹² held through Edelcap Securities Limited

¹³ held through ECL Finance Limited

¹⁴ held through EFSL Comtrade Limited

Significant accounting policies (Continued) 1

1.2 Principles of consolidation (Continued)

- Edelgive Foundation, a 100% subsidiary and a company registered under section 8 of the Companies Act, 2013, with the sole objective of philanthropy, where no economic benefit shall be derived by the Group, has not been
- With effect from 3 April 2014, Ecap International Limited is wound up and has not been consolidated from the said date. e)
- With effect from 30 April 2014, Forefront Capital Management Private Limited along with its subsidiaries became f) a subsidiary of the Company and has been consolidated from the said date.
- g) With effect from 24 July 2014, Edelweiss Integrated Commodity Management Limited became a subsidiary of the Company and has been consolidated from the said date.
- With effect from 6 October 2014, Edelweiss Commodities (CHAD) SARL became a subsidiary of the Company and h) has been consolidated from the said date.
- With effect from 3 November 2014, Serenity Business Park Limited became a subsidiary of the Company and has i) been consolidated from the said date.
- j) With effect from 31 October 2014, Auris Corporate Centre Limited, Olive Business Centre Limited, Eternity Business Centre Limited and Burlington Business Solutions Limited have become subsidiaries of the Company and have been consolidated from the said date.
- Aeon Credit Services India Private Limited, an associate of the Company, follows year ending as 31 December for the purpose of preparation of the financial statements.

Use of estimates 1.3

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Current / non-current classification

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

Assets

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

1 Significant accounting policies (Continued)

1.4 Current / non-current classification (Continued)

Liabilities

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

1.5 Revenue recognition

- a) Fee income including investment banking, advisory fees, syndication fees, processing fees (other than on housing loans and loans against property) and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Group and the counterparty.
- b) Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, service tax, transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of service tax.
- c) Investment management fees are recognised net of service tax on an accrual basis in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.
- d) Portfolio management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective clients.
- e) Revenue from fund management services (excluding mutual fund business) is recognised in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- f) Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of service tax.
- g) In case of housing loans and loans against property, processing fees is amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write-off. The unamortised balance is disclosed under "Other current liabilities" and "Other long-term liabilities" based on amortisable tenor.

1 Significant accounting policies (Continued)

1.5 Revenue recognition (Continued)

- h) Income from treasury comprises of profit/loss on sale of securities and commodities and profit/loss on derivative instruments.
 - Profit/loss on sale of securities and commodities is determined based on the weighted average cost of the securities/commodities sold.
 - ii) Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards/futures/options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
 - iii) In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the statement of profit and loss. The difference in the opening and closing exchange rate as on the Balance Sheet date rates (mark to market) is recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the statement of profit and loss.
 - iv) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit on interest rate derivatives' in the statement of profit and loss and the realised profit/loss on settlement during contract period is recognised as 'Interest income on interest rate derivatives' in statement of profit and loss.
- i) Interest income is recognised on accrual basis. Interest income in case of lending business in the non-banking financial companies is recognised on accrual basis except in case of non performing assets, wherein it is accounted on realisation, as per Reserve Bank of India (RBI) and National Housing Bank (NHB) guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value is apportioned on time basis and recognised as interest income.
- j) Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- k) Warehouse income is recognised on accrual basis by reference to the agreements entered.
- I) Dividend income is recognised when the right to receive payment is established.
- m) As per RBI guidelines the interest spread under par structure of securitization/direct assignment of loan receivables is recognized on realization over the tenure of securitized/direct assigned loan.
 - Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation/ assignment.
 - Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised/assigned deal.
- n) Profit/loss on error trades in broking business is included in "Income from treasury".

1 Significant accounting policies (Continued)

1.5 Revenue recognition (Continued)

- o) Profit/loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited/debited to the company's account in the books of the partnership firm.
- p) Commodities sales are accounted when property in goods is transferred to the buyer.
- g) In case of Life Insurance business:
 - i) Premium income from traditional policies is recognised when due from policyholders.
 - For Unit linked business, premium income is recognised as when the associated units are created.
 - Premium income on lapsed policies is recognised as and when such policies are reinstated.
 - Income from Unit linked policies, which include asset management fees and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and are recognised as and when due.
 - ii) Reinsurance premium ceded is accounted in accordance with the treaty or in principle arrangement with the reinsurer.
 - iii) Acquisition costs such as commission, are costs that vary with and are primarily relatable to the acquisition of insurance contracts. Such costs are expensed in the year in which they are incurred.
 - iv) Claim costs consist of the policy benefit amount and claim settlement costs, where applicable.
 - Death, rider and surrender claims are accounted for on receipt of intimation.
 - Maturity and survival claims are accounted when due.
 - Surrender/withdrawals under unit linked policies are accounted when the associated units are cancelled/redeemed.
 - Reinsurance claims receivable are accounted for in the same period as the related claim.
 - v) The policyholders' liabilities are determined by the Company's Appointed Actuary in accordance with the accepted actuarial practices, requirements of the Insurance Act, 1938 and Guidance notes issued by the Institute of Actuaries of India.

1.6 Loan origination costs

In case of housing loans and loans against property, origination costs directly attributable to disbursed loans are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. Where the loan is foreclosed or written off, the unamortised portion of such loan origination costs is recognised as a charge in the statement of profit and loss at the time of such foreclosure or write-off. The unamortised balance is disclosed as part of "Long-term Loans and advances" and "Short-term Loans and advances" based on amortizable tenor.

1.7 Benchmark linked debentures

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

Significant accounting policies (Continued) 1

1.8 Securitisation

The Company enters into securitization transactions and assets are derecognized upon sale only if the Company surrenders control over the contractual rights that comprise in the financial assets.

In case of ECL Finance, the Company adopted the accounting policy for securitization transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on 21 August 2012.

In case of Edelweiss Housing Finance, the Company adopted the accounting policy for securitization transactions based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

1.9 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

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

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Factory Building	20 years
Plant and Machinery	15 years
Furniture and fittings	10 years
Vehicles	8 years
Vessel (Boat)	13 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets

Intangible fixed assets are recorded in consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter. In case of Life Insurance business, system software is amortised on straight line basis over its estimated useful life which is upto 5 years.

Jewellery Designing costs are amortised on a straight-line basis over 5 years or its estimated useful life whichever is

MCX membership rights are amortised over a period of 3 years.

1 Significant accounting policies (Continued)

1.10 Impairment of assets

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

1.11 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-intrade and disclosed as current assets.
- b) The securities, including those arising from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.
- e) Debt instruments are valued at cost or fair value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.
- f) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.
- g) Inventory in the form of land is valued at cost or net realisable value, whichever is lower.
- h) Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the forward rate for the residual maturity period of the contract.

1.12 Investments

a) Investments of Life Insurance Business

In case of Life Insurance business, investments are made in accordance with the Insurance Act,1938, the IRDA (Investment) Regulations, 2000 as amended by the IRDA Investments (Fifth Amendment) Regulations 2013 and various other circulars/notifications/amendments issued by the IRDA in this context from time to time.

Investments are recorded on trade date at cost, which includes brokerage and related taxes, if any and excludes pre-acquisition interest, if any.

Any impairment loss is recognized as an expense in the revenue/ statement of profit and loss to the extent of the difference between the re-measured fair value of the security / investment and its acquisition cost as reduced by any previous impairment loss recognized as an expense in the revenue/ statement of profit and loss. Any reversal of impairment loss, earlier recognized in revenue/ statement of profit and loss, is recognized in the revenue/ statement of profit and loss.

Significant accounting policies (Continued) 1

1.12 Investments (Continued)

Bonus and Rights entitlements are recognised as investments on the 'ex-bonus date' / 'ex-rights date' respectively. Broken period interest paid/receive is debited/credited to interest receivable account and is not included in the cost of purchase/sale value.

Debt securities

Non linked, non unit reserve investments and shareholders' investments

Debt securities, including government securities are considered as "held to maturity". Debt securities are stated at amortised cost. Discount or premium on purchase of debt securities is amortised over the remaining period to maturity on straight line basis and is recognised in the revenue account or statement of profit and loss, as applicable.

In case of security with call/put option, the first date of call/put is considered as maturity date.

Linked business ii)

All debt securities, including government securities under linked businesses are valued at market value, using CRISIL Bond Valuer/CRISIL Gilt Prices, as applicable. The discount or premium on money market instruments which is the difference between the purchase price and the redemption amount is amortized and recognized in the revenue account on a straight line basis over the remaining period to maturity of these securities. Unrealised gains or losses arising on such valuation are recognised in the revenue account.

Equity shares

Non linked, non unit reserve investments and shareholders' investments

Listed equity shares, preference shares and derivatives are stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the balance sheet date. Unrealised gains/ losses arising due to change in fair value are recognised under the head 'Fair Value Change Account' in the balance sheet.

Unlisted equity / preference shares and other than actively traded equity / preference shares are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

Linked business

Listed equity / preference shares are valued and stated at fair value, being the last quoted closing prices on National Stock Exchange (in case it is not traded on National Stock Exchange then last quoted closing price on the Bombay Stock Exchange is used) as at the balance sheet date. Unrealised gains or losses arising on such valuation are recognised in the revenue account.

Unlisted equity / preference shares and other than actively traded equity / preference shares are stated at historical cost subject to provision for diminution, if any, in the value of such Investment determined separately for each individual investment.

1 Significant accounting policies (Continued)

1.12 Investments (Continued)

Derivatives: Interest Rate Futures

i) Non linked, non unit reserve investments and shareholders' investments

Interest Rate Futures (IRF) - Derivative contracts, as permitted by IRDA to hedge risks on forecasted transactions are recognized in the financial statement at fair value as on Balance Sheet date in pursuance of the announcement of Accounting Standard 30 by the Institute of Chartered Accountants of India (ICAI) & IRDAI guidelines on Interest Rate Derivatives. For IRF contracts the realised profit / loss is recognised as 'Profit / loss on sale of Investments' in the Revenue Account for policyholders fund or in the Profit & Loss Account for shareholders' funds. The unrealised gains / losses arising due to change in fair value of outstanding IRF contracts are recognised under the head 'Fair Value Change Account' in the Balance Sheet. Fair Value is determined using quoted closing market prices in an actively traded market.

Mutual Funds

i) Non linked, non unit reserve investments and shareholders' investments

Mutual Fund units as at balance sheet date are valued at previous day's net asset values. Unrealised gains/ losses arising due to changes in the fair value of mutual fund units are recognized under the head 'Fair Value Change Account' in the balance sheet.

ii) Linked business

Mutual Fund units are valued at previous day's net asset values and unrealised gains/ losses arising due to changes in the fair value of mutual fund units are recognised in revenue account.

Transfer of investments

i) Transfer from the shareholders' account to the policyholders' account

Transfers of investments made from shareholders' account to the policyholders' account, as and when made, are made at the book value or market price, whichever is lower.

ii) Transfer between policyholders' funds

No transfers of investments are made between different policyholders' funds.

b) Investments other than Life Insurance Business

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1 Significant accounting policies (Continued)

1.13 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

1.14 Employee benefits

The accounting policy followed by the Group in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

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

Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated absences and leave encashment

The eligible employees of certain companies of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

One Subsidiary of the Group provides for the encashment of leave subject to rules. The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

1 Significant accounting policies (Continued)

1.14 Employee benefits (Continued)

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.15 Tax

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961 and minimum alternate tax.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax (MAT) Credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

1.16 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share" notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Significant accounting policies (Continued) 1

1.17 Earnings per share (Continued)

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

1.18 Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.19 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI and NHB.

Provision for standard assets is made on the basis of prudential norms laid down by RBI and NHB.

1.20 Mutual Fund expenses

Expenses incurred on behalf of schemes of the mutual fund are recognised to the statement of profit and loss unless considered recoverable from schemes of the fund in accordance with provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

1.21 Employee stock option plans (ESOPs)

The Group follows the intrinsic value method to account for compensation cost of the stock based employee compensation plans of the Company. The compensation cost is amortised on a straight-line basis.

1.22 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them; to offset receivables against payables in the case of the same broking clients in multiple segments and other such similar qualifying arrangements.

(Currency: Indian rupees in millions)

2.1 Segment reporting (Corresponding to note 2.30 of the complete financial statements)

Primary Segment (Business Segment)

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

Segment	Activities covered	
Agency business	Broking, advisory, product distribution and other fee based services	
Capital based business	Income from treasury, investment income and financing	
Life Insurance	Represents results of Edelweiss Tokio Life Insurance Company Limited	

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

The following table gives information as required under the Accounting Standard -17 on Segment Reporting:

	Particulars	For the year ended	For the year ended
	Particulars	31 March 2015	31 March 2014
I	Segment Revenue		
	a) Agency business	7,691.79	5,074.73
	b) Capital based business	28,601.73	18,847.61
	c) Life Insurance	2,785.31	1,598.38
	d) Unallocated	40.64	34.60
	Total Income	39,119.47	25,555.32
П	Segment Results		
	a) Agency business	1,260.50	788.13
	b) Capital based business	5,011.00	3,644.26
	c) Life Insurance	(710.08)	(678.15)
	d) Unallocated	(281.00)	(239.25)
	Profit before taxation	5,280.42	3,514.99
	Less: Provision for taxation	2,016.99	1,346.07
	Profit after taxation before minority interest	3,263.43	2,168.92

(Currency: Indian rupees in millions)

2.1 Segment reporting (Corresponding to note 2.30 of the complete financial statements) (Continued)

Segment Assets a) Agency business b) Capital based business	20,778.26	
· · · · · · · · · · · · · · · · · · ·	20 778 26	
h) Canital based business	20,778.20	14,079.04
b) Capital based business	270,227.13	152,798.65
c) Life Insurance	8,601.43	7,587.99
d) Unallocated	5,202.56	7,437.97
Total	304,809.38	181,903.65
Segment Liabilities		
-	11,568.44	7,040.74
		138,730.85
, ,	· ·	1,293.59
		2,280.00
Total	269,494.97	149,345.18
Canital Expenditure		
·		
	267.36	121.78
, , ,	1.735.53	664.54
, ,	-	_
d) Unallocated	12.54	12.75
Total	2,015.43	799.07
Depreciation and Amortisation		
·	170.97	142.86
		325.03
,	81.25	43.49
,		12.72
Total	716.41	524.10
Significant Non Cosh Evnouses Other than Depresiation and American		
·	09.24	57.07
		528.64
, ,	1,141.95	43.49
	0.00	3.38
•		632.58
	d) Unallocated Total Segment Liabilities a) Agency business b) Capital based business c) Life Insurance d) Unallocated Total Capital Expenditure (Including Capital Work-In-Progress) a) Agency business b) Capital based business c) Life Insurance d) Unallocated Total Depreciation and Amortisation a) Agency business b) Capital based business c) Life Insurance d) Unallocated	Dial

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.31 of the complete financial statements)

Disclosure as required by Accounting Standard 18 - "Related Party Disclosure":

- (A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise
 - Mr. Rashesh Shah
 - Mr. Venkat Ramaswamy
 - Ms. Vidya Shah
 - Ms. Aparna T.C.

(B) Key Management Personnel

- Mr. Rashesh Shah Chairman, Managing Director & CEO
- Mr. Venkat Ramaswamy Executive Director
- Mr. Himanshu Kaji Executive Director
- Mr. Rujan Panjwani Executive Director
- (C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place
 - Ms. Kaavya Venkat
 - Ms. Shilpa Mody
 - Ms. Sejal Premal Parekh
 - Mr. A V Ramaswamy
 - Ms. Sneha Sripad Desai
 - Mr. Nalin Kaji
 - Ms. Shabnam Panjwani

(D) Subsidiary Company

Edelgive Foundation (refer note 1.2(d))

(E) Enterprises which exercise significant influence over subsidiary - Edelweiss Tokio Life Insurance Company Limited

Tokio Marine & Nichido Fire Insurance Co., Limited (Subsidiary of Tokio Marine Holdings Inc.)

