

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Edelweiss Finance & Investments Limited

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Finance & Investments Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.



Independent Auditor's Report (Continued)

Edelweiss Finance & Investments Limited

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 2016, 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, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



Independent Auditor's Report (*Continued*)

Edelweiss Finance & Investments Limited

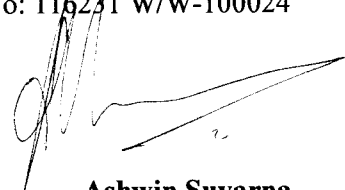
Report on other legal and regulatory requirements (*Continued*)

- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.40 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including long term derivative contracts - Refer Note 2.66 to the financial statements; and
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
12 May 2016

Edelweiss Finance & Investments Limited

Annexure A to the Independent Auditor's Report-31 March 2016

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii (a) The Company has conducted a physical verification of equity shares and other securities relating to Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals. In our opinion, the frequency of such verification is reasonable in relation to the size of the Company and the nature of its business.
- (b) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock-in-trade.
- iii The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v The Company has not accepted any deposits from the public.
- vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company.
- vii (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service 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, value added tax, sales 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, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following income tax dues have not been deposited by the Company on account of disputes:



Edelweiss Finance & Investments Limited

Annexure A to the Independent Auditor's Report-31 March 2016
(Continued)

Name of statute	Nature of dues	Amount (in millions)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	8.61	AY 2012-13	CIT (A)
Income tax Act, 1961	Income tax	114.13	AY 2013-14	CIT (A)

- viii The Company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holders during the year.
- ix In our opinion and according to the information and explanations given to us, the Company has utilised the term loans for the purpose for which they were raised.
- x According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi According to the information and explanations given to us, the Company has registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024


Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
12 May 2016

Edelweiss Finance & Investments Limited

Annexure - B to the Independent Auditor's Report of even date on the financial statements of Edelweiss Finance & Investments Limited

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

We have audited the internal financial controls over financial reporting of Edelweiss Finance & Investments Limited (the "Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

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



Edelweiss Finance & Investments Limited

Annexure - B to the Independent Auditor's Report of even date on the financial statements of Edelweiss Finance & Investments Limited (Continued)

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

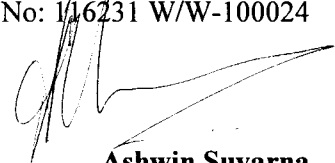
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

12 May 2016

Edelweiss Finance & Investments Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	340.35	340.35
(b) Reserves and surplus	2.2	3,274.49	3,470.24
		<u>3,614.84</u>	<u>3,810.59</u>
Non-current liabilities			
(a) Long-term borrowings	2.3	5,874.52	3,508.85
(b) Other long-term liabilities	2.4	164.06	3.51
(c) Long-term provisions	2.5	59.34	45.33
Current liabilities			
(a) Short-term borrowings	2.6	26,785.76	28,709.42
(b) Trade payables	2.7	55.46	230.49
(c) Other current liabilities	2.8	1,628.60	1,494.91
(d) Short-term provisions	2.9	369.95	256.04
TOTAL		<u><u>38,552.53</u></u>	<u><u>38,059.14</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		221.01	233.20
(ii) Intangible assets		1.52	0.96
(b) Non-current investments	2.11	1,440.81	1,398.80
(c) Deferred tax assets (net)	2.12	136.00	46.94
(d) Long-term loans and advances	2.13	2,227.56	3,198.80
(e) Other non-current assets	2.14	258.57	88.73
		<u>4,285.47</u>	<u>4,967.43</u>
Current assets			
(a) Current Investments	2.15	291.77	295.06
(b) Stock-in-trade	2.16	27,312.04	29,345.33
(c) Trade receivables	2.17	32.73	90.95
(d) Cash and bank balances	2.18	1,653.17	327.70
(e) Short-term loans and advances	2.19	3,783.99	2,002.05
(f) Other current assets	2.20	1,193.36	1,030.62
		<u>34,267.06</u>	<u>33,091.71</u>
TOTAL		<u><u>38,552.53</u></u>	<u><u>38,059.14</u></u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For **BSR & Associates LLP**

Chartered Accountants

Firms' Registration No. 116231W/W-100024

Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

12 May 2016

For and on behalf of the Board of Directors

AP Venkatachala

Venkat Ramaswamy

Executive Director

Din: 00008509

Mandeep Bijlani

Chief Financial Officer

Mumbai

12 May 2016

S. Ranganathan

Director

Din: 00125493

Nidhi Parekh

Company Secretary

Edelweiss Finance & Investments Limited

Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.21	85.46	260.23
Income from treasury operations and Investments	2.22	(239.75)	352.06
Interest income	2.23	3,360.95	3,296.13
Other income	2.24	39.34	42.09
Total Revenue		3,246.00	3,950.51
Expenses			
Employee benefit expenses	2.25	134.88	214.08
Finance costs	2.26	2,119.50	2,873.45
Depreciation and Amortisation expense	2.10	20.42	20.47
Other expenses	2.27	203.15	81.09
Total expenses		2,477.95	3,189.09
Profit before tax		768.05	761.42
Tax expense:			
(1) Current tax [includes short / (excess) provision for earlier years Rs. 11.40 million (Previous year Rs (4.17) million].		334.55	257.56
(2) Deferred tax (Net)		(89.05)	(3.69)
Profit for the year		522.56	507.55
Earnings per equity share (Face value Rs. 10 each):			
Basic and diluted	2.30	176.01	170.43
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W/W-100024

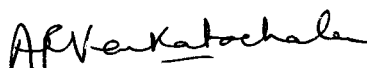


Ashwin Suvarna

Partner

Membership No: 109503

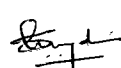
For and on behalf of the Board of Directors



Venkat Ramaswamy

Executive Director

Din: 00008509



S. Ranganathan

Director

Din: 00125493



Manjeet Bijlani

Chief Financial Officer



Nidhi Parekh

Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016

Edelweiss Finance & Investments Limited

Cash Flow Statement

(Currency : Indian rupees in millions)

For the year ended
31 March 2016

For the year ended
31 March 2015

A Cash flow from operating activities

Profit before tax	768.05	761.42
<i>Adjustments for</i>		
Depreciation	20.42	20.47
Provision for compensated absences	0.58	0.12
Provision for non performing assets / (written back)	-	(59.59)
Provision for standard assets	9.03	10.52
Bad- debts and advances written off	5.99	59.59
Provision for doubtful debts / (written back)	35.18	(3.34)
Dimunition in value of Non-current investments	20.00	-
Loss on sale of Fixed Assets*	2.26	0.00
Dividend on investments	(64.90)	(3.30)
Interest on security receipts	(0.38)	(10.55)
Profit on sale of non current investments (net)	(71.55)	(108.60)
Loss / (Profit) on sale of current investments (net)*	29.70	(0.00)

Operating cash flow before working capital changes	754.38	666.75
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Add / (Less): Adjustments for working capital changes		
Decrease / (Increase) in trade receivables	23.04	(57.41)
Decrease / (Increase) in Stock in trade	2,033.28	(10,656.82)
Decrease/(increase) in receivable from financing business (refer note 1)	(830.56)	(3,321.58)
Decrease in other loans and advances	61.14	155.77
Increase in other assets	(332.48)	(646.94)
(Decrease) / Increase in liabilities and provisions	(255.18)	827.43