(F) Enterprises where significant influence is exercised

Edelweiss Employee Welfare Trust (upto 30 March 2015)

Edelweiss Asset Reconstruction Company Limited

Edelweiss Fund Advisors Private Limited

Dahlia Commodities Services Private Limited

Magnolia Commodities Services Private Limited

Arum Investments Private Limited

Allium Finance Private Limited

Aeon Credit Service India Private Limited

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.31 of the complete financial statements) (Continued)

(G) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP

Oak Holdings Private Limited (upto 16 March 2015)

Oak Investment Adviser LLP (from 17 March 2015)

(H) Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
	Capital Account Transaction			
1	Investments in equity shares of	Edelweiss Asset Reconstruction Company Limited	-	124.77
2	Investments in debentures of	Edelweiss Asset Reconstruction Company Limited	1,500.00	-
3	Equity share capital issued by subsidiary (including securities premium)	Tokio Marine & Nichido Fire Insurance Co. Limited	-	1,939.70
4	Redemption on buy back of preference shares of	Arum Investments Private Limited	151.26	-
5	Redemption of non convertible debentures of	Arum Investments Private Limited	257.00	-
6	Redemption of optionally convertible debentures of	Arum Investments Private Limited	51.71	-
7	Subsciption of debentures of	Arum Investments Private Limited	-	275.00
8	Long term loans given to	Edelweiss Asset Reconstruction Company Limited	8,470.00	-
		Dahlia Commodities Services Private Limited	-	82.00
		Magnolia Commodities Services Private Limited	-	55.00
9	Long term loans repaid by	Edelweiss Asset Reconstruction Company Limited	1,500.00	-
		Dahlia Commodities Services Private Limited	82.00	-
		Magnolia Commodities Services Private Limited	55.00	-
10	Short term loans taken from	Arum Investments Private Limited	1,030.00	_

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.31 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
11	Short term loans given to	Edelweiss Asset Reconstruction Company Limited	5,336.61	2,445.44
		Magnolia Commodities Services Private Limited	1,752.50	1,072.78
		Ms. Vidya Shah	1,589.48	-
		Dahlia Commodities Services Private Limited	1,526.51	93.00
		Mr. Rujan Panjwani	633.24	-
		Ms. Aparna T. C.	562.87	-
		Mr. Nalin Kaji	485.37	-
		Arum Investments Private Limited	1.49	1.86
		Allium Finance Private Limited	0.11	0.79
		Edelweiss Fund Advisors Private Limited	-	0.29
12	Short term loans given repaid by	Edelweiss Asset Reconstruction Company Limited	2,395.77	1,596.10
		Magnolia Commodities Services Private Limited	1,525.76	1,000.00
		Ms. Vidya Shah	1,497.06	-
		Dahlia Commodities Services Private Limited	1,385.39	16.00
		Mr. Rujan Panjwani	618.09	-
		Ms. Aparna T. C.	526.98	-
		Mr. Nalin Kaji	485.37	-
		Allium Finance Private Limited	0.11	-
13	Inter corporate deposit placed with	Arum Investments Private Limited	-	1,500.00
14	Inter corporate deposit repaid by	Arum Investments Private Limited	-	1,500.00
15	Margin received from	Magnolia Commodities Services Private Limited	210.35	66.37
		Dahlia Commodities Services Private Limited	85.54	70.96
		Arum Investments Private Limited @	0.00	0.00
16	Margin repaid to	Magnolia Commodities Services Private Limited	202.88	0.04
		Dahlia Commodities Services Private Limited	99.50	10.96
		Arum Investments Private Limited @	0.00	-
17	Reimbursement recovered from	Arum Investments Private Limited	120.12	36.79
		Edelweiss Asset Reconstruction Company Limited	44.01	2.96
		Dahlia Commodities Services Private Limited	10.68	3.37
		Magnolia Commodities Services Private Limited	1.23	
		Allium Finance Private Limited	0.36	
		Oak Holdings Private Limited	-	0.01
		Edelweiss Fund Advisors Private Limited	-	0.18
		Edelgive Foundation	_	0.08

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
18	Dividend paid	Mr. Rashesh Shah	135.59	87.30
		Mr. Venkat Ramaswamy	52.78	34.47
		Spire Investment Advisors LLP	39.85	27.27
		Edelweiss Employee Welfare Trust	35.72	24.44
		Ms. Vidya Shah	27.89	19.08
		Ms. Aparna T. C.	11.40	7.80
		Ms. Kaavya Venkat	11.40	7.80
		Mr. Rujan Panjwani	10.18	6.60
		Ms. Sneha Sripad Desai	0.97	0.67
		Ms. Shilpa Mody	0.95	0.65
		Ms. Sejal Premal Parekh	0.95	0.65
		Mr. Himanshu Kaji	0.37	-
		Ms. Shabnam Panjwani	0.08	0.01
		Mr. A V Ramaswamy	0.05	0.03
19	Advisory fee earned from	Edelweiss Asset Reconstruction Company Limited	2.38	7.34
		Arum Investments Private Limited @	-	0.00
		Allium Finance Private Limited @	-	0.00
		Edelweiss Fund Advisors Private Limited @	-	0.00
20	Rental income from	Edelweiss Asset Reconstruction Company Limited	7.99	3.90
		Arum Investments Private Limited	0.98	5.73
		Allium Finance Private Limited	0.66	0.78
21	Interest income on loan from	Edelweiss Asset Reconstruction Company Limited	620.57	24.41
		Magnolia Commodities Services Private Limited	58.00	12.21
		Dahlia Commodities Services Private Limited	49.51	12.02
		Ms. Vidya Shah	9.24	-
		Ms. Aparna T. C.	7.29	-
		Mr. Rujan Panjwani	6.16	-
		Mr. Nalin Kaji	5.17	-
		Arum Investments Private Limited @	-	0.00
		Allium Finance Private Limited @	-	0.00
		Edelweiss Fund Advisors Private Limited @	-	0.00
22	Interest income on debentures	Arum Investments Private Limited	76.79	89.80
		Edelweiss Asset Reconstruction Company Limited	3.49	-

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
23	Interest income on inter Arum Investments Private Limited corporate deposit with		-	5.53
24	Warehousing income from	Dahlia Commodities Services Private Limited	2.86	_
	waremousing meetine from	Magnolia Commodities Services Private Limited	2.07	-
25	Financial charges to	Dahlia Commodities Services Private Limited	12.51	-
		Magnolia Commodities Services Private Limited	9.80	-
26	Interest expenses on loan from	Arum Investments Private Limited	17.38	-
27	Interest expense on margin placed by	Magnolia Commodities Services Private Limited	3.64	-
		Dahlia Commodities Services Private Limited	2.11	-
28	Warehousing expenses to	Dahlia Commodities Services Private Limited	2.92	_
	vulcinousing expenses to	Magnolia Commodities Services Private Limited	2.24	-
29	Purchase of commodities from	Dahlia Commodities Services Private Limited	916.64	132.06
		Magnolia Commodities Services Private Limited	705.00	132.36
30	Sale of commodities to	Dahlia Commodities Services Private Limited	845.35	77.14
		Magnolia Commodities Services Private Limited	649.54	77.15
31	Amount paid on settlement of forward contracts (net)	Dahlia Commodities Services Private Limited	-	49.51
32	Brokerage earned from	Magnolia Commodities Services Private Limited	9.73	-
		Dahlia Commodities Services Private Limited	5.69	-
		Ms. Vidya Shah	3.97	1.14
		Mr. Rujan Panjwani	0.61	-
		Ms. Aparna T. C.	0.60	0.75
		Mr. Rashesh Shah	0.45	0.01
		Mr. Venkat Ramaswamy @	0.13	0.00
		Mr. Nalin Kaji	0.08	-
		Arum Investments Private Limited	0.05	-
		Mr. Himanshu Kaji @	0.00	-
		Ms. Shabnam Panjwani @	0.00	-
		Ms. Sneha Sripad Desai @	0.00	0.00
		Spire Investment Advisors LLP @	-	0.00
		Ms. Meena Subramanian @	-	0.00

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
33	Clearing income from	Dahlia Commodities Services Private Limited	0.16	-
		Magnolia Commodities Services Private Limited	0.16	-
34	Processing fees earned from	Edelweiss Asset Reconstruction Company Limited	0.03	-
		Arum Investments Private Limited @	0.00	-
		Allium Finance Private Limited @	0.00	-
35	Remuneration to	Mr. Rashesh Shah	89.62	60.47
		Mr. Rujan Panjwani	54.23	20.90
		Mr. Himanshu Kaji	50.12	27.83
		Mr. Venkat Ramaswamy	28.33	18.30
36	Contribution towards corporate social responsibility	Edelgive Foundation	58.25	18.50
37	Cost reimbursements recovered from	Arum Investments Private Limited	42.55	42.97
		Edelweiss Asset Reconstruction Company Limited	1.20	1.02
		Allium Finance Private Limited	0.77	0.08
		Dahlia Commodities Services Private Limited	0.56	0.50
		Magnolia Commodities Services Private Limited	0.56	0.50
	Balances with related parties			
38	Investments in equity shares of	Edelweiss Asset Reconstruction Company Limited	529.75	529.75
		Aeon Credit Service India Private Limited	102.50	102.50
		Arum Investments Private Limited	79.78	30.64
		Allium Finance Private Limited	21.18	21.18
		Dahlia Commodities Services Private Limited	1.00	1.00
		Magnolia Commodities Services Private Limited	1.00	1.00
		Edelweiss Fund Advisors Private Limited	0.50	0.50
		Edelgive Foundation	0.10	0.10
39	Investments in preference shares of	Arum Investments Private Limited	3,586.16	990.09
		Allium Finance Private Limited	123.88	123.88
40	Investment in debentures of	Edelweiss Asset Reconstruction Company Limited	1,500.00	_
	sometime of	Arum Investments Private Limited	469.76	51.71

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	ature of Transaction Related Party Name		31 March 2014
41	Long term loans given to	Edelweiss Asset Reconstruction Company Limited	6,970.00	-
		Edelweiss Employees Welfare Trust	-	1,323.85
		Dahlia Commodities Services Private Limited	-	82.00
		Magnolia Commodities Services Private Limited	-	55.00
42	Short term loans taken from	Arum Investments Private Limited	1,030.00	-
43	Short term loans given to	Edelweiss Asset Reconstruction Company Limited	3,790.18	849.35
		Magnolia Commodities Services Private Limited	299.52	72.78
		Dahlia Commodities Services Private Limited	218.12	77.00
		Arum Investments Private Limited	2.08	-
		Ms. Vidya Shah	92.42	-
		Ms. Aparna T. C.	35.89	-
		Mr. Rujan Panjwani	15.15	-
44	Advances recoverable from	Arum Investments Private Limited	0.26	43.58
		Allium Finance Private Limited	-	0.01
45	Trade receivables from	Arum Investments Private Limited @	44.18	0.00
		Edelweiss Asset Reconstruction Company Limited	2.43	1.73
		Allium Finance Private Limited @	0.90	0.00
		Dahlia Commodities Services Private Limited	0.65	-
		Magnolia Commodities Services Private Limited	0.61	-
		Edelweiss Fund Advisors Private Limited @	-	0.00
46	Accrued interest income on loans given to	Edelweiss Asset Reconstruction Company Limited	46.28	6.25
		Arum Investments Private Limited	20.51	-
		Magnolia Commodities Services Private Limited	4.49	0.41
		Dahlia Commodities Services Private Limited	3.49	0.52
47	Accrued interest income on debt instruments	Arum Investments Private Limited	6.83 49	
		Edelweiss Asset Reconstruction Company Limited	3.49	-
48	Accrued interest expense on margin received from	Magnolia Commodities Services Private Limited	0.15	0.08
		Dahlia Commodities Services Private Limited	0.09	0.07

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.31 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
49	Margin payable to clients	Magnolia Commodities Services Private Limited	73.79	66.32
		Dahlia Commodities Services Private Limited	46.04	60.00
50	Accrued salaries and benefits	Mr. Rashesh Shah	80.50	37.50
		Mr. Rujan Panjwani	45.50	15.00
		Mr. Himanshu Kaji	41.00	20.00
		Mr. Venkat Ramaswamy	20.00	10.00
51	Trade payables to	Magnolia Commodities Services Private Limited	25.76	-
		Dahlia Commodities Services Private Limited	21.25	49.51
		Edelweiss Asset Reconstruction Company Limited	1.15	0.99

[@] Amount is less than ₹ 0.01 million

Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.

2.3 Earnings per share (Corresponding to note 2.32 of the complete financial statements)

In accordance with Accounting Standard 20 - Earnings Per Share, the computation of earnings per share is set out below:

		2015	2014
a)	Shareholders earnings (as per statement of profit and loss)	3,287.13	2,202.46
	Less: Preference dividend declared by the Company (including dividend distribution tax)	101.36	-
	Net Profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share	3,185.77	2,202.46
b)	Calculation of weighted average number of equity shares of $\overline{\uparrow}$ 1 each:		
	– Number of shares at the beginning of the year	769,045,330	763,842,280
	 Number of shares issued during the year 	24,737,337	5,203,050
	– Number of shares bought back during the year	(2,030,048)	-
	Total number of equity shares outstanding at the end of the year	791,752,619	769,045,330
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	779,726,911	767,977,731
c)	Number of dilutive potential equity shares	40,380,614	3,911,331
d)	Basic earnings per share (in ₹) {a/b}	4.09	2.86
e)	Diluted earnings per share (in ₹) {a/(b+c)}	3.88	2.85

Share Application money pending allotment (Corresponding to note 2.38 of the complete financial statements)

The Company has received ₹ 42.41 million (Previous year: ₹ 0.08 million) towards share application on exercise of ESOPs which will result in an issue of 1,096,200 shares (Previous year: 10,500 shares). Of the total receipts ₹ 41.31 million (Previous year: ₹ 0.07 million) have been received towards share premium. These shares have since been allotted.

(Currency: Indian rupees in millions)

2.5 Capital commitment (Corresponding to note 2.39 of the complete financial statements)

Uncalled liabilities on non-current investments ₹ 183.75 million as at balance sheet date (Previous year: ₹ 1,623.75 million).

Undrawn committed credit lines ₹ 3,634.63 million as at balance sheet date (Previous year:₹ 3,012.94 million).

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 277.38 million (Previous vear: ₹ 198.19 million).

2.6 Contingent liabilities (Corresponding to note 2.40 of the complete financial statements)

i. Edelweiss Financial Services Limited (EFSL)

- a. Taxation matters in respect of which appeal is pending ₹ 46.36 million (Previous year: ₹ 115.15 million).
- b. The Company has issued corporate guarantees to the extent of ₹ 51,183.55 million (Previous year: ₹ 41,366.38 million), in favour of banks to secure the credit facilities sanctioned by these banks to Edelweiss Securities Limited, Edelweiss Commodities Services Limited, ECL Finance Limited, Edelweiss Housing Finance Limited, Aster Commodities DMCC, EC Global Limited, Edelweiss International Singapore Pte Limited (all being subsidiary companies), ₹ 16,777.20 million (Previous year: ₹ 14,757.20 million) in favour of IDBI Trusteeship Services Limited & SBICAP Trustee Company Limited for non-convertible debentures issued by ECL Finance Limited, Edelweiss Finance & Investments Limited and Edelweiss Housing Finance Limited (subsidiary companies) and ₹ 470.70 million (Previous year: ₹ 470.70 million) in favour of Edelweiss Finance & Investments Limited (subsidiary company) for the Preference shares issued by it against due discharge of debt.

ii. Edelweiss Securities Limited (ESL)

Taxation matters in respect of which appeal is pending ₹ 300.23 million (Previous year: ₹ 459.93 million).

iii. Edelweiss Commodities Services Limited (ECSL)

- a. Taxation matters in respect of which appeal is pending ₹ 770.26 million (Previous Year: ₹ 208.28 million). The Company has paid ₹ 39.09 million under protest against these cases.
- b. Corporate Guarantee given by the company to bank for ₹ 2,850.00 million (Previous year: ₹ 2,350.00 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited.

iv. ECL Finance Limited (ECLF)

- a. Taxation matters in respect of which appeal is pending ₹ 0.54 million (Previous year: ₹ 0.54 million).
- b. Litigation pending against ECLF amounting to ₹ 10.86 million (Previous year: ₹ 10.76 million).

v. Edelweiss Broking Limited (EBL)

- a. Taxation matters in respect of which appeal is pending ₹ 134.77 million (Previous year: ₹ 126.01 million).
- b. Claims not acknowledged as debt ₹ 43.96 million (Previous year: ₹ 22.19 million).

vi. Edelweiss Comtrade Limited (Edel Com)

- a. Claims not acknowledged as debt ₹ 0.26 million (Previous year: ₹ 2.86 million).
- b. Taxation matters in respect of which appeal is pending ₹ 3.72 million (Previous year: ₹ 3.55 million).

vii. Edelweiss Global Wealth Management Limited (EGWML)

Taxation matters in respect of which appeal is pending ₹ 19.70 million (Previous year: ₹ 19.70 million).

viii. Edel Finance Company Limited (Edel Fin)

Taxation matters in respect of which appeal is pending ₹ Nil (Previous year: ₹ 0.03 million).

(Currency: Indian rupees in millions)

2.6 Contingent liabilities (Corresponding to note 2.40 of the complete financial statements) (Continued)

ix. Edelweiss Tokio Life Insurance Company Limited (ETLI)

The Company has received show cause-cum-demand notices relating to Service tax demand amounting to ₹ 30.08 million (Previous year: ₹ 10.28 million) from the Service Tax Department, which is being contested.

2.7 Provision on standard assets (Corresponding to note 2.41 of the complete financial statements)

In accordance with the accounting policy set out on paragraph 1.17 of significant accounting policies, provision for standard assets created in the books as at 31 March 2015, is ₹ 448.35 million (Previous year: ₹ 215.51 million).

2.8 Movement of NPAs (Corresponding to note 2.42 of the complete financial statements)

With regard to the financing business of the group in subsidiaries regulated by RBI and NHB, the following table sets forth, for the periods indicated, the details of movement of gross Non-Performing assets (NPAs), net NPAs and provisions:

Part	iculars		2015	2014
i)	Gros	s NPAs		
	a)	Opening Balance	819.29	284.78
	b)	Additions during the year	1,496.33	602.58
	c)	Reductions during the year *	352.82	68.07
	d)	Closing balance	1,962.80	819.29
ii)	Net	NPAs		
	a)	Opening Balance	214.22	74.55
	b)	Additions during the year	442.29	196.28
	c)	Reductions during the year*	84.87	56.60
	d)	Closing balance	571.64	214.23
iii)	Prov	isions for NPAs		
	(excl	uding provision on standard assets)		
	a)	Opening Balance	605.07	210.23
	b)	Additions during the year	1,054.04	406.31
	c)	Reductions during the year *	267.95	11.47
	d)	Closing balance	1,391.16	605.07

^{*} Includes NPA written off during the year amounting to ₹231.52 million (Previous year: ₹Nil)

2.9 Capital to Risk Assets Ratio (CRAR) (Corresponding to note 2.43 of the complete financial statements)

The CRAR for the key NBFC of the Group namely ECL Finance Limited is as follows;

Item	s	2015	2014
i.	CRAR (%)	17.72%	16.06%
ii.	CRAR - Tier I capital (%)	11.68%	15.56%
iii.	CRAR - Tier II Capital (%)	6.04%	0.50%

2.10 Details of Single Borrower Limit and Group Borrower Limit by the NBFCs within the Group (Corresponding to note 2.44 of the complete financial statements)

During the years ended 31 March 2015 and 31 March 2014, all the NBFCs credit exposure to single borrowers and group borrowers were within their respective limits prescribed by RBI.

(Currency: Indian rupees in millions)

2.11 Policy Liabilities (Corresponding to note 2.48 of the complete financial statements)

(Forming part of the Policyholders' Funds)

Particulars	As at 31 March 2015			As at 31 March 2014				
Particulars	Par	Non Par	Unit Linked	Total	Par	Non Par	Unit Linked	Total
At start of the year	331.11	375.14	274.95	981.20	90.68	136.66	145.12	372.46
Add: Change in valuation against policies in force (Mathematical reserves excluding cost of bonus)	368.88	654.96	331.91	1,355.75	212.45	238.48	129.83	580.76
Add: Bonus to policyholders	45.09	-	-	45.09	27.98	-	-	27.98
At end of the year	745.08	1,030.10	606.86	2,382.04	331.11	375.14	274.95	981.20

2.12 Long term bank borrowing secured by charge on loan receivable (Corresponding to note 2.49 of the complete financial statements)

Following is the repayment terms of term loans:

Term Loans from Banks - Secured as at 31 March 2015

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
9.00 - 9.99%	154.34	39.62	56.04	-	250.00
10.00 - 10.99%	115.50	3,283.63	5,474.25	-	8,873.38
11.00 - 11.99%	5,262.03	13,027.36	9,388.39	-	27,677.78
Total	5,531.87	16,350.61	14,918.68	-	36,801.16

Term Loans from Banks – Secured as at 31 March 2014

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
10.00 - 10.99%	-	803.00	1,926.00	-	2,729.00
11.00 - 11.99%	1,657.00	4,116.00	8,214.00	-	13,987.00
12.00 - 12.99%	-	250.00	-	-	250.00
Total	1,657.00	5,169.00	10,140.00	-	16,966.00

2.13 Details of Debentures (Corresponding to note 2.50 of the complete financial statements)

Debentures – Secured as at 31 March 2015

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
8.00 - 8.99%	-	-	1,639.51	-	1,639.51
10.00 - 10.99%	-	6,078.47	19,854.29	1,004.67	26,937.43
11.00 - 11.99%	-	2,961.71	6,970.29	1,250.00	11,182.00
12.00 - 12.99%	-	-	-	150.00	150.00
Zero Coupon Debentures	-	-	250.00	-	250.00
Various (benchmark linked)	232.90	548.29	7,891.87	7,241.98	15,915.04
Total	232.90	9,588.47	36,605.96	9,646.65	56,073.98

(Currency: Indian rupees in millions)

2.13 Details of Debentures (Corresponding to note 2.50 of the complete financial statements) (Continued) Debentures - Secured as at 31 March 2014

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
8.00 - 8.99%	-	-	1,579.06	-	1,579.06
11.00 - 11.99%	-	-	5,351.16	-	5,351.16
12.00 - 12.99%	-	1,425.85	300.00	-	1,725.85
Various (benchmark linked)	-	-	13,394.47	-	13,394.47
Total	-	1,425.85	20,624.69	-	22,050.54

Debentures - Unsecured as at 31 March 2015

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
11.00 - 11.99%	4,500.00	-	-	-	4,500.00
12.00 - 12.99%	4,131.43	-	-	-	4,131.43
Total	8,631.43	-	-	-	8,631.43

Debentures - Unsecured as at 31 March 2014

Maturities	> 5 years	3-5 years	1-3 years	<1 year	Total
Rate of interest					
12.00 - 12.99%	200.00	-	-	-	200.00
Total	200.00	-	-	-	200.00

- 2.14 Certain companies in the Group have received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act, 1961, read with Rule 8D of the Income Tax Rules, 1962. The Group has filed appeals and is defending its position. Due to the lack of clarity on the legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the Group, if any, at this stage cannot be estimated. The Group has been advised by its tax counsel that it has a good chance in sustaining its position. (Corresponding to note 2.51 of the complete financial statements)
- 2.15 On 28 October, 2014, The Securities and Exchange Board of India ('SEBI') issued the "SEBI Share Based Employee Benefits Regulation 2014 ('the Regulation')" which requires the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employee Share Based Payments ('the Guidance Note') issued by the Institute of Chartered Accountants of India. Accordingly, the loans advanced to the ESOP Trusts have been presented as Non-Current Assets in the financial statements and not deducted from the Share Capital and Securities Premium Account. Previous year's figures have been regrouped accordingly. (Corresponding to note 2.52 of the complete financial statements)

2.16 Details of Cash and Cash Equivalents (Corresponding to note 2.53 of the complete financial statements)

Particulars	As at	As at
Particulars	31 March 2015	31 March 2014
Cash in hand	28.73	24.17
Cheques in hand	88.14	84.30
Balances with banks	6,201.04	5,545.31
Short term deposits with bank	1,484.10	2,462.73
Total	7,802.01	8,116.51

(Currency: Indian rupees in millions)

2.17 Details of quoted investments (Corresponding to note 2.54 of the complete financial statements)

Doublevillare	As at	As at
Particulars	31 March 2015	31 March 2014
Book value of quoted current investments	9,336.21	11,406.10
Market value of quoted current investments	9,349.11	11,445.26
Book value of quoted non-current investments	1,843.00	2,485.85
Market value of quoted non-current investments	1,912.35	2,495.82
Book value of un-quoted non-current investments	14,183.55	6,238.29
Book value of un-quoted current investments	2,560.00	1,132.88

2.18 Encumbrance on fixed deposits (Corresponding to note 2.55 of the complete financial statements)

- a) ECSL has pledged fixed deposits aggregating to ₹ 3,329.73 million (Previous year: ₹ 1,451.63 million) with exchanges for meeting margin requirements.
- b) ECSL has pledged fixed deposits aggregating to ₹ 3,357.90 million (Previous year: ₹ 1,746.55 million) with banks for securing bank overdrafts and buyer's credit.
- c) ECSL has pledged fixed deposits aggregating to ₹ 20.00 million (Previous year: ₹ 1.00 million) with bank for meeting margin requirements for buying bullion.
- d) ECSL has pledged fixed deposits aggregating to ₹ 0.44 million (Previous year: ₹ 0.41 million) with Sales Tax authorities for meeting deposit requirements.
- e) ECSL has pledged fixed deposit with bank amounting to ₹ 250.00 million (Previous year: ₹ 250.00 million) for obtaining the bank guarantee provided to The Multi Commodity Exchange of India Limited for meeting margin requirements.
- f) ECSL has pledged fixed deposit with bank amounting to ₹ 10.20 million (Previous year: ₹ 0.20 million) for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
- g) ECSL has pledged fixed deposit with bank amounting to ₹ 119.90 million (Previous year: ₹ 49.90 million) for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
- h) ECSL has pledged fixed deposit with bank amounting to ₹ 3.71 million (Previous year: ₹ 3.71 million) for obtaining bank guarantees provided to Reliance Infra Limited.
- i) ECSL has pledged fixed deposit with bank amounting to ₹ 8.10 million (Previous year: ₹ 3.20 million) for obtaining the bank guarantee provided to various 'mandis' (markets) for margin and license requirements.
- j) Edelweiss Finance & Investments Limited (EFIL) has pledged fixed deposit of ₹ 0.74 million (Previous year: ₹ 0.74 million) with Sales Tax authorities for meeting deposit requirements.
- k) EFIL has pledged fixed deposit of ₹ 0.10 million (Previous year: ₹ 0.10 million) with The Collector of Raigad, Alibagh, state excise department for license.
- I) EFIL has pledged fixed deposit of ₹ Nil (Previous year: ₹ 20.00 million) with HDFC Bank for meeting margin requirement for trading in interest rate swaps.
- m) EFIL has pledged fixed deposit of ₹ 50.00 million (Previous year: ₹ Nil) with Ratnakar Bank against Overdraft facility.
- n) ECLF has pledged fixed deposit of ₹ Nil (Previous year: ₹ 2.50 million) with HDFC bank for meeting margin requirement for trading in interest rate swaps.
- o) ECLF has pledged fixed deposit of ₹ 920.00 million (Previous Year: ₹ Nil) with ICICI bank for meeting margin requirement for trading in cross currency swap and forward margin.

(Currency: Indian rupees in millions)

2.18 Encumbrance on fixed deposits (Corresponding to note 2.55 of the complete financial statements) (Continued)

- ECLF has pledged fixed deposit of ₹ 45.00 million (Previous year: ₹ 25.00 million) with Bank of India for bank guarantee for Non convertible debenture listing.
- ECLF has pledged fixed deposit of ₹ 50.00 million (Previous year: ₹ Nil) with Ratnakar bank for bank guarantee for Non q) convertible debenture listing.
- ECLF has pledged fixed deposit of ₹80.52 million (Previous year: ₹80.52 million) with ING Vysya for Securitization. r)
- ECLF has pledged fixed deposit of ₹ 57.64 million (Previous year: ₹ 57.64 million) with Yes Bank for Securitization. s)
- t) EBL has pledged fixed deposit of ₹ 1,530.04 million (Previous year: ₹ 191.03 million) with exchanges for meeting margin requirement.
- u) EBL has pledged fixed deposit of ₹ 11.10 million (Previous year: ₹ 6.00 million) with exchanges for meeting base capital requirement.
- v) EBL has pledged fixed deposit of ₹ 4.76 million (Previous year: ₹ 0.40 million) with exchanges for meeting towards arbitration.
- Edelweiss Comtrade Limited (Edel Com) has pledged fixed deposit of ₹ 0.75 million (Previous year: ₹ 1.13 million) with w) exchanges for meeting base capital requirement.
- Edel Com has pledged fixed deposit of ₹ 0.24 million (Previous year: ₹ 0.22 million) with exchanges towards arbitration. x)
- ESL has pledged fixed deposit of ₹ 9,314.32 million (Previous year: ₹ 4,880.13 million) with exchanges for meeting base y) capital requirement.
- ESL has pledged fixed deposit of ₹ 14,601.90 million (Previous year: ₹ 3,758.40 million) with banks for securing bank z)
- ESL has pledged fixed deposit of ₹ 1,540.00 million (Previous year: ₹ 1,550.00 million) with exchanges for availing bank aa) guarantees.
- ab) ESL has pledged fixed deposit of ₹0.06 million (Previous year: ₹0.06 million) with Commissioner of Value Added Tax for VAT Registration.
- ac) ESL has pledged fixed deposit of ₹ 0.03 million (Previous year: ₹ 0.03 million) with Commissioner of Sales Tax for Sales Tax Registration.
- Ecap Equities Limited has pledged fixed deposit of ₹ 0.19 million (Previous year: ₹ 0.43 million) with VAT authorities for ad) meeting deposit requirements.
- Edel Commodities Limited has pledged fixed deposit of ₹ Nil (Previous year: ₹ 234.15 million) for obtaining bank guarantees provided to Customs authorities for meeting statutory requirements.
- Edel Commodities Limited has pledged fixed deposit of ₹ 0.07 million (Previous year: ₹ 0.22 million) for obtaining bank af) guarantees provided to VAT authorities for meeting deposit requirements.
- Edelweiss Integrated Commodity Management Limited (EICML) has pledged fixed deposit of ₹ 4.91 million (Previous ag) year: ₹ Nil) with Agriculture Produce Market Committee for mandi license.
- ah) EICML has pledged fixed deposit of ₹ 0.92 million (Previous year: ₹ Nil) with Sales Tax authorities for meeting deposit requirements.
- EICML has pledged fixed deposit of ₹ 7.20 million (Previous year: ₹ Nil) with Customs authorities for Warehouse license. ai)

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates (Corresponding to note 2.57 of the complete financial statements)

Sr. No.	Name of the Entity	Net Assets i.e minus to	. Total assets otal liabilities	Share in p	profit or loss
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Pare	ent				
	Edelweiss Financial Services Limited	41.75	14,742.88	33.91	1,114.81
Sub	sidiaries				
	Indian				
1	Auris Corporate Centre Limited	0.46	163.12	(0.05)	(1.49)
2	Burlington Business Solutions Limited	0.51	180.61	(0.05)	(1.50)
3	EC Commodity Limited	0.05	19.13	0.08	2.70
4	Ecap Equities Limited	6.19	2,184.50	14.60	479.97
5	ECL Finance Limited	49.19	17,371.01	55.65	1,829.38
6	Edel Commodities Limited	(2.34)	(825.67)	3.19	104.72
7	Edel Commodities Trading Limited	0.19	66.33	0.61	20.21
8	Edel Finance Company Limited	0.11	38.45	(0.00)	(0.10)
9	Edel Investments Limited	0.10	36.12	0.36	11.79
10	Edel Land Limited	0.33	114.98	(0.12)	(3.79)
11	Edelcap Securities Limited	4.36	1,539.43	(0.05)	(1.73)
12	Edelweiss Alternative Asset Advisors Limited	0.19	68.66	(4.44)	(146.03)
13	Edelweiss Asset Management Limited	1.74	614.05	(2.58)	(84.90)
14	Edelweiss Broking Limited	3.40	1,201.50	1.88	61.85
15	Edelweiss Capital Markets Limited	0.23	80.01	1.31	43.17
16	Edelweiss Commodities Services Limited	15.08	5,325.98	17.06	560.63
17	Edelweiss Comtrade Limited	0.49	173.24	(0.00)	(0.01)
18	Edelweiss Custodial Services Limited	1.80	635.55	(1.24)	(40.85)
19	Edelweiss Finance & Investments Limited	10.79	3,810.59	15.44	507.55
20	Edelweiss Global Wealth Management Limited	0.16	56.86	(4.86)	(159.71)
21	Edelweiss Housing Finance Limited	8.66	3,059.36	6.42	211.05
22	Edelweiss Insurance Brokers Limited	0.40	139.87	0.65	21.49
23	Edelweiss Integrated Commodity Management Limited	2.83	1,000.33	(0.01)	(0.17)
24	Edelweiss Investment Adviser Limited	0.55	195.22	(0.07)	(2.35)
25	Edelweiss Metals Limited	0.59	209.04	(1.03)	(33.74)
26	Edelweiss Retail Finance Limited	3.50	1,235.47	2.33	76.56
27	Edelweiss Securities Limited	12.35	4,359.59	5.92	194.72
28	Edelweiss Tokio Life Insurance Company Limited	16.12	5,691.26	(21.60)	(710.03)

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates (Corresponding to note 2.57 of the complete financial statements) (Continued)

Sr. No.	Name of the Entity	Net Assets i.e minus to	. Total assets otal liabilities	Share in	profit or loss
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
29	Edelweiss Trustee Services Limited	0.03	10.39	0.03	0.90
30	Edelweiss Trusteeship Company Limited	0.01	3.47	0.01	0.31
31	Edelweiss Web Services Limited	0.29	102.74	1.55	51.06
32	EFSL Commodities Limited	(0.06)	(20.29)	3.51	115.54
33	EFSL Comtrade Limited	0.09	33.00	(0.44)	(14.55)
34	Eternity Business Centre Limited	0.54	190.12	(0.05)	(1.49)
35	Forefront Alternate Investment Advisors LLP	(0.01)	(4.00)	0.03	1.10
36	Forefront Capital Management Private Limited	0.08	26.70	(0.26)	(8.70)
37	Forefront Wealth Advisors LLP	0.00	0.08	(0.00)	(0.03)
38	Olive Business Centre Limited	0.51	180.11	(0.05)	(1.50)
39	Serenity Business Park Limited	0.54	190.12	(0.05)	(1.49)
	Foreign				
1	Aster Commodities DMCC	8.07	2,851.63	14.85	488.25
2	EAAA LLC	(0.08)	(28.04)	(1.18)	(38.80)
3	EC Global Limited	4.20	1,483.27	40.96	1,346.55
4	EC International Limited	(5.83)	(2,057.61)	(62.27)	(2,046.87)
5	Edelweiss Alternative Asset Advisors Pte. Limited	0.07	23.34	(1.07)	(35.02)
6	Edelweiss Capital (Singapore) Pte. Limited	0.26	92.93	(1.40)	(46.08)
7	Edelweiss Commodities Chad SARL	0.04	12.50	0.38	12.39
8	Edelweiss Commodities Nigeria Limited	(0.00)	(1.07)	(0.15)	(4.91)
9	Edelweiss Commodities Pte. Limited	1.73	612.28	(0.00)	(0.11)
10	Edelweiss Financial Services Inc.	0.13	47.24	(0.28)	(9.12)
11	Edelweiss International (Singapore) Pte. Limited	1.74	613.58	2.74	90.02
12	Edelweiss Investment Advisors Private Limited (Singapore)	0.09	31.26	(0.18)	(6.07)
13	Edelweiss Securities (Hong Kong) Private Limited	0.10	36.80	(0.17)	(5.48)
14	EW India Special Assets Advisors LLC	0.02	6.62	0.15	4.91
15	EW SBI Crossover Advisors LLC	0.26	90.06	1.49	49.05
16	EW Special Opportunities Advisors LLC	(0.05)	(17.67)	(0.18)	(5.81)
17	Forefront India Capital Management (Mauritius)	0.01	3.39	(0.06)	(1.83)
	Minority Interests in all subsidiaries	10.50	3,708.77	(0.72)	(23.70)

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates (Corresponding to note 2.57 of the complete financial statements) (Continued)

Sr. No.	Name of the Entity	Net Assets i.e. minus to	Total assets tal liabilities	Share in	profit or loss
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Associates (Investments as per the equity method)				
	Indian				
1	Aeon Credit Services India Private Limited	0.04	14.20	(1.58)	(51.85)
2	Allium Finance Private Limited	0.07	24.11	0.00	0.11
3	Arum Investments Private Limited	1.07	379.24	2.19	72.12
4	Dahlia Commodities Services Private Limited	0.04	12.61	0.19	6.17
5	Edelweiss Asset Reconstruction Company Limited	2.16	764.41	5.18	170.11
6	Edelweiss Fund Advisors Private Limited	0.01	3.74	(0.01)	(0.32)
7	Magnolia Commodities Services Private Limited	(0.04)	(14.93)	(0.45)	(14.93)

As per our report of even date attached.