Cash generated from / (used in) operations	1,453.62	(13,032.80)
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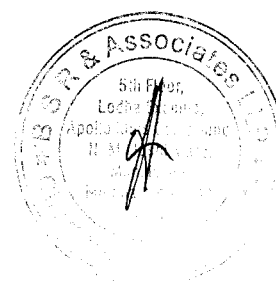
Income taxes paid	(304.84)	(218.92)
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Net cash generated from / (used in) operating activities -A	1,148.78	(13,251.72)
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B Cash flow from investing activities

Purchase of fixed assets	(12.65)	(14.39)
Sale of fixed assets	1.60	0.01
Purchase of Non-current investments	(83.17)	(181.61)
Sale of Non-current investments	92.71	309.20
Purchase of current investments	(293.52)	-
Sale of current investments	267.10	1.57
Interest on security receipts	0.38	10.55
Dividend on investments	64.90	3.30

Net cash generated from investing activities - B	37.35	128.63
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Edelweiss Finance & Investments Limited

Cash Flow Statement (continued)

(Currency : Indian rupees in millions)

C Cash flow from financing activities

	For the year ended 31 March 2016	For the year ended 31 March 2015
Proceeds from Issue of Long term secured debentures (refer note 1)	2,182.48	5,281.35
Net (repayment) / proceeds from short term borrowings	(1,126.16)	8,156.04
Dividend & Dividend Distribution Tax paid	(916.87)	(77.47)
Net cash generated from financing activities - C	139.45	13,359.91
Net increase in cash and cash equivalents (A+B+C)	1,325.58	236.82
Cash and cash equivalents as at the beginning of the year	277.59	40.77
Cash and cash equivalents as at the end of the year (Refer note 2.18)	1,603.17	277.59

Notes:

- 1 Net figures have been reported on account of volume of transactions.
* Amount is less than 0.01 million

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

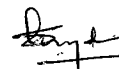
For and on behalf of the Board of Directors



Venkat Ramaswamy

Executive Director

Din: 00008509



S. Ranganathan

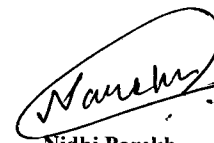
Director

Din: 00125493



Manjeet Bijlani

Chief Financial Officer



Nidhi Parekh

Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016

Edelweiss Finance & Investments Limited

Notes to the financial statements

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention except for certain financial instruments which are measured at fair values, on the accrual basis of accounting, unless otherwise stated, and comply with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, circulars and guidelines issued by the Reserve Bank of India ('RBI') and the provisions of the Act (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and the Schedule III to the Act. The financial statements are presented in Indian rupees.

The Company being a NBFC registered with RBI, follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those 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 satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- 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 used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

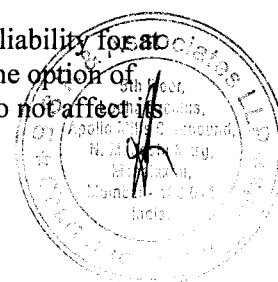
Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- 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, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.4 *Revenue recognition*

- a) Fee income including advisory fees, syndication fees, processing fees and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b) Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity and interest rate derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold and recognised on trade date.
 - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All 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 models use observable market data as input parameters in order to ensure reliability of the fair value measure.
 - iii) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss 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 on interest rate derivatives' in statement of profit and loss.
- c) Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation as per RBI guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value is amortised on time basis and recognised as interest income.
- d) 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 interest received during contract period is recognised as 'Interest income on interest rate derivatives instruments' in statement of profit and loss.
- e) 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.
- f) Dividend income is recognised when the right to receive payment is established.
- g) Income from training centre is recognised on accrual basis.

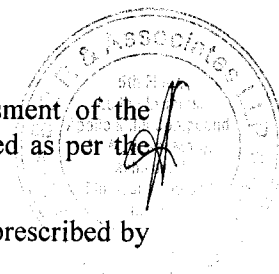
1.5 *Benchmark linked debentures*

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at 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 and included in the 'cost of benchmark linked debentures'.

1.6 *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.

Provisions against standard assets are made on the basis of prudential norms prescribed by RBI.



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.7 *Fixed assets and depreciation*

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. 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 to use or 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 useful lives of the fixed assets are as follows:

Nature of assets	Useful Life
Building	60 years
Furniture and fittings	10 years
Motor Vehicles	8 years
Vessel	13 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 earlier.

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 amortization and impairment, if any.

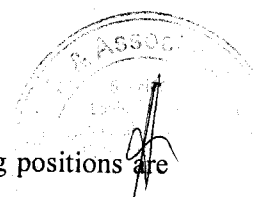
Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

1.8 *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 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 profit and loss account. 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.

1.9 *Stock-in-trade*

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

- b) The securities held as stock-in-trade are valued at lower of weighted average cost and market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Inventories held in the form of commodities are valued at lower of cost and net realisable value.
- d) Debt instruments are valued at lower of cost and fair value. 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.
- e) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.10 *Investments*

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term 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 category of 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.

1.11 *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 and National pension scheme

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on 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.

Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

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 & 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).

1.12 Taxation

Tax expense comprises 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).

Current tax

Provision for income 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 recognized using the tax rates that have been enacted or substantially enacted 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 only 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 reasonable/virtually certain (as the case may be) to be realised.

1.13 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 the equity shareholders for the year 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 conversion of all potential equity shares.

Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.1 Share capital

Authorised:

3,000,000 (Previous year: 3,000,000) Equity Shares of Rs. 10 each
70,000,000 (Previous year: 70,000,000) Preference shares of Rs 10 each

As at
31 March 2016

As at
31 March 2015

Issued, Subscribed and Paid up:

2,655,020 (Previous year: 2,655,020) Equity Shares of Rs. 10 each, fully paid up
31,380,000 - 14.625% Cumulative Redeemable Preference Shares (Previous year 31,380,000) of Rs 10 each, fully paid up

Reconciliation of shares at the beginning and at the end of the year

Equity shares of Rs 10 each fully paid
Outstanding at the beginning of the year
Shares issued during the year
Outstanding at the end of the year

14.625% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid

Outstanding at the beginning of the year
Shares issued during the year
Shares redeemed during the year
Outstanding at the end of the year

As at 31 March 2016		As at 31 March 2015	
Number of shares	Amount	Number of shares	Amount
26,55,020	26.55	26,55,020	26.55
-	-	-	-
26,55,020	26.55	26,55,020	26.55

As at 31 March 2016		As at 31 March 2015	
Number of shares	Amount	Number of shares	Amount
3,13,80,000	313.80	3,13,80,000	313.80
-	-	-	-
-	-	-	-
3,13,80,000	313.80	3,13,80,000	313.80

Equity shares held by holding / ultimate holding company

Particulars

Edelweiss Financial Services Limited (Holding company)*

As at 31 March 2016		As at 31 March 2015	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
26,55,020	100.00%	26,55,020	100.00%
26,55,020	100.00%	26,55,020	100.00%

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

Equity Shares of Rs 10 each fully paid

Edelweiss Financial Services Limited (Holding company)*

As at 31 March 2016		As at 31 March 2015	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
26,55,020	100.00%	26,55,020	100.00%
26,55,020	100.00%	26,55,020	100.00%

* including 6 shares held by Nominees of Edelweiss Financial Services Limited

Details of Cumulative Redeemable Preference Shares held by Preference Shareholders holding more than 5% of the aggregate Cumulative Redeemable Preference Shares in the Company

Particulars

Motilal Oswal Securities Limited

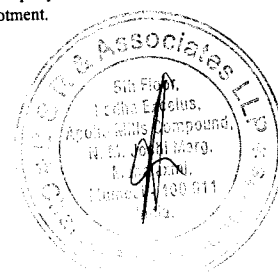
As at 31 March 2016		As at 31 March 2015	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
41,90,000	13.35%	41,90,000	13.35%
41,90,000	13.35%	41,90,000	13.35%

Rights, preferences and restriction attached to equity shares:

The equity shares of the Company have a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year, the Company has declared and paid interim dividend of Rs. 207.50 per equity share (previous year : Rs. 75 per share).