For B S R & Associates LLP **Chartered Accountants**

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner Membership No.: 042554

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani

S Ranganathan B Renganathan

Mumbai 15 May 2015

Chairman, Managing Director & CEO Executive Director

Executive Director **Executive Director** Chief Financial Officer EVP & Company Secretary DIN: 00008322 DIN: 00008509 DIN: 00009438 DIN: 00237366

Form AOC-I

(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

Name of the Subsidiary Company	Edelweiss Securities Limited	Edelweiss Finance & Investments Limited	ECL Finance Limited	Edelweiss Insurance Brokers Limited	Edelweiss Web Services Limited	Edelweiss Global Wealth Management Limited	Edelweiss Trustee Services Limited	Ecap Equities Limited	Edelcap Securities Limited	Edelweiss Broking Limited	EC Global Limited	EC Global Edelweiss Asset Limited Management Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	OSN	INR
Exchange rate	I	I	ı	ı	I	I	ı	ı	ı	ı	62.29	I
Paid-up Equity Share Capital	262.14	26.55	1,891.85	6.95	42.27	10.00	0.50	2.40	3.00	48.81	1.10	00.009
Paid-up Preference Share Capital	2.70	313.80			30.00			36.00	475.00	18.91		1
Reserves of the Subsidiary	4,094.75	3,470.24	15,479.16	132.92	30.47	46.86	68.6	2,146.10	1,061.43	1,133.78	1,482.17	14.05
Total Assets of the Subsidiary	20,208.69	38,059.14	128,472.34	216.66	4,796.26	447.72	10.83	15,525.59	2,067.43	5,906.06	11,594.36	669.16
Total Liabilities of the Subsidiary	15,849.11	34,248.54	111,101.34	76.79	4,693.52	390.86	0.44	13,341.09	528.01	4,704.57	10,111.09	55.12
Investments	2,985.39	1,693.86	7,161.34			33.74		5,476.42	1,393.72	341.15	7,697.46	118.37
Total Turnover	4,006.53	3,950.51	12,411.84	198.66	1,539.78	417.21	1.90	3,220.27	52.88	1,423.13	1,512.73	118.06
Profit/(Loss) before taxation	198.45	761.42	2,767.98	32.74	51.84	(165.83)	1.62	486.48	(0.43)	77.96	1,356.38	(84.32)
Provision for taxation	3.73	253.87	938.60	11.25	0.78	(6.12)	0.72	6.51	1.30	16.11	9.83	0.58
Profit/(Loss) after taxation	194.72	507.55	1,829.38	21.49	51.06	(159.71)	06:0	479.97	(1.73)	61.85	1,346.55	(84.90)
Proposed dividend		1			1	1				,		1
% of shareholding	100%	100%	92.20%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Name of the Subsidiany Company	Edalwaice	Edol	Ę	Edolynoice	Edolinoice	Edolyvoice	Edol Land	Edolwoice	Edolyvoice	Edolysoice	Fololwoice	FW CRI
Name of the Substitute of the Company	Trusteeship Company Limited	Commodities	Commod	Housing Finance Limited	Alternative Asset Advisors Limited	=	Limited	Custodial Services Limited	Capital (Singapore) Pte.	Alternative Asset Advisors Pte.	International (Singapore) Pte. Limited	Crossover Advisors LLC
Reporting currency	N	N N	NN NN	INR	INR	INR	N N	N.	SGD	Limited	SGD	USD
Exchange rate	ı	I	ı	I	I	I	ı	I	45.50	45.50	45.50	62.59
Paid-up Equity Share Capital	1.00	0.50	9.58	488.50	22.56	0.50	1.35	53.00	152.28	145.87	613.15	30.64
Paid-up Preference Share Capital		1			'	4.25	1.25				1	'
Reserves of the Subsidiary	2.47	(826.17)	9.55	2,570.86	46.10	190.47	112.38	582.55	(59.35)	(122.53)	0.43	59.42
Total Assets of the Subsidiary	3.54	7,299.26	973.56	15,995.78	204.50	2,196.36	298.44	669.18	1,750.53	36.49	2,015.18	92.31
Total Liabilities of the Subsidiary	0.07	8,124.93	954.50	12,936.42	135.84	2,001.15	183.46	33.63	1,657.59	13.15	1,401.60	2.26
Investments	2.87	20.69	,	250.00	12.86		213.41	529.75	756.06		246.97	'
Total Turnover	1.00	15,786.25	986.09	1,798.64	69.75	278.06	666.17	12.97	31.37	22.40	249.69	90.97
Profit/(Loss) before taxation	0.45	132.45	2.91	340.31	(144.06)	1.61	(3.79)	(40.73)	(46.08)	(35.02)	77.79	50.57
Provision for taxation	0.14	27.73	0.21	129.26	1.97	3.96		0.12	1		7.75	1.52
Profit/(Loss) after taxation	0.31	104.72	2.70	211.05	(146.03)	(2.35)	(3.79)	(40.85)	(46.08)	(35.02)	90.02	49.05
Proposed dividend		1									ı	
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	%09

Form AOC-I

(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

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	EC	Aster	Edelweiss	Edelweiss	Edel	EAAA LLC	EW India	EW Special	Edelweiss	Edelweiss	Edel
	International	Commodities	Metals	Tokio Life Insurance	Investments		Special	Opportunities Advisors LLC	Commodities	Comtrade	Finance
				Company Limited			Advisors		Limited		Limited
Reporting currency	OSD	INR	INR	INR	INR	OSD	OSD	USD	INR	INR	INR
Exchange rate	62.59	1	1	1	1	62.59	62.59	62.59	I	1	I
Paid-up Equity Share Capital	6.20	133.73	50.50	1,802.87	8.70	30.52	88.20	1.71	297.75	50.00	4.00
Paid-up Preference Share Capital	1				4.50			1	272.90		
Reserves of the Subsidiary	(2,063.81)	2,717.90	158.54	3,888.39	22.92	(58.56)	(81.58)	(19.38)	4,755.33	123.24	34.45
Total Assets of the Subsidiary	1,242.53	7,682.82	974.84	8,901.43	125.50	141.58	30.41	17.54	67,851.90	736.08	68.52
Total Liabilities of the Subsidiary	3,300.14	4,831.18	765.79	3,210.17	89.37	169.61	23.78	35.20	62,525.91	562.84	30.07
Investments	225.11		•	5,953.30		129.89	-	0.01	7,822.93	1	-
Total Turnover	(1,872.50)	62,265.10	129.14	2,839.04	859.83	6.91	23.53	70.37	192,849.40	125.45	37.32
Profit/(Loss) before taxation	(2,046.77)	488.25	(15.21)	(710.08)	14.72	(38.80)	4.91	(5.81)	786.65	1.55	0.55
Provision for taxation (including Deferred Tax and MAT credit entitlement)	0.10	1	18.53	(0.05)	2.93	1	1	1	226.02	1.56	0.65
Profit/(Loss) after taxation	(2,046.87)	488.25	(33.74)	(710.03)	11.79	(38.80)	4.91	(5.81)	560.63	(0.01)	(0.10)
Proposed dividend	1	1		1	1			-	1		
	100%	100%	100%	74%	100%	100%	%06	%29	100%	100%	100%

Form AOC-I

(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

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Financial Services Inc.	Edelweiss Capital Markets Limited	Edelweiss Investment Advisors Private Limited (Singapore)	EFSL Commodities Limited	Edel Commodities Trading Limited	EFSL Comtrade Limited	Edelweiss Retail Finance Limited	Edelweiss Commodities Nigeria Limited	Edelweiss Integrated Commodity Management Limited	Forefront Capital Management Private Limited	Forefront Alternate Investment Advisors LIP
Reporting currency	OSD	INR	SGD	INR	INR	INR	INR	NBN	INR	INR	INR
Exchange rate	62.59	1	45.50	1	ı	ı	ı	0.31	1	1	1
Paid-up Equity Share Capital	63.33	3.00	41.17	2.70	1.70	1.70	156.59	3.84	1,000.50	22.15	0.10
Paid-up Preference Share Capital						,		1	1	1	1
Reserves of the Subsidiary	(16.09)	77.01	(9.91)	(22.99)	64.63	31.30	1,078.88	(4.91)	(0.17)	4.55	(4.10)
Total Assets of the Subsidiary	47.81	756.19	33.03	3,580.72	4,183.80	712.01	5,677.68	101.57	3,666.99	228.26	138.79
Total Liabilities of the Subsidiary	0.57	676.18	1.76	3,601.02	4,117.47	00.679	4,442.21	102.65	2,666.66	201.57	142.79
Investments	1	0.03		1	1,500.00	616.96		1	250.00	2.66	92.50
Total Turnover		2,269.55		2,318.09	1,233.16	1,111.55	452.49	182.20	660.39	38.59	44.63
Profit/(Loss) before taxation	(9.12)	67.36	(6.07)	146.08	33.08	(15.02)	117.97	(4.91)	(0.25)	(11.32)	1.10
Provision for taxation		24.19		30.54	12.87	(0.47)	41.41	1	(0.08)	(2.62)	1
Profit/(Loss) after taxation	(9.12)	43.17	(6.07)	115.54	20.21	(14.55)	76.56	(4.91)	(0.17)	(8.70)	1.10
Proposed dividend	ı			ı	1	1	1	1	1	1	1
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Form AOC-I

(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

(Currency: Indian rupees in millions)

(currency : Inglan rupees in millions)											
Name of the Subsidiary Company	Forefront Wealth Advisors LLP	Forefront India Capital Management (Mauritius)	Edelweiss Commodities Chad SARL	Auris Corporate Centre Limited	Burlington Business Solutions Limited	Eternity Business Centre Limited	Olive Business Centre Limited	Serenity Business Park Limited	Edelweiss Securities (Hong Kong) Private Limited	Edelweiss Commodities Pte. Limited	EdelGive Foundation *
Reporting currency	INR	USD	XAF	INR	INR	INR	INR	INR	USD	USD	INR
Exchange rate	1	62.59	0.10	ı	ı	1	ı	1	62.59	62.59	1
Paid-up Equity Share Capital	0.10	10.10	0.11	164.61	182.11	191.61	181.61	191.61	46.51	613.00	0.10
Paid-up Preference Share Capital	1							1	1	1	
Reserves of the Subsidiary	(0.02)	(6.71)	12.39	(1.49)	(1.50)	(1.49)	(1.50)	(1.49)	(9.71)	(0.72)	17.49
Total Assets of the Subsidiary	0.10	4.55	28.58	163.14	180.64	190.14	180.14	190.14	39.16	771.57	42.92
Total Liabilities of the Subsidiary	0.02	1.27	16.08	0.03	0.04	0.03	0.03	0.03	2.36	159.27	25.32
Investments	1		,					1	1	1	24.50
Total Turnover	1	1.05	271.80					1	1	173.00	60.49
Profit/(Loss) before taxation	(0.03)	(1.83)	12.39	(2.14)	(2.15)	(2.14)	(2.15)	(2.14)	(5.48)	(0.11)	7.30
Provision for taxation	1		1	(0.65)	(0.65)	(0.65)	(0.65)	(0.65)	1	1	1
Profit/(Loss) after taxation	(0.03)	(1.83)	12.39	(1.49)	(1.50)	(1.49)	(1.50)	(1.49)	(5.48)	(0.11)	7.30
Proposed dividend	1	1	1					1	1	1	1
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

^{*} Investments represents ₹ 24.50 million corpus investments

For and on behalf of the Board of Directors

Rashesh Shah	Venkat Ramaswamy	Himanshu Kaji	Rujan Panjwani
Chairman, Managing Director & CEO	Executive Director	Executive Director	Executive Director
DIN: 00008322	DIN: 00008509	DIN: 00009438	DIN: 00237366
		S Ranganathan	B Renganathan
		Chief Financial Officer	EVP & Company Secretary

Mumbai: 15 May 2015

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013

(Currency: Indian rupees in millions)

Name of the Associates Company	Allium	Edelweiss	Edelweiss	Dahlia	Magnolia	Arum	Aeon
	Finance	Asset	Fund	Commodities	Commodities	Investments	Credit
	Private	Reconstruction	Advisors	Services	Services	Private	Services
	Limited	Company	Private	Private	Private	Limited	India Private
		Limited	Limited	Limited	Limited		Limited
Latest audited Balance Sheet Date	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31-12-2014
No. of Shares of Associates held by the company on the year end	800,000	49,909,148	20,000	100,000	100,000	1,402,999	10,250,000
Amount of Investment in Associates (₹ in millions)	21.18	529.75	0.50	1.00	1.00	79.78	102.50
Extent of Holding %	46.13%	49.91%	40.00%	20.00%	20.00%	20.00%	25.00%
Description of how there is significant influence	Note - A	Note - A	Note - A	Note - A	Note - A	Note - A	Note - A
Reason why the associate/joint venture is not consolidated	ı	1	ı	1	1	1	1
Networth attributable to shareholding as per latest audited Balance sheet (₹ in millions)	316.85	764.88	3.74	12.17	(15.49)	2,260.90	24.18
Profit / Loss for the year considered in consolidation (₹ in millions)	0.11	170.11	(0.32)	6.17	(14.93)	72.12	(51.85)
Profit / Loss for the year not considered in consolidation	1	1	1	1	1	1	1
Note -A: There is significant influence due to percentage (%) of Share Capital	e due to percer	ntage (%) of Share	Capital				

For and on behalf of the Board of Directors

Rujan Panjwani <i>Executive Director</i> DIN: 00237366	B Renganathan EVP & Company Secretary
Himanshu Kaji <i>Executive Director</i> DIN: 00009438	S Ranganathan Chief Financial Officer
Venkat Ramaswamy Executive Director DIN: 00008509	
Rashesh Shah Chairman, Managing Director & CEO DIN: 00008322	

Mumbai: 15 May 2015



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Abridged Standalone Financial Statements

Independent Auditors' Report on Abridged Financial Statements

To the Members of **Edelweiss Financial Services Limited**

Report on the abridged standalone financial statements

The accompanying abridged standalone financial statements, which comprise the abridged balance sheet as at 31 March 2015, the abridged statement of profit and loss, and abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Edelweiss Financial Services Limited ('the Company') for the year ended 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 15 May 2015.

The abridged financial statements do not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's responsibility for the abridged financial statements

Management is responsible for the preparation of abridged standalone financial statements in accordance with first proviso to subsection (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 from the audited financial statements of the Company for the year ended 31 March 2015, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditors' responsibility

Our responsibility is to express an opinion on the abridged standalone financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged standalone financial statements are derived from the audited financial statements of the Company for the year ended 31 March 2015 which are prepared in accordance with first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 and are a fair summary of those financial statements.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

15 May 2015

Mumbai

Membership No: 042554

Independent Auditors' Report

To the Members of Edelweiss Financial Services Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Edelweiss Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

Independent Auditors' Report (Continued)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the sta ndalone financial statements.

Opinion

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 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 2015, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

- 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;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books:
- c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section d) 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit f) and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditors' Report (Continued)

Mumbai

- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements i) - Refer Note 2.34 to the standalone financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

15 May 2015 Membership No: 042554

Annexure to the Independent Auditors' Report-31 March 2015

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report on the standalone financial statements for the year ended 31 March 2015)

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. The Company is a service company primarily engaged in the business of rendering merchant banking services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- In our opinion, and according to the information and explanations given to us, there is an adequate internal control system iv. commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and with regard to sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- The Company has not accepted any deposits from the public. ٧.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities conducted by the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the vii. (a) Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, value added tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, wealth tax, customs duty, excise duty, cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the statute	Nature of dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	102,048,965	AY 2011-12	Commissioner of Income Tax (Appeals)

According to the information and explanations given to us, there are no dues of investor education and protection fund which are required to be transferred in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

Annexure to the Independent Auditors' Report-31 March 2015 (Continued)

- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or debenture holders.
- x. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks are not prejudicial to the interest of the Company.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Mumbai 15 May 2015

Membership No: 042554

Abridged Balance Sheet as at 31 March 2015

(Statement containing salient features of Balance Sheet as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

	As at	As a
	31 March 2015	31 March 201
EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital (Refer note 2.9)		
Equity	791.75	769.0
(b) Reserves and surplus		
(i) Capital redemption reserve	2.03	
(ii) Stock options outstanding	0.10	5.0
(iii) Securities premium account (Refer note 2.9)	12,916.76	12,288.3
(iv) General reserve	508.64	397.:
(v) Surplus in statement of profit and loss	481.25	326.2
	14,700.53	13,785.7
2 Share application money pending allotment (Refer note 2.4)	42.41	0.0
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
3 Non-current liabilities		2.5==
(a) Long-term borrowings	2,375.75	3,057.
(b) Long-term provisions	37.25	3.
	2,413.00	3,060.
4 Current liabilities		
(a) Short-term borrowings	45,034.28	5,431.
(b) Trade payables	128.61	65.
(c) Other current liabilities	2,271.41	156.
(d) Short-term provisions	501.86	249.
	47,936.16	5,903.
TOTAL - EQUITY AND LIABILITIES (1+2+3+4)	65,092.10	22,749.
ASSETS		
5 Non- current assets		
(a) Fixed assets		
(i) Tangible assets (original cost less depreciation)	31.28	40.
(ii) Intangible assets (original cost less depreciation/amortisation)	20.45	19.
(b) Non-current investments (Refer note 2.11)	14,732.35	13,639.
(c) Deferred tax assets	108.63	75.
(d) Long-term loans and advances	2,959.77	3,025.
(e) Other Non-Current assets	1.96	4.
6 Current assets	17,854.44	16,804.
(a) Trade receivables	265.71	213.
(b) Cash and bank balances	837.41	146.
(c) Short-term loans and advances	45.676.81	5.225.
(d) Other current assets	457.73 47,237.66	359. 5,944.
	·	,
TOTAL ASSETS (5+6)	65,092.10	22,749.:

See accompanying accounting policies and notes to the abridged financial statements 1 $\&\,2$

Compiled from the audited financial statements of the Company referred to in our report dated 15 May 2015.

Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website - www.edelweissfin.com.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner Membership No.: 042554

Rujan Panjwani S Ranganathan B Renganathan Mumbai

Mumbai 15 May 2015

Rashesh Shah

Himanshu Kaji

Venkat Ramaswamy

For and on behalf of the Board of Directors

Chairman, Managing Director & CEO DIN: 00008322 Executive Director Executive Director Executive Director

Chief Financial Officer EVP & Company Secretary DIN: 00008509 DIN: 00009438 DIN: 00237366

15 May 2015

Abridged Statement of Profit and Loss for the year ended 31 March 2015

(Statement containing salient features of Statement of Profit and Loss as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

		For the year ended	For the year ended
		31 March 2015	31 March 2014
T	Income		
	Revenue from operations		
	(a) Revenue from services provided	1,775.24	1,279.00
	(b) Income from investments and dividend	550.31	794.73
	(c) Other operating revenue	152.71	75.36
	Net revenue from operations	2,478.26	2,149.09
II	Other income	3.34	1.73
III	Total income (I+II)	2,481.60	2,150.82
IV	Expenditure		
	(a) Employee benefits expense	516.79	311.19
	(b) Finance costs	236.69	611.79
	(c) Depreciation and amortisation expense	29.18	27.14
	(d) Other expenses	329.41	397.93
	Total expenditure	1,112.07	1,348.05
V	Profit before tax (III-IV)	1,369.53	802.77
VI	Tax expense		
	(a) Current tax	287.27	143.88
	(b) Minimum alternate tax	-	(26.29)
	(c) Deferred tax	(32.55)	(47.78)
VII	Profit for the year (V-VI)	1,114.81	732.96
VIII	Earnings per equity share (₹) (Face value ₹ 1 each) (Refer note 2.3):		
	(a) Basic	1.43	0.95
	(b) Diluted	1.36	0.95

See accompanying accounting policies and notes to the abridged financial statements 1 & 2

Compiled from the audited financial statements of the Company referred to in our report dated 15 May 2015.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Membership No.: 042554

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani S Ranganathan B Renganathan

Chairman, Managing Director & CEO DIN: 00008322 Executive Director **Executive Director Executive Director** Chief Financial Officer EVP & Company Secretary

DIN: 00008509 DIN: 00009438 DIN: 00237366

Mumbai 15 May 2015

Abridged Cash Flow Statement for the year ended 31 March 2015

(Statement containing salient features of Cash Flow Statement as per Section 136(1) of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(Currency: Indian rupees in millions)

		For the year ended	For the year ended
		31 March 2015	31 March 2014
1	Cash (used in) / generated from operating activities	(38,634.62)	457.62
Ш	Cash (used in) / generated from investing activities	(602.87)	1,328.69
III	Cash generated from / (used in) financing activities	39,928.22	(1,837.29)
IV	Net increase / (decrease) in cash and cash equivalents (I + II + III)	690.73	(50.98)
V	Cash and cash equivalents at the beginning of the year	142.95	193.93
VI	Cash and cash equivalents at the end of the year (Refer note 2.10)	833.68	142.95

See accompanying accounting policies and notes to the abridged financial statements 1 & 2

Compiled from the audited financial statements of the Company referred to in our report dated 15 May 2015.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No.: 042554

Mumbai

15 May 2015

For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji

Rujan Panjwani S Ranganathan B Renganathan

Mumbai 15 May 2015 Chairman, Managing Director & CEO DIN: 00008322 Executive Director

Executive Director **Executive Director** Chief Financial Officer EVP & Company Secretary DIN: 00008509

DIN: 00009438 DIN: 00237366

Notes to the abridged financial statements for the year ended 31 March 2015

1. Significant accounting policies

1.1 Basis of preparation of abridged financial statements

The accompanying abridged financial statements are prepared pursuant to first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 and are based on the annual accounts for the year ended 31 March 2015. The abridged financial statements are presented in Indian Rupees in millions.

1.2 Use of estimates

The preparation of the abridged financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current / non-current classification

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

Assets

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

Liabilities

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

1.4 Revenue recognition

- a. Investment banking fee and other advisory fee income is recognised on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty. Guarantee commission and other fees for services rendered to group companies is recognised on an accrual basis.
- b. Interest income is recognised on accrual basis.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Profit earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. The rating support fee for the borrowing programme of the subsidiaries is accrued on straight line basis over the rating period and as per the contractual terms agreed with the subsidiaries.
- f. Royalty income, which is generally earned based upon a percentage of sales or a fixed amount, is recognized on an accrual basis.

1. Significant accounting policies (Continued)

1.5 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or the date it is put to use, whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Class of asset	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and Fixtures	10 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

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

1.6 Impairment of assets

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

1.7 Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

1. Significant accounting policies (Continued)

1.7 Investments (Continued)

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.8 Foreign currency transactions and currency derivatives

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

The Company enters into currency derivative transactions to economically hedge its foreign exchange exposure. These derivative transactions are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument.

In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the statement of profit and loss. The difference in the opening and closing exchange rates (mark to market) is recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the statement of profit and loss.

1.9 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

Significant accounting policies (Continued) 1.

Employee benefits (Continued)

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.10 Taxation

Tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) and minimum alternate tax.

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

Minimum Alternate Tax (MAT)

MAT credit asset is recognised where there is convincing evidence that the asset can be realised in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

1. Significant accounting policies (Continued)

1.11 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.12 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share" notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.13 Employee stock option plans ('ESOPs')

The Company follows the intrinsic value method to account for compensation cost of its stock based employee compensation plans. The compensation cost is amortised on a straight-line basis.

1.14 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

(Currency: Indian rupees in millions)

2.1 Segment reporting (Corresponding to note 2.26 of the complete financial statements)

Primary Segment (Business Segment)

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

Segment	Activities Covered
Agency business	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

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

The following table gives information as required under the Accounting Standard -17 on "Segment Reporting":

	Particulars	For the year ended	For the year ended
	Particulars	31 March 2015	31 March 2014
1	Segment Revenue		
	a) Agency business	1,459.97	649.60
	b) Holding company activities	1,021.63	1,501.22
	c) Unallocated	-	-
	Total Income	2,481.60	2,150.82
П	Segment Results		
	a) Agency business	1,068.20	375.36
	b) Holding company activities	411.07	513.60
	c) Unallocated	(109.74)	(86.19)
	Profit before taxation	1,369.53	802.77
	Less: Provision for taxation	254.72	69.81
	Profit after taxation	1,114.81	732.96

(Currency: Indian rupees in millions)

2.1 Segment reporting (Corresponding to note 2.26 of the complete financial statements) (Continued)

	Particulars	31 March 2015	31 March 2014
Ш	Segment Assets		
	a) Agency business	199.11	102.99
	b) Holding company activities	63,983.94	21,711.44
	c) Unallocated	909.05	934.76
	Total	65,092.10	22,749.19
IV	Segment Liabilities		
	a) Agency business	155.38	60.88
	b) Holding company activities	49,683.31	8,589.95
	c) Unallocated	510.47	312.53
	Total	50,349.16	8,963.36
V	Capital Expenditure		
	(Including Capital Work-In-Progress)		
	a) Agency business	13.91	15.56
	b) Holding company activities	7.34	9.07
	c) Unallocated	6.35	3.34
	Total	27.60	27.97
VI	Depreciation and Amortisation		
	a) Agency business	14.70	15.10
	b) Holding company activities	7.76	8.80
	c) Unallocated	6.72	3.24
	Total	29.18	27.14
VII	Significant Non-Cash Expenses Other than Depreciation and Amortisation		
	a) Agency business	13.79	39.86
	b) Holding company activities	(1.88)	149.60
	c) Unallocated	(0.35)	0.29
	Total	11.56	189.75

(Currency: Indian rupees in millions)

Related parties (Corresponding to note 2.27 of the complete financial statements) 2.2

Disclosure as required by Accounting Standard 18 - "Related Party Disclosure":

(A) Subsidiaries which are controlled by the Company:

Edelweiss Securities Limited

Edelweiss Insurance Brokers Limited

Edelweiss Finance & Investments Limited

Edelweiss Commodities Services Limited

Edelweiss Trustee Services Limited

ECL Finance Limited

Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)

ECap Equities Limited

Edelcap Securities Limited (through ECap Equities Limited)

EC Commodity Limited

Edel Commodities Limited (through Edelweiss Commodities Services Limited)

Edelweiss Global Wealth Management Limited

Edelweiss Trusteeship Company Limited

Edelweiss Asset Management Limited

Edelweiss Broking Limited

Edelweiss Investment Adviser Limited

Edel Land Limited

Edelweiss Web Services Limited (through Edelweiss Broking Limited)

EC International Limited. Mauritius

EdelGive Foundation

Edelweiss Alternative Asset Advisors Limited

Edelweiss Housing Finance Limited (through Edelweiss Commodities Services Limited)

Edelweiss Tokio Life Insurance Company Limited

Edel Investments Limited

Edel Finance Company Limited (through Edelweiss Broking Limited)

Edelweiss Comtrade Limited (through Edelweiss Securities Limited)

Edelweiss Capital (Singapore) Pte. Limited

EFSL Commodities Limited (through Edel Commodities Limited)

EFSL Comtrade Limited (through Edelweiss Commodities Services Limited)

Edel Commodities Trading Limited (through Edel Commodities Limited)

Edelweiss Capital Markets Limited (through Edelweiss Commodities Services Limited)

EC Global Limited (through Edelweiss Finance & Investments Limited)

Aster Commodities DMCC (through EC International Limited, Mauritius)

Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Subsidiaries which are controlled by the Company: (Continued)

Edelweiss Retail Finance Limited (through Edelcap Securities Limited)

Edelweiss Metals Limited (through Edelweiss Commodities Services Limited)

ECap International Limited (through EC International Limited, Mauritius) (upto April 3, 2014)

Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

EAAA LLC, Mauritius (through EC International Limited, Mauritius)

EW Special Opportunities Advisors LLC (through EAAA LLC, Mauritius)

EW India Special Assets Advisors LLC (through EAAA LLC, Mauritius)

Edelweiss Investment Advisors Private Limited (through Edelweiss Capital (Singapore) Pte. Limited)

EW SBI Crossover Advisors LLC (through EAAA LLC, Mauritius)

Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)

Edelweiss Financial Services Inc (through Edelweiss Securities Limited)

Edelweiss Commodities Pte. Ltd (through EFSL Comtrade Limited)

Edelweiss Commodities Nigeria Limited (through EFSL Comtrade Limited)

Forefront Capital Management Private Limited (from April 30, 2014)

Forefront India Capital Management (from April 30, 2014) (through Forefront Capital Management Private Limited)

Forefront Alternate Investment Advisors LLP (from April 30, 2014) (through Forefront Capital Management Private Limited)

Forefront Wealth Advisors LLP (from April 30, 2014) (through Edelweiss Commodities Services Limited)

Auris Corporate Centre Limited (from October 31, 2014) (through Edelweiss Broking Limited)

Olive Business Centre Limited (from October 31, 2014) (through Edelweiss Finance & Investments Limited)

Eternity Business Centre Limited (from October 31, 2014) (through Edelweiss Commodities Services Limited)

Serenity Business Park Limited (from November 3, 2014) (through Edelweiss Commodities Services Limited)

Burlington Business Solutions Limited (from October 31, 2014) (through Edelweiss Securities Limited)

Edelweiss Commodities (CHAD) SARL (from October 6, 2014) (through EFSL Comtrade Limited)

Edelweiss Integrated Commodity Management Limited (from July 24, 2014) (through Edelweiss Commodities Services Limited)

(B) Associates:

Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)

Edelweiss Fund Advisors Private Limited

Dahlia Commodities Services Private Limited (through Edelweiss Securities Limited)

Magnolia Commodities Services Private Limited (through Edelweiss Securities Limited)

Arum Investments Private Limited (through Edelweiss Securities Limited)

Allium Finance Private Limited (through Edelweiss Commodities Services Limited)

Aeon Credit Service India Private Limited (through ECL Finance Limited)

(Currency: Indian rupees in millions)

Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued) 2.2

Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah

Mr. Venkat Ramaswamy

Ms. Vidya Shah

Ms. Aparna T. C.

(D) Key managerial personnel (KMP):

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkat Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Ms. Shabnam Panjwani

(F) Enterprise over which significant influence is exercised:

Edelweiss Employees Welfare Trust (upto March 30, 2015)

(G) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place:

Spire Investment Advisors LLP

Oak Holdings Private Limited (upto March 16, 2015)

Oak Investment Adviser LLP (from March 17, 2015)

Note:

During the year Edelweiss Financial Advisors Limited ("Transferor Company"), has been amalgamated with Edelweiss Broking Limited ("Transferee Company") with effect from 01 October 2013 ("the Appointed Date") vide a court order. All related party transactions transacted during the year and the outstanding balances thereof as at the end of the year relating to the Transferor Company are considered to be transacted with the Transferee Company and accordingly included in the related party transactions disclosure of the Company.

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

(H) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
	Capital Account Transaction			
1	Investments in Equity shares of	Edelweiss Tokio Life Insurance Company Limited	-	560.30
		Edelweiss Capital (Singapore) Pte. Limited	138.82	-
		Forefront Capital Management Private Limited	70.05	-
		Edelweiss Housing Finance Limited	50.00	-
		Others - Subsidiaries	-	0.85
2	Investments in Preference shares of	EC International Limited	2,231.87	9,184.90
	investments in Freierence shares of	Edelweiss Capital (Singapore) Pte. Limited	1,166.44	5,184.50
		ECL Finance Limited	78.60	
		Ecap Equities Limited	70.00	18.00
		Others - Subsidiaries	9.00	10.00
		Others - Substituties	3.00	
3	Redemption of Preference shares of	EC International Limited	2,231.87	9,184.90
	·	Edelweiss Capital (Singapore) Pte. Limited	1,166.44	-
4	Purchase of investments from	Edelweiss Commodities Services Limited	840.00	-
		Mr. Rashesh Shah	-	0.98
		Mr. Venkat Ramaswamy	-	0.98
5	Commercial paper subscribed by	Edelweiss Commodities Services Limited	108,235.33	109,752.73
6	Commercial paper redeemed to	Edelweiss Commodities Services Limited	7,400.00	28,750.00
	commercial paper reacements	Edelweiss Global Wealth Management Limited	-	253.00
		-		
7	Commercial paper redeemed by	Edelweiss Commodities Services Limited	-	1,000.00
8	Sale of investments to	Edelweiss Commodities Services Limited	-	840.50
		Edelweiss Securities Limited	-	517.50
		Ecap Equities Limited	-	13.00
9	Long term loans given to	Edelweiss Commodities Services Limited	-	700.00
		Edelweiss Retail Finance Limited	-	150.00
10	Long term loans given repaid by	Edelweiss Retail Finance Limited	150.00	_
10	Long term round given repaid by	Edelweiss Employee Welfare Trust	35.68	-
11	Long term loans taken from	ECL Finance Limited	-	1,510.00
		Edelweiss Comtrade Limited	-	104.60
12	Long term loans repaid to	Ecap Equities Limited	1,500.00	300.00
	zena termioans repaid to	ECL Finance Limited	-	2,010.00
		Edelweiss Comtrade Limited	104.60	-