Rights, preferences and restriction attached to cumulative redeemable preference shares

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.



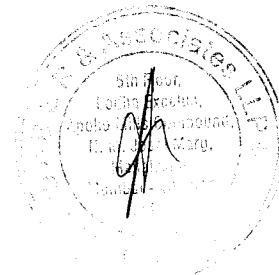
Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.2 Reserves and surplus		
Capital Redemption Reserve	9.71	9.71
Securities Premium Account	2,134.70	2,134.70
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 ^{##}		
Opening balance	615.45	513.94
Add : Additions/(Transfer) during the year	104.51	101.51
	719.96	615.45
General Reserve	90.26	90.26
Surplus in statement of profit and loss		
Opening balance	620.12	508.22
Less: Adjustment on account of accumulated depreciation (net of tax)	-	0.13
Add: Net profit for the year	522.56	507.55
Amount available for appropriation	1,142.68	1,015.64
Appropriations:		
Interim dividend on equity shares	550.92	199.13
Dividend distribution tax	121.50	48.99
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	104.51	101.51
Proposed dividend on preference shares	45.89	45.89
	319.86	620.12
	3,274.49	3,470.24

^{##} Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934

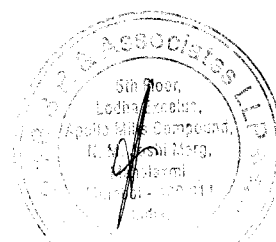


Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures (refer note 2.34)		
(Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company)	5,724.52	3,508.85
<u>Unsecured</u>		
Non-convertible redeemable debentures (refer note 2.33)	150.00	-
	5,874.52	3,508.85
2.4 Other long-term liabilities		
Interest accrued but not due on borrowings	164.06	3.51
	164.06	3.51
2.5 Long-term provisions		
Provision for employee benefits:		
Compensated leave absences	1.45	0.97
Deferred bonus	42.74	27.70
Provision for standard assets	6.14	7.65
Provision - Others	9.01	9.01
	59.34	45.33

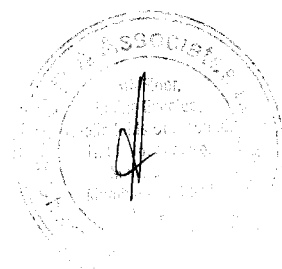


Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.6 Short-term borrowings		
<u>Secured</u>		
Collateralised borrowing and lending obligation (Secured by pledge of investments in government securities)	23,845.02	25,900.00
Non-convertible debenture (Refer Note 2.34) (Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company)	487.50	1,285.00
	24,332.52	27,185.00
<u>Unsecured</u>		
(Due within one year, unless otherwise stated)		
Loans from related parties (repayable on demand)	134.32	37.10
Inter-corporate deposits	3.90	3.90
Commercial paper	2,350.00	1,500.00
Less: Unamortised discount on commercial paper	34.98	16.58
	2,315.02	1,483.42
	26,785.76	28,709.42
2.7 Trade Payables		
Trade payables to micro, small and medium enterprises	-	-
Others (includes sundry creditors, provision for expenses and customer payables)	55.46	230.49
	55.46	230.49

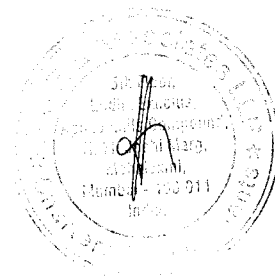


Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.8 Other current liabilities		
Current maturities of Long Term Debt		
Non-convertible debentures (refer note 2.34)	1,251.80	637.50
Interest accrued but not due on borrowings	133.52	194.13
Interest accrued and due on borrowings	3.74	7.90
Premium received on exchange traded options (including MTM)	0.04	5.82
Advances from customers	1.66	2.66
Other Payables		
Accrued salaries and benefits	21.75	97.00
Withholding taxes, service tax and other taxes payable	21.58	53.29
Book overdraft	-	38.56
Retention money payable	5.32	5.88
Provision for capital expenditure	15.54	15.79
Others	3.84	2.99
Dividend payable	-	199.13
Mark to market on interest rate swaps	169.81	234.26
	<u>1,628.60</u>	<u>1,494.91</u>
2.9 Short-term provisions		
Provision for employee benefits		
Compensated absences	0.31	0.21
Deferred bonus	73.10	47.38
Others		
Proposed dividend on preference shares	46.29	45.89
Provision for dividend distribution tax	9.34	9.18
Provision for standard assets	17.87	7.31
Provision for taxation (Net of advance tax Rs. 852.95 million, previous year: Rs.313.89 million)	223.04	146.07
	<u>369.95</u>	<u>256.04</u>



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.10 Fixed assets

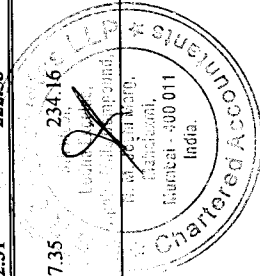
Fixed assets	Gross Block				Depreciation			Net Block		
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Adjustment on account of Companies Act 2013	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Land	41.05	-	-	41.05	-	-	-	-	41.05	41.05
Building	196.99	-	-	196.99	43.66	-	7.69	-	145.64	153.33
Furniture and fixtures	30.48	-	-	30.48	21.37	-	2.92	-	6.20	9.11
Vehicles	19.20	5.00	1.60	22.60	6.13	-	5.02	0.87	12.32	13.07
Office equipment*	0.84	0.05	0.01	0.88	0.59	-	0.15	0.01	0.15	0.25
Vessel (Boat)	6.96	-	-	6.96	5.26	-	0.36	-	1.34	1.70
Computers	4.23	1.73	0.83	5.13	3.15	-	1.13	0.77	1.64	1.09
Plant and equipments	29.86	4.69	6.86	27.69	16.26	-	2.54	3.78	12.67	13.60
Total : A	329.61	11.47	9.30	331.78	96.42	-	19.80	5.43	110.77	233.20
Intangible assets										
Computer software	1.69	1.18	-	2.87	0.92	-	0.62	-	1.33	0.77
Brands/trademarks	0.19	-	-	0.19	-	-	-	-	0.19	0.19
Total : B	1.88	1.18	-	3.06	0.92	-	0.62	-	1.52	0.96
Grand Total [A+B]	331.49	12.65	9.30	334.84	97.34	-	20.42	5.43	112.31	234.16
Previous year	317.12	14.39	0.01	331.50	76.75	0.13	20.47	0.00	97.35	240.37