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
	Current Account Transaction			
13	Short term loans given to	Edelweiss Commodities Services Limited	35,873.35	35,799.02
		ECL Finance Limited	19,639.61	14,791.49
		Ecap Equities Limited	16,949.17	13,013.63
		Edelweiss Securities Limited	13,496.81	2,343.11
		Edelweiss Finance & Investments Limited	10,249.44	8,312.19
		Edelweiss Retail Finance Limited	3,556.16	900.51
		EC International Limited	3,424.24	2,627.51
		Edelweiss Capital (Singapore) Pte. Limited	949.47	256.74
		Others - Subsidiaries	29,936.33	18,310.52
		Others - Associates	-	0.29
14	Short term loans given repaid by	Edelweiss Commodities Services Limited	23,587.65	36,016.15
		ECL Finance Limited	19,597.99	15,193.12
		Ecap Equities Limited	6,489.36	13,222.21
		Edelweiss Securities Limited	11,169.48	8,340.47
		Edelweiss Finance & Investments Limited	10,640.61	8,232.87
		Edelweiss Retail Finance Limited	3,409.36	644.46
		EC International Limited	5,130.60	-
		Edelweiss Capital (Singapore) Pte. Limited	490.67	-
		Others - Subsidiaries	13,103.33	20,233.53
		Others - Enterprise over which significant influence is excercised	-	24.50
		Others - Associates	-	0.29
	Secondary market transactions with broker			
15	Margin placed with Broker	Edelweiss Securities Limited	58.30	204.51
16	Margin withdrawn from Broker	Edelweiss Securities Limited	1.49	246.97
17	Reimbursements recovered from	ECL Finance Limited	450.85	335.77
		Edelweiss Commodities Services Limited	373.99	232.46
		Edelweiss Finance & Investments Limited	160.25	227.76
		Ecap Equities Limited	36.23	174.50
		Others - Subsidiaries	695.42	348.09
		Others - Associates	132.48	57.78
		Others - Enterprise over which significant influence is exercised	0.09	0.01

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
18	Reimbursements paid to	Edelweiss Web Services Limited	338.58	51.16
		Others - Subsidiaries	0.44	0.19
19	Dividend paid to	Mr. Rashesh Shah	135.59	87.30
		Mr. Venkat Ramaswamy	52.78	34.47
		Edelweiss Employee Welfare Trust	35.72	24.44
		Spire Investment Advisors LLP	39.85	27.27
		Others - Individuals exercising significant influence	39.29	26.88
		Others - Key managerial personnel	10.55	6.60
		Others - Relatives of individuals exercising significant influence	14.40	9.81
20	Remuneration to	Mr. Rashesh Shah	39.12	35.47
		Mr. Venkat Ramaswamy	1.20	5.34
		Mr. Himanshu Kaji	10.12	17.83
		Mr. Rujan Panjwani	13.81	3.25
21	Dividend Income from	Edelweiss Securities Limited	201.85	-
		Edelweiss Finance & Investments Limited	199.13	151.34
		Edelweiss Commodities Services Limited	99.75	311.15
22	Rating support fee earned from	ECL Finance Limited	118.75	215.50
		Edelweiss Commodities Services Limited	31.00	88.05
		Edelweiss Securities Limited	22.05	66.15
		Others - Subsidiaries	21.65	70.80
23	Advisory fee / commision earned from	Aster Commodities DMCC	55.11	71.32
		EC Global Limited	31.02	15.63
		Edelweiss Tokio Life Insurance Company Limited	20.00	50.00
		Edelweiss International (Singapore) Pte. Ltd.	15.69	16.95
		ECL Finance Limited	-	76.80
24	Interest Income on short term loan from	Edelweiss Commodities Services Limited	1,576.59	824.81
		Edelweiss Securities Limited	597.58	332.89
		ECL Finance Limited	372.76	367.64
		Ecap Equities Limited	71.32	306.18
		Others - Subsidiaries	1,266.90	565.78
		Others - Associates @	0.00	0.00

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
25	Interest Income on long term loan from	Edelweiss Commodities Services Limited	84.00	0.69
		Edelweiss Retail Finance Limited	17.31	0.15
26	Interest Income on margin from	Edelweiss Securities Limited	1.38	4.61
27	Interest Expense on long term loan to	Ecap Equities Limited	106.36	214.72
		Edelweiss Comtrade Limited	12.07	8.29
		ECL Finance Limited	-	97.60
28	Commission & Sub-brokerage paid to	Edelweiss Securities Limited	-	73.22
29	Rent expense to	Edelweiss Commodities Services Limited	25.37	18.97
30	Other expenses to	Edelweiss Securities Limited	0.14	0.06
		Edelweiss Web Services Limited	0.13	0.03
		Edelweiss Tokio Life Insurance Company Limited	-	0.07
31	Cost reimbursements paid to	Edelweiss Commodities Services Limited	2.84	1.45
32	Cost reimbursements recovered from	Edelweiss Securities Limited	17.90	27.02
		Edelweiss Commodities Services Limited	9.00	9.20
		Edelweiss Finance & Investments Limited	-	7.62
		ECL Finance Limited	9.00	10.80
		Others - Subsidiaries	-	6.65
		Others - Associates	0.47	5.20
33	Transfer of gratuity liability on	Edelweiss Alternative Asset Advisors Limited	-	1.24
	account of employee transfer to	Edelweiss Securities Limited @	0.00	0.66
		Edelweiss Broking Limited	1.00	0.20
		ECL Finance Limited	-	0.91
		Edelweiss Finance & Investments Limited	-	0.56
		Edelweiss Investment Adviser Limited	-	0.43
		Others - Subsidiaries	-	0.20
34	Directors nomination deposits placed	Edelweiss Securities Limited	0.50	_
	with	Edelweiss Tokio Life Insurance Company Limited	0.40	-
		Edelweiss Investment Adviser Limited	0.40	_
		Edelweiss Finance & Investments Limited	0.30	_
		Others - Subsidiaries	1.30	-
		Others - Associates	0.10	_

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
35	Directors nomination deposits placed repaid by	Edelweiss Securities Limited	0.30	-
		Edelweiss Tokio Life Insurance Company Limited	0.40	-
		Edelweiss Investment Adviser Limited	0.20	-
		Others - Subsidiaries	0.60	-
		Others - Associates	0.10	-
36	Contribution towards corporate social responsibility	Edelgive Foundation	14.00	-
	Balances with related parties			
37	Investments in Equity shares in	ECL Finance Limited	5,190.56	5,190.56
		Edelweiss Tokio Life Insurance Company Limited	3,642.21	3,642.21
		Edelweiss Finance & Investments Limited	2,618.12	1,778.12
		Others - Subsidiaries	3,048.65	2,789.79
		Others - Associates	0.50	0.50
		Others - Enterprise over which significant influence is exercised	0.10	0.10
38	Investments in Preference shares in	Ecap Equities Limited	18.00	18.00
		Edel Investments Limited	9.00	-
		Others - Subsidiaries @	0.00	-
39	Dividend receivable from	Edelweiss Finance & Investments Limited	199.13	-
		Edelweiss Commodities Services Limited	-	159.30
40	Short term loans given to	Edelweiss Commodities Services Limited	12,794.00	510.13
		Ecap Equities Limited	10,459.81	3.26
		Edelweiss Web Services Limited	4,564.57	17.57
		EC International Limited	1,219.37	2,847.98
		Others - Subsidiaries	16,411.48	1,609.07
41	Long term loans given to	Edelweiss Commodities Services Limited	700.00	700.00
		Edelweiss Employee Welfare Trust	-	1,323.85
		Edelweiss Retail Finance Limited	-	150.00
42	Long term loans taken from	Edelweiss Comtrade Limited	-	104.60
		Ecap Equities Limited	-	1,500.00

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
43	Commercial paper subscribed by	Edelweiss Commodities Services Limited	2,485.97	-
44	Accrued interest on loans given to	Edelweiss Commodities Services Limited	54.30	6.86
		Ecap Equities Limited	41.37	1.57
		Edelweiss Securities Limited	18.16	8.32
		EC International Limited	0.89	4.20
		Others - Subsidiaries	80.01	18.77
		Others - Associates @	0.00	-
45	Interest expense accrued and due on borrowings from	Edelweiss Comtrade Limited	0.22	0.34
		Ecap Equities Limited	0.11	4.88
		ECL Finance Limited	-	0.73
46	Advances with	Edelweiss Securities Limited	26.78	28.54
	7.000	Edelweiss Tokio Life Insurance Company Limited	15.82	-
		ECL Finance Limited	14.56	12.55
		Edelweiss Broking Limited	11.05	2.69
		Edelweiss Commodities Services Limited	10.63	9.42
		Others - Subsidiaries	15.39	10.77
		Others - Associates	1.12	5.41
47	Trade payables to	Edelweiss Securities Limited	1.44	4.75
		Edelweiss Commodities Services Limited	0.39	0.02
		Edelweiss Finance & Investments Limited	0.30	0.56
		Edelweiss Alternative Asset Advisors Limited	-	1.25
		ECL Finance Limited	0.02	0.91
		Others - Subsidiaries	0.47	0.97
		Others - Associates @	0.00	-
48	Trade receivables from	Aster Commodities DMCC	55.11	71.32
		Edelweiss Tokio Life Insurance Company Limited	-	51.18
		EC Global Limited	31.02	15.63
		Edelweiss International (Singapore) Pte. Ltd.	15.69	16.95
49	Margin placed with broker	Edelweiss Securities Limited	64.84	8.02

(Currency: Indian rupees in millions)

2.2 Related parties (Corresponding to note 2.27 of the complete financial statements) (Continued)

(H) Transactions and balances with related parties (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2015	31 March 2014
50	Accrued salaries and benefits	Mr. Rashesh Shah	30.00	27.50
		Mr. Himanshu Kaji	1.00	10.00
		Mr. Rujan Panjwani	12.50	-
51	Directors nomination deposits placed with	Edelweiss Securities Limited	0.20	-
		Edelweiss Investment Advisors Limited	0.20	-
		Edelweiss Finance & Investments Limited	0.30	-
		Others - Subsidiaries	0.70	-
52	Corporate guarantee given to	ECL Finance Limited	34,494.40	31,184.70
		Edelweiss Housing Finance Limited	11,661.10	9,373.70
		Aster Commodities DMCC	7,886.44	2,824.69
		Edelweiss Finance & Investments Limited	5,923.80	470.70
		Edelweiss Commodities Services Limited	3,671.40	2,400.00
		Edelweiss International (Singapore) Pte. Ltd.	2,816.59	2,704.49
		EC Global Limited	1,877.72	601.00
		Edelweiss Retail Finance Limited	100.00	-
		Edelweiss Securities Limited	-	7,035.00

[@] Amount is less than ₹ 0.01 million

Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.

(Currency: Indian rupees in millions)

Earnings per share (Corresponding to note 2.28 of the complete financial statements) 2.3

In accordance with Accounting Standard 20 - "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

		2015	2014
a.	Shareholders earnings (as per statement of profit and loss)	1,114.81	732.96
b.	Calculation of weighted average number of equity shares of $\stackrel{?}{<}$ 1 each:		
	- Number of shares outstanding at the beginning of the year	769,045,330	763,842,280
	- Number of shares issued during the year	24,737,337	5,203,050
	- Number of shares bought back during the year	2,030,048	Nil
	Total number of equity shares outstanding at the end of the year	791,752,619	769,045,330
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	779,726,911	767,977,731
C.	Number of dilutive potential equity shares	40,380,614	3,911,331
d.	Basic earnings per share (in ₹) {a/b}	1.43	0.95
e.	Diluted earnings per share (in ₹) {a/(b+c)}	1.36	0.95

Share application money pending allotment (Corresponding to note 2.32 of the complete financial statements)

The Company has received ₹ 42.41 million (Previous year: ₹ 0.08 million) towards share application on exercise of ESOPs which will result in an issue of 10,96,200 shares (Previous year: 10,500 shares). Of the total receipts ₹ 41.31 million (Previous year: ₹ 0.07 million) has been received towards share premium. These shares have since been allotted.

2.5 Commitment (Corresponding to note 2.33 of the complete financial statements)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5.32 million (Previous year: ₹ 8.74 million)

2.6 Contingent liabilities (Corresponding to note 2.34 of the complete financial statements)

- Taxation matters in respect of which appeal is pending ₹ 46.36 million (Previous year: ₹ 115.15 million). a)
- b) The Company has issued corporate guarantees to the extent of ₹ 51,183.55 million (Previous year: ₹ 41,366.38 million), in favour of banks to secure the credit facilities sanctioned by these banks to its subsidiaries, viz. Edelweiss Securities Limited, Edelweiss Commodities Services Limited, ECL Finance Limited, Edelweiss Housing Finance Limited, Aster Commodities DMCC, EC Global Limited, Edelweiss International Singapore Pte. Limited (all being subsidiary companies), ₹ 16,777.20 million (Previous year: ₹ 14,757.20 million) in favour of IDBI Trusteeship Services Limited & SBICAP Trustee Company Limited for non-convertible debentures issued by ECL Finance Limited, Edelweiss Finance & Investments Limited and Edelweiss Housing Finance Limited (subsidiary companies) and ₹ 470.70 million (Previous year: ₹ 470.70 million) in favour of Edelweiss Finance & Investments Limited (subsidiary company) for the Preference shares issued by it against due discharge of debt.

2.7 Details of dues to micro, small and medium enterprises (Corresponding to note 2.35 of the complete financial statements)

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

(Currency: Indian rupees in millions)

2.8 Disclosure of loans and advances pursuant to clause 32 of listing agreement (Corresponding to note no 2.36 of the complete financial statements)

- a. ₹ Nil (Previous year: ₹ Nil) due from Edelweiss Alternative Asset Advisors Limited (maximum amount due at any time during the year ₹ Nil; Previous year: ₹ 28.41 million)
- b. ₹2,194.67 million (Previous year: ₹ Nil) due from Edelweiss Broking Limited (maximum amount due at any time during the year ₹3,661.03 million; Previous year: ₹1,346.98 million)
- c. ₹ 575.24 million (Previous year: ₹ Nil) due from EC Commodity Limited (maximum amount due at any time during the year ₹ 603.60 million; Previous year: ₹ 589.27 million)
- d. ₹ 13,494.00 million (Previous year: ₹ 1,210.13 million) due from Edelweiss Commodities Services Limited (maximum amount due at any time during the year ₹ 37,081.65 million; Previous year: ₹ 36,524.45 million)
- e. ₹ 10,459.81 million (Previous year: ₹ 3.26 million) due from Ecap Equities Limited (maximum amount due at any time during the year ₹ 16,949.17 million; Previous year: ₹ 13,222.21 million)
- f. ₹ 442.07 million (Previous year: ₹ 17.87 million) due from Edel Commodities Limited (maximum amount due at any time during the year ₹ 919.71 million; Previous year: ₹ 1,422.46 million)
- g. ₹ 1.20 million (Previous year: ₹ Nil) due from Edelcap Securities Limited (maximum amount due at any time during the year ₹ 4,904.92 million; Previous year: ₹ 9,888.76 million)
- h. ₹ 36.26 million (Previous year: ₹ 427.43 million) due from Edelweiss Finance & Investments Limited (maximum amount due at any time during the year ₹ 10,676.87 million; Previous year: ₹ 8,660.30 million)
- i. ₹ 172.13 million (Previous year: ₹ 95.37 million) due from Edel Land Limited (maximum amount due at any time during the year ₹ 242.43 million; Previous year: ₹ 95.37 million)
- j. ₹ 2,406.13 million (Previous year: ₹ 78.81 million) due from Edelweiss Securities Limited (maximum amount due at any time during the year ₹ 13,575.61 million; Previous year: ₹ 8,419.28 million)
- k. ₹ 4,564.57 million (Previous year: ₹ 17.57 million) due from Edelweiss Web Services Limited (maximum amount due at any time during the year ₹ 6,091.25 million; Previous year: ₹ 181.04 million)
- I. ₹ 185.59 million (Previous year: ₹ Nil) due from Edelweiss Global Wealth Management Limited (maximum amount due at any time during the year ₹ 315.80 million; Previous year: ₹ 261.24 million)
- m. ₹ 1,288.18 million (Previous year: ₹ 1,323.85 million) due from Edelweiss Employees Welfare Trust (maximum amount due at any time during the year ₹ 1,323.85 million; Previous year: ₹ 1,348.35 million)
- n. ₹ 68.43 million (Previous year: ₹ 6.18 million) due from Edelweiss Housing Finance Limited (maximum amount due at any time during the year ₹ 3,058.46 million; Previous year: ₹ 1,174.91 million)
- o. ₹ 2.80 million (Previous year: ₹ 11.70 million) due from Edelweiss Custodial Services Limited (maximum amount due at any time during the year ₹ 19.90 million; Previous year: ₹ 223.80 million)
- p. ₹ Nil (Previous year: ₹ 94.33 million) due from Edelweiss Financial Advisors Limited (maximum amount due at any time during the year ₹ Nil; Previous year: ₹ 301.70 million)

(Currency: Indian rupees in millions)

2.8 Disclosure of loans and advances pursuant to clause 32 of listing agreement (Corresponding to note no 2.36 of the complete financial statements) (Continued)

- ₹ 617.44 million (Previous year: ₹ 167.18 million) due from Edelweiss Investment Adviser Limited (maximum amount due at any time during the year ₹ 617.44 million; Previous year: ₹ 1,486.44 million)
- ₹740.87 million (Previous year: ₹310.71 million) due from Edelweiss Capital (Singapore) Pte. Limited (maximum amount due at any time during the year ₹ 1,259.83 million; Previous year: ₹ 311.39 million)
- ₹ 1,219.37 million (Previous year: ₹ 2,847.98 million) due from EC International Limited (maximum amount due at any time during the year ₹ 6,321.84 million; Previous year: ₹ 2,847.98 million)
- ₹ 51.46 million (Previous year: ₹ 9.84 million) due from ECL Finance Limited (maximum amount due at any time during the year ₹ 19,649.45 million; Previous year: ₹ 15,202.96 million)
- ₹ Nil (Previous year: ₹ Nil) due from Edelweiss Insurance Brokers Limited (maximum amount due at any time during the year ₹ Nil; Previous year: ₹ 9.81 million)
- ₹ Nil (Previous year: ₹ Nil) due from Edelweiss Fund Advisors Private Limited (maximum amount due at any time during the year ₹ Nil; Previous year: ₹ 0.24 million)
- ₹ 188.56 million (Previous year: ₹ 37.34 million) due from Edelweiss Comtrade Limited (maximum amount due at any time during the year ₹ 423.98 million; Previous year: ₹ 195.60 million)
- ₹ Nil (Previous year: ₹ 1.55 million) due from EFSL Comtrade Limited (maximum amount due at any time during the year ₹ 25.15 million; Previous year: ₹ 3,144.20 million)
- ₹3,311.38 million (Previous year: ₹3.10 million) due from EFSL Commodities Limited (maximum amount due at any time during the year ₹ 3,671.38 million; Previous year: ₹ 607.6 million)
- ₹3,171.98 million (Previous year: ₹ Nil) due from Edel Commodities Trading Limited (maximum amount due at any time 7. during the year ₹ 3,171.98 million; Previous year: ₹ 281.89 million)
- ₹ 21.47 million (Previous year: ₹ 94.71 million) due from Edel Finance Company Limited (maximum amount due at any time during the year ₹ 941.35 million; Previous year: ₹ 680.64 million)
- ₹ 6.54 million (Previous year: ₹ Nil) due from Edelweiss Asset Management Limited (maximum amount due at any time ab. during the year ₹ 6.54 million; Previous year: ₹ 10.02 million)
- ₹ 402.86 million (Previous year: ₹ 406.06 million) due from Edelweiss Retail Finance Limited (maximum amount due at any time during the year ₹ 3,962.22 million; Previous year: ₹ 900.51 million)
- ₹ 1,736.44 million (Previous year: ₹ Nil) due from Edelweiss Integrated Commodity Management Limited (maximum amount due at any time during the year ₹ 1,736.44 million; Previous year: ₹ Nil)
- ₹ 76.98 million (Previous year: ₹ Nil) due from Forefront Capital Management Private Limited (maximum amount due at ae. any time during the year ₹ 76.98 million; Previous year: ₹ Nil)

All the above loans are repayable on demand except for loan of ₹700.00 million (Previous year: ₹700.00 million) to Edelweiss Commodities Services Limited and ₹ Nil (Previous year: ₹ 150.00 million) to Edelweiss Retail Finance Limited where repayment amount is as per contracted terms.

(Currency: Indian rupees in millions)

2.9 On 28 October, 2014, The Securities and Exchange Board of India ('SEBI') issued the "SEBI Share Based Employee Benefits Regulation 2014 ('the Regulation')" which requires the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employee Share Based Payments ('the Guidance Note') issued by the Institute of Chartered Accountants of India. Accordingly, the loans advanced to the ESOP Trusts have been presented as Non-Current Assets in the financial statements and not deducted from the Share Capital and Securities Premium Account. Previous year's figures have been regrouped accordingly. (Corresponding to note 2.41 of the complete financial statements)

2.10 Details of cash and cash equivalents (Corresponding to note 2.15 of the complete financial statements)

Particulars	As at	As at
	31 March 2015	31 March 2014
Cash in hand	0.04	0.05
Balances with banks	833.64	142.90
Total	833.68	142.95

2.11 Details of quoted investments (Corresponding to note 2.10 of the complete financial statements)

Particulars	As at	As at
Particulars	31 March 2015	31 March 2014
Book value of quoted non-current investments	0.00*	0.00*
Market value of quoted non-current investments	0.00*	0.00*
Book value of un-quoted non-current investments	14,732.35	13,639.55

^{*}Amount is less than ₹ 0.01 million

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024

N Sampath Ganesh

Membership No.: 042554

Membership No., 042334

Mumbai 15 May 2015 For and on behalf of the Board of Directors

Rashesh Shah Venkat Ramaswamy Himanshu Kaji Rujan Panjwani S Ranganathan

B Renganathan Mumbai 15 May 2015 Chairman, Managing Director & CEO Executive Director Executive Director

Executive Director Chief Financial Officer EVP & Company Secretary DIN: 00008322 DIN: 00008509 DIN: 00009438 DIN: 00237366



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Notice

NOTICE IS HEREBY GIVEN THAT THE 20th ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON TUESDAY, JULY 21, 2015 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI – 400 098 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

- 1. To consider and adopt:
 - a. the audited Financial Statement of the Company for the financial year ended March 31, 2015, together with the Reports of the Board and the Auditors thereon; and
 - b. the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2015, together with the Report of the Auditors thereon.
- 2. To declare dividend on Equity Shares.
- 3. To appoint a Director in place of Mr. Rashesh Shah (DIN 00008322) who retires by rotation and, being eligible, offers himself for re-appointment.
- 4. Ratification of appointment of the Auditors

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of B S R & Associates LLP, Chartered Accountants (Firm's Registration No. 116231W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 21st AGM of the Company to be held in the year 2016, at such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

5. Appointment of Ms. Vidya Shah as Non-executive, Non-Independent Director

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, Ms. Vidya Shah (DIN 00274831), who was appointed by the Board of Directors of the Company as an Additional Director and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 161 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Appointment of Mr. Biswamohan Mahapatra as an Independent Director

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, Mr. Biswamohan Mahapatra (DIN 06990345), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2018."

7. Issue of Non-convertible Debentures on a Private Placement basis

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended from time to time) and all other provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum & Articles of Association of the Company and subject to the approval, consent, permission, exemption and/or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to issue, offer and allot Non-Convertible Debentures ("the Debentures") aggregating to Rs. 2,500 crores to any person on a private placement basis, in one or more tranches.

FURTHER RESOLVED that for the purpose of creating, offering, issuing and allotting the Debentures, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company to determine the terms and conditions of the issue of the Debentures, settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

Variation in the terms of appointment of Mr. Rashesh Shah

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in partial modification of all the resolutions passed in this regard and pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Rules, Regulations, Guidelines and Circulars in this regard, the approval of the members be and is hereby accorded for payment of the following remuneration to Mr. Rashesh Shah (DIN 00008322), Chairman, Managing Director & CEO, from June 1, 2015 for the remaining period of his tenure:-

- Salary Limit: Not exceeding ₹ 2 crores per annum.
- ii) Bonus: Not exceeding ₹ 4 crores per annum.
- Perquisites: Not exceeding ₹ 2 crores per annum.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Rashesh Shah as the Managing Director, the Company has no profits or the profits are inadequate, minimum remuneration be paid to Mr. Rashesh Shah subject to the provisions of the Act.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

9. Variation in the terms of appointment of Mr. Venkat Ramaswamy

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in partial modification of all the resolutions passed in this regard and pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Rules, Regulations, Guidelines and Circulars in this regard, the approval of the members be and is hereby accorded for payment of the following remuneration to Mr. Venkat Ramaswamy (DIN 00008509), Executive Director, from June 1, 2015 for the remaining period of his tenure:-

- i) Salary Limit: Not exceeding ₹ 2 crores per annum.
- ii) Bonus: Not exceeding ₹ 4 crores per annum.
- iii) Perquisites: Not exceeding ₹ 2 crores per annum.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Venkat Ramaswamy as an Executive Director, the Company has no profits or the profits are inadequate, minimum remuneration be paid to Mr. Venkat Ramaswamy subject to the provisions of the Act.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

10. Variation in the terms of appointment of Mr. Himanshu Kaji

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in partial modification of all the resolutions passed in this regard and pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Rules, Regulations, Guidelines and Circulars in this regard, the approval of the members be and is hereby accorded for payment of the following remuneration to Mr. Himanshu Kaji (DIN 00009438), Executive Director, from June 1, 2015 for the remaining period of his tenure:-

- i) Salary Limit: Not exceeding ₹ 2 crores per annum.
- ii) Bonus: Not exceeding ₹ 4 crores per annum.
- iii) Perquisites: Not exceeding ₹ 2 crores per annum.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Himanshu Kaji as an Executive Director, the Company has no profits or the profits are inadequate, minimum remuneration be paid to Mr. Himanshu Kaji subject to the provisions of the Act.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

11. Variation in the terms of appointment of Mr. Rujan Panjwani

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in partial modification of all the resolutions passed in this regard and pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Rules, Regulations, Guidelines and Circulars in this regard, the approval of the members be and is hereby accorded for payment of the following remuneration to Mr. Rujan Panjwani (DIN 00237366), Executive Director, from June 1, 2015 for the remaining period of his tenure:-

- i) Salary Limit: Not exceeding ₹ 2 crores per annum.
- ii) Bonus: Not exceeding ₹ 4 crores per annum.
- Perquisites: Not exceeding ₹ 2 crores per annum.

FURTHER RESOLVED that where in any financial year during the tenure of Mr. Rujan Panjwani as an Executive Director, the Company has no profits or the profits are inadequate, minimum remuneration be paid to Mr. Rujan Panjwani subject to the provisions of the Act.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

12. Related Party Transactions

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to Clause 49 of the Listing Agreement, applicable provisions if any, of the Companies Act, 2013 and allied Acts, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for providing loans to and/or financial support by way of corporate guarantees or in any other manner on behalf of ECL Finance Limited and/or other subsidiaries, for a principal amount not exceeding ₹ 10,000 crores, at any point of time, for a period of 5 years commencing August 1, 2015, on such terms and conditions as may be mutually agreed upon between the Board and ECL Finance Limited and/or other subsidiaries.

FURTHER RESOLVED that the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

13. Holding of office or place of profit by Ms. Vidya Shah

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof), approval of the members be and is hereby accorded to Ms. Vidya Shah, a Director of the Company, for holding office or place of profit and to draw remuneration from Edelweiss Finance & Investments Limited, a wholly owned subsidiary of the Company, for a period of 3 years, commencing August 1, 2015.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

14. Amendment to the Edelweiss Employees Stock Incentive Plan 2007

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the Regulations) and other applicable laws, if any, and subject to such other approvals as may be required, approval of the members be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2007' (Plan 2007) in the following manner:-

'The Clause 2.33 containing the definition of the Trust be deleted and consequently the reference to the Trust and the Trustees wherever appearing in the Plan 2007 also be deleted.'

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

15. Amendment to the Edelweiss Employees Stock Incentive Plan 2009

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, and subject to such other approvals as may be required, approval of the members be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2009' (the Plan 2009) in the following manner:-

- i) 'The Clause 3.33 containing the definition of the Trust be deleted and consequently the reference to the Trust and the Trustees wherever appearing in the Plan 2009 also be deleted.'
- ii) The existing Clause 3.14 be substituted by the following:-
 - `3.14 "Exercise Period" means the period within which the Vested Options can be exercised and, subject to Clause 9 of this Plan, unless the Board/Committee decides otherwise, the Exercise Period of the Vested Options shall not be less than 12 months and more than 60 months from the date of Vesting or until the validity of this Plan i.e., June 30, 2030, whichever is later.'
- iii) The existing Clause 3.29 be substituted by the following:-
 - '3.29 "SEBI Guidelines" means the Securities Exchange Board of India (Employee Stock Option Plan and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 as may be applicable, and is amended or substituted from time to time.'

- iv) The existing Clause 9.1 be substituted by the following:-
 - '9.1 Subject to Clauses 11.9, 12 and other Clauses of this Plan and continued employment of the Participant with the Company, and unless the Committee determines otherwise, the Unvested Options shall vest with the Participant within a period of not less than 12 months and not more than 60 months from the date of Grant mentioned in the Grant Letters. The Committee may determine the Vesting Period either generally or with reference to any specific Employee or Employees. The Vesting may also be contingent on achievement of performance parameters as determined by the Committee or Board or any delegated authority. The decision with regard to achievement/non-achievement of the performance parameters by the Participant shall be at the sole discretion of the Board/Committee and will be final and binding upon the Participant.'

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

16. Amendment to the Edelweiss Employees Stock Incentive Plan 2010

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, and subject to such other approvals as may be required, approval of the members be and is hereby accorded for amendment to the 'Edelweiss Employees Stock Incentive Plan 2010' (the Plan 2010) in the following manner:-

- 'The Clause 3.33 containing the definition of the Trust be deleted and consequently the reference to the Trust and the Trustees wherever appearing in the Plan 2010 also be deleted.'
- ii) The existing Clause 3.14 be substituted by the following:-
 - '3.14 "Exercise Period" means the period within which the Vested Options can be exercised and, subject to Clause 9 of this Plan, unless the Board/Committee decides otherwise, the Exercise Period of the Vested Options shall not be less than 12 months and more than 60 months from the date of Vesting or until the validity of this Plan i.e., June 30, 2030, whichever is later.'
- iii) The existing Clause 3.29 be substituted by the following:-
 - '3.29 "SEBI Guidelines" means the Securities Exchange Board of India (Employee Stock Option Plan and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 as may be applicable, as amended or substituted from time to time.'

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

17. Amendment to the Edelweiss Employees Stock Incentive Plan 2011

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, and subject to such other approvals as may be required, approval of the members be and is hereby accorded for amendment to the `Edelweiss Employees Stock Incentive Plan 2011' (the Plan 2011) in the following manner:-

- i) 'The Clause 3.33 containing the definition of the Trust be deleted and consequently the reference to the Trust and the Trustees wherever appearing in the Plan 2011 also be deleted.'
- ii) The existing Clause 3.14 be substituted by the following:-
 - '3.14 "Exercise Period" means the period within which the Vested Options can be exercised and, subject to Clause 9 of this Plan, unless the Board/Committee decides otherwise, the Exercise Period of the Vested Options shall not be less than 12 months and more than 60 months from the date of Vesting or until the validity of this Plan i.e., June 30, 2030, whichever is later.'
- iii) The existing Clause 3.29 be substituted by the following:-
 - '3.29 "SEBI Guidelines" means the Securities Exchange Board of India (Employee Stock Option Plan and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 as may be applicable, as amended or substituted from time to time.'

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

18. Variation in the terms of Edelweiss Employees' Welfare Trust

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (the Regulations) and all other applicable laws, approval of the members be and is hereby accorded to the variation in the terms of Edelweiss Employees' Welfare Trust (the Trust) such that the Trust shall be used for the general benefits (in accordance with the provisions of the Regulations) of the employees of the Company, its subsidiaries and associates and that the draft Trust Deed submitted to this meeting be and is hereby approved.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

19. Variation in the terms of Edelweiss Employees' Incentives and Welfare Trust

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (the Regulations) and all other applicable laws, approval of the members be and is hereby accorded to the variation in the terms of Edelweiss Employees' Incentives and Welfare Trust (the Trust) such that the Trust shall be used for the general benefits (in accordance with the provisions of the Regulations) of the employees of the Company, its subsidiaries and associates and that the draft Trust Deed submitted to this meeting be and is hereby approved.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

20. Grant of Stock Options to Employees of the Associate Companies

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, the Articles of Association of the Company, the Listing Agreements with Stock Exchanges, applicable notifications, circulars, applicable guidelines and clarifications issued by the SEBI, Reserve Bank of India ('RBI'), and any statutory/regulatory authorities, other applicable laws and the terms of the Edelweiss Employees Stock Incentive Plan 2009, Edelweiss Employees Stock Incentive Plan 2010 and Edelweiss Employees Stock Incentive Plan 2011 ('hereinafter collectively referred to as the Plans'), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include a Committee or Committees thereof) to create, issue, grant, offer and allot from time to time, to the eligible employees of the Associate Companies as may be decided by the Board, such number of Options, in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, in terms of the Plans and consequently, the Plans be amended to include the reference to Associate Companies.

FURTHER RESOLVED that the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary
(Membership No. F2922)

May 15, 2015

Registered Office:

Edelweiss House, Off C.S.T. Road, Kalina,

Mumbai – 400 098.

CIN No.: L99999MH1995PLC094641

Email: efsl.shareholders@edelweissfin.com

NOTES:

- 1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Item Nos. 5 to 20 is annexed hereto.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

4. Book Closure and Dividend

The Register of Members and the Share Transfer Books of the Company will remain closed from July 14, 2015 to July 21, 2015 (both days inclusive).

Dividend, if declared, at the Annual General Meeting will be credited/dispatched between July 24, 2015 and July 31, 2015 to those persons or their mandates:

- a) whose names appear as Beneficial Owners as at the end of the business hours on July 13, 2015 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Registrar & Share Transfer Agent on or before July 13, 2015.

5. Nomination Facility

The members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.

6. National Electronic Clearing Services (NECS) facility

To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the dividend will be credited through NECS facility at the locations identified by the Reserve Bank of India and the members holding shares in physical form and who are desirous of availing this facility are requested to contact the Registrar & Share Transfer Agent of the Company and the members holding shares in electronic form are requested to contact their respective Depository Participants.

7. Bank Mandates

In order to provide protection against fraudulent encashment of the dividend warrants, members holding shares in physical form are requested to intimate the Registrar & Share Transfer Agent under the signature of the Sole/First holder, the following information to be incorporated on the Dividend Warrants:

I. Name of the Sole/First holder and the folio number

- II. Particulars of Bank Account viz.,
 - a) Name of the Bank
 - b) Name of the Branch
 - c) Complete address of the Branch with Pin code
 - d) Bank Account Number allotted by the Bank.
- 8. In respect of the matters pertaining to Bank details, NECS mandates, nomination, power of attorney, change in name/address, etc., the members are requested to approach:
 - the Company's Registrar & Share Transfer Agent, in case of shares held in physical form; and
 - the respective Depository Participants, in case of shares held in electronic form.
 - In any correspondence with the Company/Registrar & Share Transfer Agent, members are requested to quote their account/ folio numbers or DP ID and Client ID in respect of physical or electronic holdings, respectively.
- 9. Members are requested to note that dividends not claimed or encashed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
- 10 Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the queries to the Company at least ten days prior to the Annual General Meeting so that the required information can be made available at the Meeting.