LOKESH CHANDRA MOORTHY

2015-2016

* Amount is less than 0.01 million

* Amount is less than 0.01 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.11 Non-current investments (At cost)

I. Others investments, valued at cost, unquoted

Investments in equity instruments of subsidiaries (fully paid up)

Olive Business Centre Limited

EC Global Limited

Face value	As at 31 March 2016		Face value	As at 31 March 2015	
	Quantity	Amount		Quantity	Amount
10	1,81,60,500	181.61	10	1,81,60,500	181.61
USD 1	25,000	0.44	USD 1	25,000	0.44
		<u>182.05</u>			<u>182.05</u>

Investments in equity instruments of other companies (fully paid up)

Tamilnad Mercantile Bank Limited

The Catholic Syrian Bank Limited

Bombay Stock Exchange Limited

Vini Cosmetics Private Limited

CL Educate Limited

Argus Cosmetics Limited ^{ss}

BL Industries Limited ^{ss}

Shri Karthik Papers Limited ^{ss}

Maxworth Limited ^{ss}

10	72	1.74	10	72	1.74
10	19,13,452	431.60	10	19,13,452	431.60
1	2,98,000	109.28	1	2,98,000	109.28
10	51,969	21.21	10	51,969	21.21
10	1,19,904	50.00	10	1,19,904	50.00
10	1,00,000	-	10	1,00,000	-
10	1,27,100	-	10	1,27,100	-
10	20,600	-	10	20,600	-
10	1,600	-	10	1,600	-
		<u>613.83</u>			<u>613.83</u>

EARCL Trust SC 3

Edelweiss ARF-I Trust Scheme-1

Edelweiss ARF-I Trust Scheme-2

Edelweiss ARF-I Trust Scheme-3

Edelweiss ARF-I Trust Scheme-4

Edelweiss ARF-I Trust Scheme-5

EARC SAF -3 Trust - Series I

1,000	2,18,500	0.22	1,000	2,18,500	0.22
1,000	56,728	46.99	1,000	56,728	46.99
1,000	31,324	9.13	1,000	31,324	17.80
1,000	43,899	0.04	1,000	43,899	0.04
1,000	32,679	0.03	1,000	32,679	11.81
1,000	35,370	12.27	1,000	35,370	12.98
1,000	19,000	19.00	-	-	-
		<u>87.68</u>			<u>89.84</u>

Investments in warrants:

Taurus Telepower Private Limited (Rs 5 paid up)

AT Invofin India Private Limited (Rs 2.50 paid up)

Less : Provision for diminution in value of investments

10	40,00,000	20.00	10	40,00,000	20.00
10	3,20,000	20.00	10	3,20,000	20.00
		<u>(40.00)</u>			<u>(20.00)</u>
		-			20.00

Investments in Units of Venture Fund

KAE Capital Fund (India)

KAE Capital Fund II (India)

1,00,000	50	5.00	1,00,000	25	2.50
1,00,000	216.67	21.67	-	-	-
		<u>26.67</u>			<u>2.50</u>

Investments in preference shares of companies (fully paid up)

0.01% Compulsorily Convertible Non-Cumulative Preference Shares of

Arum Investment Private Limited

11% Non Cumulative Optionally convertible Preference shares of Edelweiss

Broking Limited

Zero coupon Series D non-cumulative compulsorily convertible preference

shares of Bright Lifecare Private Limited

10	4,66,300	116.58	10	4,66,300	116.58
10	3,74,000	374.00	10	3,74,000	374.00
7,664	5,219	40.00	-	-	-
		<u>530.58</u>			<u>490.58</u>
		<u>1,440.81</u>			<u>1,398.80</u>

^{ss} Represents shares held by the Company which have been written off in the earlier years.

Aggregate of Unquoted investments

- At carrying value

1,440.81

1,398.80

Aggregate provision for diminution in value of investments

40.00

20.00



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.12 Deferred tax

Deferred tax assets

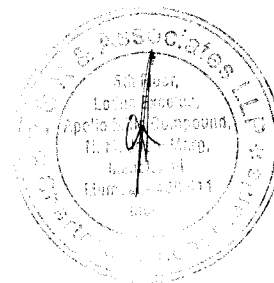
	As at 31 March 2016	As at 31 March 2015
Provision for standard assets	8.31	5.18
Provision for diminution in value of investments	13.84	-
Provision for compensated absences	0.61	0.42
Provision for deferred bonus	40.09	25.98
Provision for doubtful debts	20.36	8.18
Disallowances under section 43B of the Income Tax Act, 1961	10.79	8.04
Unrealised Loss on derivatives	44.13	1.81
	<u>138.13</u>	<u>49.61</u>

Deferred tax liabilities

Difference between book and tax depreciation	2.13	2.67
	<u>2.13</u>	<u>2.67</u>

Deferred tax asset (net)

	<u>136.00</u>	<u>46.94</u>
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Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.13 Long-term loans and advances

Secured

(considered good, unless stated otherwise)

Receivable from financing business

- considered good

As at
31 March 2016

As at
31 March 2015

2,045.20

2,663.70

2,045.20

2,663.70

-

400.00

Loans and advances to related parties

Unsecured

Advance income taxes (Net of provision for tax Rs. 641.53 million,
previous year: Rs. 1,079.71 million)

182.36

135.10

182.36

535.10

2,227.56

3,198.80

2.14 Other non-current assets

Contribution to gratuity fund(net)

0.01

-

Long term deposits with banks

0.05

0.07

Accrued interest on fixed deposits

-

0.01

Accrued interest on loans given

249.49

79.64

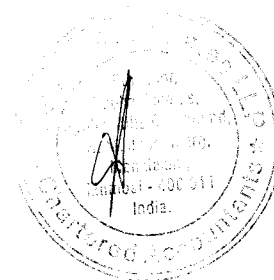
Other Assets

9.02

9.01

258.57

88.73

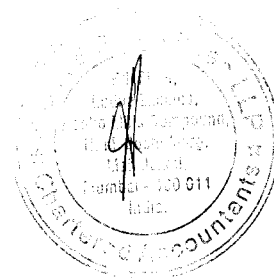


Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.15 Current investments	As at 31 March 2016			As at 31 March 2015		
	Face value	Quantity	Amount	Face value	Quantity	Amount
I. Others (unquoted)						
Investments in equity instruments of other companies (fully paid up)						
Rediff.Com India Limited	-	-	-	5	15,23,000	292.77
Investments in mutual funds						
Birla Sun Life Saving Fund	100	39,616	3.98	100	22,896	2.29
JPMorgan India Government Securities Fund (Growth Option) (Regular Plan)	10	10,71,793	12.60	-	-	-
Birla Sun Life Government Securities Fund - Long Term Plan (Growth Option) (Regular Plan)	10	3,02,502	12.60	-	-	-
IDFC Government Securities Fund - Investment Plan (Growth Option) (Regular Plan)	10	7,56,611	12.60	-	-	-
Kotak Income Opportunities Fund(Growth Option) (Regular Plan)	10	54,74,496	83.33	-	-	-
ICICI Prudential Regular Income Fund(Growth Option) (Regular Plan)	10	59,44,271	83.33	-	-	-
Reliance Regular Savings Fund- Debt Option (Growth Option) (Regular Plan)	10	43,03,407	83.33	-	-	-
			<u>291.77</u>			<u>2.29</u>
			<u>291.77</u>			<u>295.06</u>
Aggregate of unquoted investments						
Equity Shares			-			292.77
- At carrying value						
Mutual Fund			291.77			2.29
- At carrying value			313.55			2.30
- At net asset value						



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.16 Stock-in-trade

Preference shares (quoted)

6.00% Cumulative Redeemable Non-Convertible Preference Shares - Zee Entertainment Enterprises Limited*

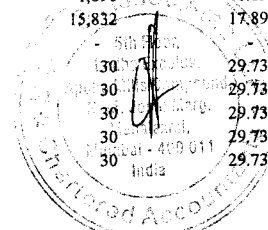
16.46% Infrastructure Leasing & Financial Services Limited 15.10.2022 Preference Shares

(A)

Debentures and bonds (quoted)

8.76% Government Stock Floating Rate Bond 21.12.2020
7.80% Government Stock 11.04.2021 Bonds
7.83% Government Stock 11.04.2018 Bonds
8.24% Government Stock 22.04.2018 Bonds
8.07% Government Stock 15.01.2017 Bonds
7.28% Government Stock 03.06.2019 Bonds
7.94% Government Stock 24.05.2021 Bond
8.20% Government Stock 15.02.2022 Bond
8.12% Government Stock 10.12.2020 Bonds
6.35% Government Stock 02.01.2020 Bond
5.64% Government Stock 02.01.2019 Bonds
8.35% Government Stock 14.05.2022 Bonds
7.80% Government Stock 03.05.2020 Bonds
10.03% Government Stock 09.08.2019 Bonds
6.05% Government Stock 02.02.2019 Bonds
8.60% Government Stock 02.06.2028 Bonds
8.27% Government Stock 09.06.2020 Bonds
8.40% Government Stock 28.07.2024 Bonds
6.25% Government Stock 02.01.2018 Bonds
5.69% Government Stock 25.09.2018 Bonds
8.19% Government Stock 16.01.2020 Bonds
9.20% Government Stock 30.09.2030 Bonds
6.90% Government Stock 13.07.2019 Bonds
8.24% Government Stock 10.11.2033 Bonds
8.33% Government Stock 07.06.2036 Bonds
8.30% Government Stock 02.07.2040 Bonds
8.07% Government Stock 03.07.2017 Bonds
6.05% Government Stock 12.06.2019 Bonds
7.16% Government Stock 20.05.2023 Bonds
10.03% Rajasthan State Development Loans Special 18.10.2028 Bonds
9.16% Rajasthan State Development Loan Government Stock Special 18.10.2028 Bonds
9.99% Rajasthan State Development Loan Special 18.10.2028 Bonds
9.35% Bengal State Development Loans 09.10.2023 Bonds
7.68% Government Stock 15.12.2023 Bonds
8.13% Government Stock 22.06.2045 Bonds
8.15% Government Stock 24.11.2026 Bonds
6.35% Government Stock 02.01.2020 Bonds
8.20% Government Stock 15.02.2022 Bonds
7.94% Government Stock 24.05.2021 Bonds
7.59% Government Stock 11.01.2026 Bonds
8.08% Government Stock 02.08.2022 Bonds
11.60% ECL Finance Limited Cumulative 28.01.2017 NCD
11.60% ECL Finance Limited 28.01.2017 NCD
12.00% ECL Finance Limited 26.04.2020 NCD (Annualy)
10.45% ECL Finance Limited 11.03.2018 NCD (Yearly)
10.45% ECL Finance Limited 11.03.2018 NCD (Cumulative)
10.15% ECL Finance Limited 11.03.2020 NCD (Monthly)
11.85% ECL Finance Limited Cumulative 28.01.2019 NCD
10.60% ECL Finance Limited 11.03.2020 NCD (Yearly)
0.00% Edelweiss Financial Services Limited 20.06.2018 NCD
9.30% Blue Dart Express Limited 20.11.2017 NCD
9.40% Blue Dart Express Limited 20.11.2018 NCD*
9.50% Blue Dart Express Limited 20.11.2019 NCD
9.01% National Housing Bank 13.01.2034 NCD
8.76% National Housing Bank 13.01.2034 NCD
8.45% India Infra debt Limited 04.02.2025 NCD
8.55% India Infra debt Limited 04.02.2020 Bonds
8.50% India Infrastructure Finance Co. Ltd. 12.11.33 Bonds
8.48% India Infrastructure Finance Co. Ltd. 22.01.29 Bonds
11.40% The Tata Power Co Ltd Perpetual 02.06.2021 NCD
8.63% Rural Electrification Corporation Limited Perpetual Bonds
8.63% Indian Railway Finance Corporation Limited Perpetual Bonds
7.34% Indian Railway Finance Corporation Limited 19.02.2028 Bonds
8.66% National Thermal Power Corporation Limited Perpetual Bonds
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD
8.14% Nuclear Power Corporation Of India Ltd 25.03.2026 Bonds
8.14% Nuclear Power Corporation Of India Ltd 25.03.2027 Bonds
8.14% Nuclear Power Corporation Of India Ltd 25.03.2028 Bonds
8.14% Nuclear Power Corporation Of India Ltd 25.03.2029 Bonds
8.14% Nuclear Power Corporation Of India Ltd 25.03.2030 Bonds

Face Value	As at 31 March 2016		Amount	Face Value	As at 31 March 2015		Amount
	Quantity				Quantity		
1	6,25,744	0.56	1	2,643	0.00		
15,000	19	0.29					
	6,25,763	0.85		2,643	0.00		
-	-	-	100	5,00,000	47.23		
100	3,60,00,000	3,596.31	100	10,00,000	96.04		
-	-	-	100	1,55,00,000	1,529.66		
100	15,00,000	151.06	100	1,00,00,000	1,007.04		
-	-	-	100	50,00,000	495.14		
100	2,50,000	24.14	100	2,47,50,000	2,363.78		
-	-	-	100	5,00,000	47.76		
-	-	-	100	5,00,000	48.85		
100	80,00,000	807.88	100	65,00,200	642.60		
-	-	-	100	2,15,00,000	1,966.81		
-	-	-	100	80,00,000	717.73		
100	1,45,00,000	1,475.68	100	1,95,00,000	1,921.02		
100	3,70,00,000	3,692.35	100	3,50,00,000	3,389.72		
100	20,00,000	211.29	100	20,00,000	211.29		
-	-	-	100	15,00,000	136.64		
-	-	-	100	90,00,000	958.94		
100	6,25,00,000	6,373.11	100	2,55,00,000	2,590.58		
100	5,20,00,000	5,342.29	100	4,15,00,000	4,329.28		
-	-	-	100	75,00,000	706.93		
-	-	-	100	25,00,000	228.10		
-	-	-	100	75,00,000	746.89		
-	-	-	100	5,00,000	55.88		
100	20,00,000	194.77	100	1,35,00,000	1,307.48		
-	-	-	100	70,00,000	731.71		
-	-	-	100	10,00,000	104.90		
-	-	-	100	30,00,000	315.12		
-	-	-	100	55,00,000	546.53		
-	-	-	100	2,50,000	23.51		
-	-	-	100	5,00,000	47.98		
100	10,000	1.12	-	-	-		
100	27,000	2.86	-	-	-		
100	30,000	3.36	-	-	-		
100	80,000	8.32	-	-	-		
100	45,00,000	445.46	-	-	-		
100	30,00,000	301.76	-	-	-		
100	5,00,000	50.50	-	-	-		
100	1,25,00,000	1,182.52	-	-	-		
100	5,00,000	49.66	-	-	-		
100	5,00,000	48.95	-	-	-		
100	40,00,000	400.57	-	-	-		
100	5,00,000	50.02	-	-	-		
1,000	1,666	1.66	-	-	-		
-	-	-	1,000	927	0.92		
-	-	-	1,000	45,000	46.35		
1,000	467	0.47	1,000	1,35,000	132.64		
1,000	185	0.18	-	-	-		
1,000	536	0.53	-	-	-		
1,000	50,445	51.71	1,000	201	0.20		
1,000	19,000	19.29	-	-	-		
10,00,000	130	140.80	-	-	-		
-	-	-	10	14,03,146	13.67		
-	-	-	10	254	0.00		
-	-	-	10	2,76,016	2.68		
-	-	-	5,000	1,061	6.10		
-	-	-	5,000	6,098	34.76		
-	-	-	10,00,000	239	236.61		
-	-	-	10,00,000	31	30.77		
-	-	-	1,000	1,000	1.11		
-	-	-	1,000	60,000	65.94		
-	-	-	10,00,000	26	27.24		
-	-	-	1,000	50,000	55.50		
-	-	-	1,000	50,000	55.35		
-	-	-	1,000	1,896	1.89		
-	-	-	1,000	15,832	17.89		
13	30,96,248	38.57	-	-	-		
-	-	-	10,00,000	30	29.73		
-	-	-	10,00,000	30	29.73		
-	-	-	10,00,000	30	29.73		
-	-	-	10,00,000	30	29.73		
-	-	-	10,00,000	30	29.73		
-	-	-	10,00,000	30	29.73		



Edelweiss Finance & Investments Limited

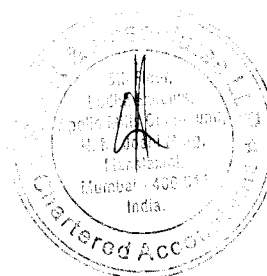
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.16 Stock-in-trade

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Debentures and bonds (quoted) continued						
9.90 % Yes Bank Ltd Perpetual NCD	-	-	-	10,00,000	14	13.70
9.60 % Fullerton India Credit Co. Ltd 26.12.2024 NCD	-	-	-	10,00,000	100	99.05
9.18% Mahindra and Mahindra Financial Services Ltd. 31.01.2025 Bonds	-	-	-	10,00,000	50	49.18
7.39% Housing And Urban Development Corporation Limited 15.03.2031 Bonds	1,000	349	0.35	-	-	-
9.75% Rural Electrification Corporation Limited 11.11.2021 Bonds	10,00,000	1	1.04	-	-	-
7.38% Rural Electrification Corporation Limited 19.12.2027 Bonds	1,000	2,300	2.30	-	-	-
7.64% Indian Railway Finance Corporation 22.03.2031 NCD	1,000	2,690	2.68	-	-	-
8.48% India Infrastructure Finance Company Limited 05.09.2028 Bonds	10,00,000	5	5.46	-	-	-
7.35% Indian Railway Finance Corporation 22.03.2031 NCD	1,000	5,984	6.01	-	-	-
10.25% LIC Housing Finance Limited 14.05.2017 Bonds	10,00,000	6	6.05	-	-	-
8.58% Housing And Urban Development Corporation Limited 13.01.2029 NCD	1,000	15,000	16.68	-	-	-
7.18% Rural Electrification Corporation Limited 05.11.2035 Bonds	1,000	314	0.31	-	-	-
7.69% National Highways Authority Of India 09.03.2031 NCD	1,000	22,823	22.82	-	-	-
7.39% Housing And Urban Development Corporation Limited 15.03.2031 Bonds	1,000	31,068	31.07	-	-	-
7.43% Rural Electrification Corporation Limited 05.11.2035 Bonds*	1,000	2	0.00	-	-	-
7.28% National Thermal Power Corporation Limited 05.10.2030 NCD	1,000	31,229	31.59	-	-	-
7.28% National Highways Authority Of India 18.09.2030 NCD	10,00,000	50	50.75	-	-	-
7.64% National Bank For Agriculture And Rural Development 23.03.2031 Bonds	1,000	74,524	74.15	-	-	-
8.12% Rural Electrification Corporation Limited 27.03.2027 Bonds	1,000	486	0.51	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	1,000	2,688	2.71	-	-	-
8.20% Housing And Urban Development Corporation Limited 05.03.2027 Bonds	1,000	10,500	10.97	-	-	-
7.74 % Indian Renewable Energy Development Agency Limited 21.01.2031 Bonds	1,000	50,000	51.50	-	-	-
7.11% Power Finance Corporation Limited 17.10.2025 Bonds	1,000	392	0.39	-	-	-
7.85% The Industrial Finance Corporation Limited 15.09.2020 NCD	5,000	267	1.18	-	-	-
8.00% Industrial Finance Corporation Limited 31.01.2021 Bonds	5,000	240	1.11	-	-	-
9.25% Muthoot Finance Limited 14.10.2018 NCD	1,000	26,545	26.58	-	-	-
7.60% Power Finance Corporation Limited 17.10.2035 NCD	1,000	3,959	4.01	-	-	-
7.35% Power Finance Corporation Limited 17.10.2035 NCD	1,000	13,762	13.93	-	-	-
11.50% Lakshmi Vilas Bank Limited 30.09.2025 NCD	5,00,000	51	25.90	-	-	-
7.18% Indian Railway Finance Corporation Limited 19.02.2023 Bonds	1,000	1,079	1.08	-	-	-
8.50% India Infrastructure Finance Company Limited 12.11.2033 Bonds	1,000	15,380	17.46	-	-	-
9.45% State Bank Of India 16.03.2026 Bonds	10,000	2,700	28.05	-	-	-
8.35% Indian Railway Finance Corporation 21.11.2023 Bonds	10,00,000	40	42.41	-	-	-
12.25% Muthoot Finance Limited 14.09.2016 NCD	1,000	1,000	1.00	-	-	-
8.00% Indian Railway Finance Corporation Limited 23.02.2022 Bonds	1,000	5,203	5.40	-	-	-
7.28% Indian Railway Finance Corporation Limited 21.12.2030 Bonds	1,000	15,851	15.81	-	-	-
0.00% National Bank For Agriculture And Rural Development 01.02.2019 NCD	20,000	152	2.41	-	-	-
5.00% New Media Broadcasting Private Limited 18.02.2021 NCD	10,00,000	400	400.00	-	-	-
8.46% India Infrastructure Finance Company Limited 30.08.2028 NCD	10,00,000	18	19.35	-	-	-
11.80% Tata Steel Limited 18.03.2021 Perpetual NCD	10,00,000	1	1.08	-	-	-
7.64% The Housing And Urban Development Corporation Limited 08.02.2031 Bonds	1,000	3,499	3.50	-	-	-
8.40% Indian Railway Finance Corporation Limited 18.02.2029 Bonds	1,000	5,000	5.45	-	-	-
8.38% India Infrastructure Finance Company Limited 12.11.2028 Bonds	1,000	10,000	10.95	-	-	-
18.50% Manyata Developers Private Limited 30.12.2020 NCD	10,00,000	450	450.00	-	-	-
6.25% Avantha Holdings Limited NCD	1,00,00,000	40	400.00	-	-	-
9.00% Gonibedu Coffee Estate Private Limited 14.05.2017 NCD	1,00,00,000	43	430.00	-	-	-
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	1,00,00,000	42	420.00	-	-	-
18.00% Ruparel Homes India Private Limited 13.02.2018 NCD	-	-	-	5,00,000	800	400.00
(B)			27,311.19			28,755.33
Debentures and bonds (unquoted)						
18.50% Suranjan Holding and Estate Developers Pvt. Ltd. 21.02.17 NCD	-	-	-	10,00,000	190	190.00
12.75% Mahan Synthetic Textiles Pvt. Ltd. 18.12.2016 NCD	-	-	-	1,00,00,000	40	400.00
(C)			-			590.00
Total(A+B+C)			27,312.04			29,345.33
Aggregate of stock-in-trade in quoted preference shares						
- At carrying value*			0.85			0.00
- Market value*			0.85			0.00
Aggregate of stock-in-trade in quoted debentures and bonds						
- At carrying value			-			590.00
Aggregate of stock-in-trade in quoted debentures and bonds						
- At carrying value			27,311.19			28,755.33
- Market value			27,326.38			29,246.08

* Amount is less than 0.01 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.17 Trade receivables

Outstanding for a period exceeding six months

Unsecured, considered doubtful

Less: Provision for doubtful debts

As at
31 March 2016

As at
31 March 2015

58.83

23.64

58.83

23.64

-

-

Other debts

Unsecured, considered good

18.44

90.95

Trade receivables from related parties (considered good)

14.29

-

32.73

90.95

2.18 Cash and bank balances

Cash and cash equivalents

Cash in hand

0.10

0.15

Balances with banks

- in current accounts

1,594.77

277.44

- in fixed deposits with original maturity less than 3 months

8.30

-

1,603.17

277.59

Other banks balances

- Short term deposits with banks

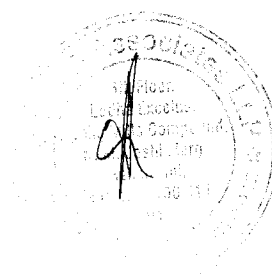
50.00

50.11

(Other bank deposits with maturity less than 12 months)

1,653.17

327.70



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.19 Short-term loans and advances

Secured

(considered good, unless stated otherwise)

Receivable from financing business

- considered good

- considered non performing asset

As at
31 March 2016

As at
31 March 2015

3,719.59

1,876.23

3,719.59

1,876.23

Unsecured

(considered good, unless stated otherwise)

Receivable from financing business

- considered non performing asset

31.20

31.50

-

-

Other loans and advances

Deposits placed with exchange/ depositories

11.00

46.21

Deposits- others

0.94

0.84

Prepaid expenses

0.85

35.41

Loans and advances to employees

0.25

0.04

Vendor advances

3.55

4.68

Input tax credit

15.00

3.32

Advances recoverable in cash or in kind or for value to be received

1.61

3.82

64.40

125.82

3,783.99

2,002.05

2.20 Other current assets

Accrued interest on fixed deposits

0.02

0.05

Accrued interest on debt instruments

759.88

668.21

Accrued interest on loans given

105.61

27.61

Accrued interest on margin

0.24

2.35

Mark to Market on interest rate swap

-

15.66

Margin for Mark to market on interest rate swap

130.89

222.29

Premium paid on outstanding exchange traded options (including MTM)

0.96

9.24

Contribution to gratuity fund (net)

-

0.48

Margin placed with broker

195.76

84.73

1,193.36

1,030.62

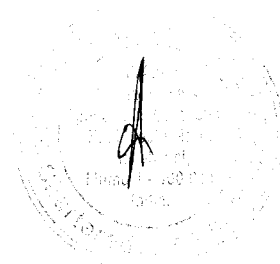


Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.21 Fee and commission income		
Processing and other fees	85.46	260.23
	<u>85.46</u>	<u>260.23</u>
2.22 Income from treasury and investments		
Profit on trading of securities (net)	269.53	960.34
(Loss) / profit on trading in equity derivative instruments (net)	(129.74)	117.99
Profit on trading in currency derivative instruments (net)	-	1.25
Loss on interest rate derivatives (net)	(195.85)	(679.61)
(Loss) / profit on sale of Current Investment	(29.70)	0.00
Interest received on interest rate derivatives	11.97	26.85
Profit on sale of non current investments	71.55	108.60
Dividend on investments	64.90	3.30
Cost of benchmark linked debenture	(302.41)	(186.66)
	<u>(239.75)</u>	<u>352.06</u>
2.23 Interest Income		
On loans	999.90	432.65
On fixed deposits	4.52	6.08
On debt instruments	2,344.67	2,838.74
On margin with brokers	1.73	2.23
On collateralised borrowing and lending obligation	2.94	5.85
On others	7.19	10.58
	<u>3,360.95</u>	<u>3,296.13</u>
2.24 Other income		
Income from training centre	37.16	40.27
Miscellaneous income	2.18	1.82
	<u>39.34</u>	<u>42.09</u>



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

For the year ended
31 March 2016

For the year ended
31 March 2015

2.25 Employee benefit expenses

Salaries and wages (refer note 2.64)	128.67	211.97
Contribution to provident and other funds	4.93	1.76
Staff welfare expenses	1.28	0.35
	<u>134.88</u>	<u>214.08</u>

2.26 Finance costs

Interest on debentures	160.56	14.70
Interest on subordinate debt	11.14	-
Interest on loan from holding company	210.56	233.73
Interest on loan from fellow subsidiaries	4.62	0.48
Interest on collateralised borrowing and lending obligation	1,624.08	2,472.37
Collateralised borrowing and lending obligation charges	8.51	10.66
Interest on inter-corporate deposits	0.22	0.21
Interest on shortfall in payment of advance income tax	1.39	-
Discount on commercial paper	62.82	92.63
Financial and bank charges	31.42	33.35
Interest - others	4.18	15.32
	<u>2,119.50</u>	<u>2,873.45</u>

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Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

	For the year ended 31 March 2016	For the year ended 31 March 2015
(Currency : Indian rupees in millions)		
2.27 Other expenses		
Advertisement and business promotion	0.81	1.07
Auditors' remuneration (refer below)	1.83	1.54
Bad- debts written off	5.99	59.59
Commission and brokerage	0.93	2.53
Communication	2.10	1.45
Computer expenses	0.15	0.26
Computer software expenses	0.21	0.09
Clearing and custodian charges	4.20	6.07
Dematerialisation charges	0.40	0.08
Diminution in value of Investments	20.00	-
Directors' sitting fees	0.38	0.38
Donation	0.40	0.20
Electricity charges (Refer note 2.64)	8.76	8.41
Legal and professional fees	19.85	9.62
Loss on sale of fixed assets*	2.26	0.00
Membership and subscription	0.05	0.07
Office expenses	0.11	0.02
Printing and stationery	0.32	0.08
Provision for standard assets	9.03	10.52
Provision for non performing assets/ (written back)	-	(59.59)
Provision for doubtful debts/ (written back)	35.18	(3.34)
Rates and taxes	0.35	0.27
Rating support fees	26.10	5.30
Rent (Refer note 2.64)	8.07	7.63
Repairs and maintenance	2.22	2.15
Security transaction tax	3.27	1.80
Seminar & conference*	0.01	0.00
Service tax and VAT expenses	8.48	(18.71)
Stamp duty	2.91	4.56
Stock exchange expenses	1.45	0.80
Travelling and conveyance	4.39	2.53
Miscellaneous expenses	32.94	35.71
	203.15	81.09
Auditors' remuneration:		
As auditor	1.52	1.20
For other services (certification)	0.22	0.25
For reimbursement of expenses	0.09	0.09
	1.83	1.54

* Amount is less than 0.01 million

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.28 Segment reporting

Primary Segment (Business segment)

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

Segment	Activities covered
Capital based business	Income from treasury operations, derivatives, income from investments and dividend income
Agency business	Advisory services
Financing business	Wholesale financing

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 31 March, 2016	For the Year Ended 31 March, 2015
I Segment Revenue		
a) Capital based business	2,175.95	3,146.84
b) Agency business	79.81	254.18
c) Financing business	944.10	507.38
d) Unallocated	46.14	42.11
Total Income	3,246.00	3,950.51
II Segment Results		
a) Capital based business	263.50	241.43
b) Agency business	37.77	238.82
c) Financing business	493.07	307.58
d) Unallocated	(26.29)	(26.42)
Profit before taxation	768.05	761.42
Less : Provision for taxation	245.49	253.87
Profit after taxation	522.56	507.55
Particulars	As at 31 March, 2016	As at 31 March, 2015
III Segment Assets		
a) Capital based business	29,967.77	31,287.15
b) Agency business	14.42	8.70
c) Financing business	7,952.86	6,085.98
d) Unallocated	617.48	677.31
Total	38,552.53	38,059.14
IV Segment Liabilities		
a) Capital based business	28,733.76	29,062.10
b) Agency business	6.53	13.49
c) Financing business	5,846.71	4,617.88
d) Unallocated	350.69	555.07
Total	34,937.69	34,248.54
V Capital Expenditure		
a) Capital based business	8.48	1.21
b) Agency business	0.31	0.10
c) Financing business	3.68	1.00
d) Unallocated	0.18	12.08
Total	12.65	14.39
VI Depreciation and amortisation		
a) Capital based business	3.93	7.25
b) Agency business	0.05	0.59
c) Financing business	8.13	4.02
d) Unallocated	8.31	8.62
Total	20.42	20.48
VII Non-Cash expenditure other than depreciation and		
a) Capital based business	0.39	5.82
b) Agency business	41.19	0.47
c) Financing business	9.20	0.94
d) Unallocated	0.01	0.08
Total	50.79	7.31

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

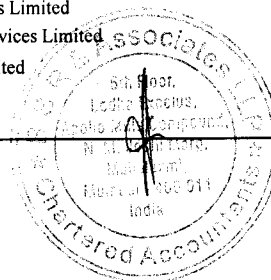
2.29 Related parties

List of related parties and relationship:	
Relationship	Name of related parties
Holding Company	Edelweiss Financial Services Limited
Subsidiary Company	EC Global Limited Olive Business Centre Limited (from December 4, 2014)
Fellow Subsidiaries	ECL Finance Limited ECap Equities Limited EC Commodity Limited Edelcap Securities Limited Edelweiss Broking Limited Edelweiss Securities Limited Edel Finance Company Limited Arum Investments Pvt. Limited Edelweiss Web Services Limited Edelweiss Housing Finance Limited Edelweiss Investment Adviser Limited Edelweiss Commodities Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Tokio Life Insurance Company Limited EdelGive Foundation EW Clover Scheme 1
Key Management Personnel	Venkat Ramaswamy Gaurang Tailor (upto May 21, 2014)

Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

ii. Transactions with related parties :

Nature of Transactions	Related Party Name	31 March 2016	31 March 2015
A. Capital account transactions			
Investment in Equity Shares of	Olive Business Centre Limited	-	181.11
Purchase of equity shares	ECL Finance Limited	-	0.50
Sale of Preference Shares to	ECL Finance Limited	-	110.00
Issue of Subordinate debt to	Edelweiss Tokio Life Insurance Company Limited	150.00	-
Redemption of Non convertible Debenture	Edelweiss Tokio Life Insurance Company Limited	-	150.00
Redemption of Benchmark linked Debentures	Ecap Equities Limited	3,462.00	-
B Current account transactions			
Loans taken from (Refer Note 1)	Edelweiss Financial Services Limited	13,982.53	10,249.44
	Edelweiss Commodities Services Limited	999.17	-
Loan repaid to (Refer Note 1)	Edelweiss Financial Services Limited	13,895.38	10,640.61
	Edelweiss Commodities Services Limited	989.10	4.57
Loans given to (Refer Note 1)	Edelweiss Financial Services Limited	1,461.32	-
	Olive Business Centre Limited	8.20	0.47
	EW Clover Scheme 1	200.00	-
Repayment of loans by (Refer Note 1)	Edelweiss Financial Services Limited	1,461.32	-
	Edelweiss Commodities Services Limited	400.00	-
	Olive Business Centre Limited	8.20	0.47
	EW Clover Scheme 1	200.00	-



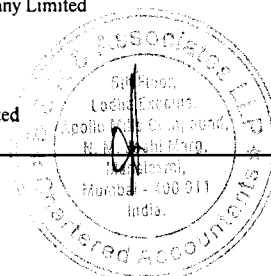
Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

2.29 Related parties (Continued)

Nature of Transactions	Related Party Name	31 March 2016	31 March 2015
C Secondary market transactions			
Purchases of securities (Stock in trade) from	ECL Finance Limited	8,779.22	2,309.80
	Edelweiss Commodities Services Limited	7,321.71	4,987.27
	Arum Investments Pvt. Limited	304.35	-
	ECap Equities Limited	621.25	-
	Edelweiss Tokio Life Insurance Company Limited	839.86	-
	Edelweiss Web Services Limited	1,171.28	-
Sale of securities (Stock in trade) to	ECL Finance Limited	1,266.35	545.58
	Edelweiss Commodities Services Limited	1,367.30	337.92
	Edelweiss Securities Limited	531.59	319.57
	Arum Investments Pvt. Limited	-	58.02
	Edelweiss Tokio Life Insurance Company Limited	1,032.97	96.40
	ECap Equities Limited	19.28	49.71
	Edelweiss Web Services Limited	-	528.45
Margin placed with (Refer Note 1)	Edelweiss Securities Limited	362.39	251.71
Margin refund received from (Refer Note 1)	Edelweiss Securities Limited	251.35	167.05
D Other transactions			
Interest Income on loan given to	Edelweiss Financial Services Limited	33.81	-
	Edelweiss Commodities Services Limited	43.41	48.00
	Olive Business Centre Limited	0.08	-
	EW