11. E-voting

Voting through electronic means

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Equity Listing Agreement, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (the AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for casting vote through ballot/polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot/polling paper.
- III. The members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period shall commence on July 17, 2015 (9:00 a.m.) and close on July 20, 2015 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 15, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

- V. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open the PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
 - (iii) Click on Shareholder Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting → Active Voting Cycles.
 - (vii) Select "EVEN" of "Edelweiss Financial Services Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to keyoor@bnp-associates.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a member receives physical copy of the Notice of AGM for members whose email IDs are not registered with the Company/Depository Participant (s) or requesting physical copy:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- IX. The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. July 15, 2015.
- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as on the cut-off date i.e. July 15, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
 - However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. B. Narasimhan, Company Secretary, M/s. B.N. & Associates, Company Secretaries, failing him, Mr. Keyoor Bakshi, Partner of M/s. BNP & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, allow voting with the assistance of scrutinizer, by use of "Ballot / Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www. edelweissfin.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and Natinal Stock Exchange of India Limited.

ANNEXURE TO THE NOTICE DATED MAY 15, 2015

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:-

Ms. Vidya Shah was appointed as an Additional (Non-Executive Non Independent) Director by the Board of Directors of the Company with effect from August 1, 2014. In accordance with the provisions of Section 161 of the Companies Act, 2013, Ms. Vidya Shah holds office upto the date of the forthcoming Annual General Meeting.

Ms. Vidya Shah joined Edelweiss in 2000 and was responsible for various important functions such as Finance, Human Resources and Administration and was the CFO till 2006. She also spent the first 11 years of her career in investment banking with companies like ICICI, Peregrine and NM Rothschild in Mumbai, where she advised corporations in capital raising and M&A transactions. Ms. Vidya Shah is presently responsible for the philanthropic activities of the Edelweiss Group.

Ms. Vidya Shah is on the Board of various Non-Profit Organisations. Ms. Vidya Shah has a Bachelors degree in Commerce and a MBA from the Indian Institute of Management, Ahmedabad.

The Board recommends the Ordinary Resolution at Item No. 5 for approval by the members.

None of the Directors and Key Managerial Personnel and their relatives, except Ms. Vidya Shah are concerned or interested in this item of business. Mr. Rashesh Shah, being a relative of Ms. Vidya Shah may be deemed to be interested in this item of business.

ITEM NO. 6:-

Mr. Biswamohan Mahapatra was appointed as an Additional (Independent) Director by the Board of Directors of the Company with effect from March 26, 2015. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Mahapatra holds office upto the date of the forthcoming Annual General Meeting.

Mr. Mahapatra retired as an Executive Director of Reserve Bank of India ('RBI') in August 2014. During his stint with RBI, he handled areas/functions of banking regulation, policy, and supervision. He was an advisor to RBI on new bank licensing process, after his retirement. He has represented RBI at various national and international forums. Mr. Mahapatra was also involved in the formulation of Basel III and Basel III norms. Mr. Mahapatra has chaired various committees of RBI and was also the Member - Secretary to the Committee set up to introduce financial holding company in India. Mr. Mahapatra has co - authored a book on Derivatives Simplified: An Introduction to Risk Management.

Mr. Mahapatra holds a Master of Science in Management (MSM) degree from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, USA. Mr. Mahapatra is MBA from University of Delhi and M. A. from Jawaharlal Nehru University, New Delhi.

The Board recommends the Ordinary Resolution at Item No. 6 for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Biswamohan Mahapatra is concerned or interested in this item of business.

ITEM NO. 7:-

As per the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company making an offer to subscribe to Non-convertible Debentures ("Debentures") on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution.

The members had approved the issue of Debentures on a private placement basis, for an amount not exceeding ₹ 1,000 crores through a special resolution passed through postal ballot on September 10, 2014 and the said approval will remain in force for a period of 1 year.

To meet the financial requirements, the Company has been raising funds by issue of Debentures on a private placement basis and will continue to do so. Hence it is proposed to obtain the approval of the members for issue of Debentures on a private placement basis, for an amount not exceeding ₹ 2,500 crores. The Debentures may be issued at par or at a premium and, may be listed on the Stock Exchanges and, on such other terms and conditions as the Board of Directors may determine.

The Special Resolution set out in Item No. 7 of the Notice shall remain in force for a period of 1 year.

The Board recommends the Special Resolution at Item No. 7 for approval by the members.

None of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in this item of business.

ITEM NOS. 8 to 11:-

Keeping in view the performance of the Company, the Managing Director and the Executive Directors, the Board on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of the members, approved the increase in the remuneration payable to the Managing Director and the Executive Directors as set out in the resolutions in Item Nos. 8 to 11 of the AGM Notice. The other terms of their appointment will remain unchanged.

The Board recommends the Special Resolutions at Item Nos. 8 to 11 for approval by the members.

None of the Directors and Key Managerial Personnel and their relatives, except Mr. Rashesh Shah, Mr. Venkat Ramaswamy, Mr. Himanshu Kaji and Mr. Rujan Panjwani are concerned or interested in Item Nos. 8, 9, 10 and 11 respectively. Ms. Vidya Shah, being relative of Mr. Rashesh Shah is interested in Item No. 8 of the Notice.

ITEM NO. 12:-

The Company, being the holding company, provides financial support in the form of loan to the subsidiaries, Corporate Guarantees etc., on behalf of the subsidiaries. These transactions are in the ordinary course of business and at arm's length basis.

In accordance with the provisions of Clause 49 of the Listing Agreement, the approval of the members is required where the material transactions are entered into between a company and a Related Party if such Related Party is not a wholly owned subsidiary.

Accordingly, it is proposed to obtain the approval of the members for providing loans to and/or the financial support in the form of corporate guarantees or in any other manner, on behalf of ECL Finance Limited (ECLF), a subsidiary of the Company and/or other subsidiaries of the Company, for an amount not exceeding Rs. 10,000 crores, at any point of time, during a period of 5 years, commencing August 1, 2015. These details should also be construed as disclosures, if any, required under the Companies Act, 2013 and other applicable laws.

The Board recommends the Special Resolution at Item No. 12 for approval by the members.

The Director(s) and the Key Managerial Personnel of the Company may be the Director(s) and/or KMPs of ECLF and the other subsidiaries, and has no particular concern or interest in this item of business.

ITEM NO. 13:-

Ms. Vidya Shah, a Director of the Company, has been an employee of Edelweiss Finance & Investments Limited (EFIL), a wholly owned subsidiary of the Company, prior to her appointment as a Director of the Company. In accordance with provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder, she is considered to be holding an office or place of profit.

It is proposed to obtain the approval of the members for holding of office of place of profit and to draw remuneration from EFIL, by Ms. Vidya Shah for a period of 3 years commencing August 1, 2015.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 is as under:

Name of the Related Party	Ms. Vidya Shah
Name of the Director or key managerial personnel	Ms. Vidya Shah and Mr. Rashesh Shah, Chairman, Managing
who is related, if any	Director & CEO, are related to each other.
Nature of Relationship	As aforesaid.
The nature, material terms, monetary value and particulars of the contract or arrangement	Ms. Vidya Shah is employed with EFIL and, would draw remuneration as may be determined by EFIL from time to time, for a period of 3 years, commencing August 1, 2015.
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The Board recommends the Special Resolution at Item No. 13 for approval by the members.

None of the Directors and Key Managerial Personnel and their relatives, except Ms. Vidya Shah are concerned or interested in this item of business. Mr. Rashesh Shah, being a relative of Ms. Vidya Shah may be deemed to be interested in this item of business.

ITEM NOS. 14 to 17:-

With a view to provide the employees of the Company a share in the growth of the Company, to attract, retain and motivate the best available talent in the Company, the Company had formulated and implemented various Employees' Stock Option Plans. As of date, the Stock Options granted under the following Plans are in force:-

- i) Edelweiss Employees Stock Incentive Plan 2007;
- ii) Edelweiss Employees Stock Incentive Plan 2009;
- iii) Edelweiss Employees Stock Incentive Plan 2010; and
- iv) Edelweiss Employees Stock Incentive Plan 2011. (hereinafter collectively referred to as `the Plans').

The Plans enable the Company to implement them either directly or through a Trust. SEBI (Share Based Employee Benefits) Regulations, 2014, provides for the Plans to be implemented either directly or through a Trust. Since the Plans are implemented directly by allotting the shares to the employees, it is proposed to remove the reference to the Trust and the Trustees from the Plans. Further, for administrative reasons, it is also proposed to amend the Plans. The other terms of the Plans will remain unchanged. There shall be no change/revision in the Exercise Price of the Vested Options.

The Plans together with the proposed amendments shall be available for inspection by any member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days till the date of the Annual General Meeting.

The Board recommends the Special Resolutions at Item Nos. 14 to 17 for approval by the members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolution to the extent of their participation in the Plans.

Edelweiss Annual Report 2014-15

ITEM NOS. 18 and 19:-

In order to provide incentives and benefits to the employees of the Company, its subsidiaries and the associates, the Company has the following Trusts which holds the shares of the Company:

- i) Edelweiss Employees' Welfare Trust.
- Edelweiss Employees' Incentive and Welfare Trust.
 (hereinafter collectively referred to as `the Trusts')

In view of the SEBI (Share Based Employee Benefits) Regulations, 2014 (the Regulations), it is proposed to amend the Trust Deeds in such a manner that the Trusts shall be used for the general benefits (in accordance with the provisions of the Regulations) of the employees of the Company, its subsidiaries and associates. For this purpose, it would be necessary to amend the Trust Deeds and the approval of the members is being sought for the same.

The existing and the proposed Trust Deeds shall be available for inspection by any member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days till the date of the Annual General Meeting.

The Board recommends the Special Resolutions at Item Nos. 18 and 19 for approval by the members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of the benefits, if any, to which they would be entitled.

ITEM NO. 20:-

Pursuant to the approval of the members, the Company had framed Edelweiss Employees Stock Incentive Plan 2009, Edelweiss Employees Stock Incentive Plan 2010 and Edelweiss Employees Stock Incentive Plan, 2011 ('hereinafter collectively referred to as the Plans') enabling grant of options to the employees of the subsidiaries of the Company under the Plans. As per the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, a company can grant stock options to its Associate companies also. To motivate the employees of Associates companies, it is considered prudent to extend the benefits of the Plans to them as well.

The Board recommends the Special Resolution at Item No. 20 for approval by the members.

None of the Directors and the Key Managerial Personnel and their relatives has any particular interest or concern in this item of business.

For and on behalf of the Board of Directors EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary
(Membership No. F2922)

May 15, 2015

Mumbai – 400 098.

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina,

CIN No.: L99999MH1995PLC094641

Email: efsl.shareholders@edelweissfin.com

Details of Directors seeking appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. Rashesh Shah	Ms. Vidya Shah	Mr. Biswamohan Mahapatra
Date of Birth	September 30, 1963	June 18, 1966	August 3, 1954
Date of Appointment	November 21, 1995	August 1, 2014	March 26, 2015
Experience in functional Area	Has more than 25 years of experience in financial markets sector.	Financial Services Sector, Charitable activities	Banking Sector
Qualification	 B. Sc from the University of Bombay; MBA from IIM, Ahmedabad; and Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi. 	 Bachelor's Degree in Commerce; and MBA from IIM, Ahmedabad 	1. Master of Science in Management (MSM) degree from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, USA. 2. Master of Business Administration (MBA), University of Delhi; and 3. Master of Arts from Jawaharlal Nehru University, New Delhi.
Directorship in other Companies (Public Limited Companies)	Edelweiss Asset Reconstruction Company Limited ECL Finance Limited Edelweiss Tokio Life Insurance Company Limited	Edelweiss Asset Reconstruction Company Limited ECL Finance Limited Edelweiss Securities Limited	Gruh Finance Limited Credila Financial Services Private Limited
Membership of Committees of other public limited companies (Audit Committee and shareholders/ Investors Grievance Committee only)	Nil	Nil	Gruh Finance Limited Credila Financial Services Private Limited
No. of shares held in the Company	14,43,01,730 Equity Shares of ₹ 1 each	2,93,61,200 Equity Shares of ₹ 1 each	Nil

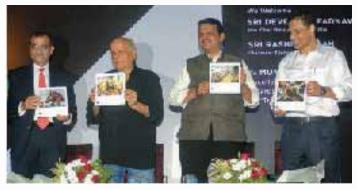
Exclusives



Our sales force, after qualifying for 'Meet Mary Kom' contest meets the champion Mary Kom (centre) at Edelweiss House, Mumbai



Edelweiss Tokio Life proudly partnered the Mary Kom movie, which highlights her journey from hardship & struggle to becoming a world champion



Rashesh Shah, Chairman & CEO, Edelweiss Group, launches the Mumbai Moments Calendar 2015 with Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra and noted film maker, Mr. Mahesh Bhatt



Mr. Prashant Agrawal, Consul General of India to Hong Kong, at Edelweiss India Independence Day Celebration in Hong Kong.
Seated Rashesh Shah & Vikas Khemani, CEO, Edelweiss Securities



Rashesh Shah at IIMPACT 2014, a Global IIM Alumni Event in Singapore



Mr. Arun Jaitley, Hon'ble Finance Minister of India with Rashesh Shah and others at CNBC TV18 10th India Business Leaders Awards



Mr. Tsuyoshi Nagano, President & CEO, Tokio Marine at Edelweiss House, Mumbai with members of the Edelweiss Tokio Life board and others

Our People



▲ Edelweiss Tokio Life Insurance, one of the winners at Edelweiss Titans Awards & Recognition Program 2014



▲ Edelweiss Insurance Brokers Limited - 10th Anniversary celebration



▲ Leaders in the Making – Edelweiss Emerging Leaders Batch 2013-15 graduation ceremony



▲ Yoga for Edelweiss employees at Edelweiss House, Mumbai

Expanding Our Reach



Venkat Ramaswamy, ED, Edelweiss; Vidya Shah, CEO, EdelGive Foundation & Nitin Jain, CEO, Asset & Wealth Management inaugurating Edelweiss Tokio Life Insurance new branch at Chennai



Edelweiss Retail Finance organised a successful loan camp at Salem



Edelweiss GPS Rally Flag Off for Senior Leaders from Edelweiss House, Mumbai to Aamby Valley, Lonavala

New Product Launches



▲ Rashesh Shah with Ravi Bubna, MD, ECL Finance & S Ranganathan, CFO at the launch of ECL Finance's 3rd Public Issue of NCDs



▲ Vikaas M. Sachdeva, CEO, Edelweiss AMC at the launch of Edelweiss Exchange Traded Schemes-NIFTYEES

Awards & Recognition

Perspensive Assignment Assignment

▲ Vidya Shah with Sachin Tendulkar presenting awards at the Media Foundation of India National Press Photo Contest 2014



Rashesh Shah receives Bull of the Year award from Mr. Amit Shah, President, BJP at the Zee Business Awards 2014



▲ Enterprising India - Discussion of budget impact in Ahmedabad

Conferences



Rashesh Shah & Vikas Khemani with Mr. Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra at Edelweiss India Conference, 2014



▲ Rujan Panjwani, ED, Edelweiss at 11th India International Gold Convention 2014



▲ Board of Directors, Edelweiss Financial Services Limited at 19th Annual General Meeting

/!

Winner all the way!

Y Edelweiss Group

"India's Best Company in the up to \$500 mn market cap category" by readers of Finance Asia in its 14th annual poll on Asia's Best Companies 2014 second year in a row

Winner in the 4th Edition of "Top 100 CISO Awards – 2014"

"EMC Transformer Award 2014" for its strategy, planning and execution of the IT Server Consolidation Project

"My FM Stars of the Industry Jury Special Award" for Excellence in BFSI Sector 2015

EdelGive wins "BFSI Vision 1st CSR Awards 2014" for Distinction in promotion of Education

Asset Management Business

"Most Admired Company" in the Financial Services Sector at the ABP News – BFSI Awards 2014

"Best Marketing Campaign – Mutual Funds" at the ABP News – BFSI Awards 2014

Y Life Insurance Business

Edelweiss Tokio Life Insurance winner of "Top 100 Infosec Maestros Awards 2014"

"Yamraj to the Rescue", a safety awareness campaign wins "Best Campaign Award" in the Public and Social Service Category at the Outdoor Advertising Awards, 2014

Financial Markets Business

"Best Equity Broking House – Institutional" at the Dun & Bradstreet's BSE – D&B Equity Broking Awards 2014

"Bull of the Year Award 2014" at Zee Business Market Analyst Awards 2014

#2 Best Local Brokerage house & #2 Best Brokerage House for Roadshows and Company Visits in the Asiamoney Brokers Poll 2014

RANKINGS

Y Financial Markets Business

Ranked 1st in IPOs by Issue Amount with 68.7% market share in FY15 Ranked 1st in IPOs by number of deals with 50% market share in FY15

Y Financial Product Distribution Business

Ranked $\mathbf{1}^{\text{st}}$ in IPO distribution in Retail category with ~20% market share in FY15

Ranked $\mathbf{1}^{\text{st}}$ in HNI (NIB) category with a ~50% market share of the amount procured in FY15

Ranked $\mathbf{1}^{\text{st}}$ in Public Issues of Bonds (market share of over 50%)

Ranked $\mathbf{1}^{\text{st}}$ in CP issuance (market share over 15%) in FY15

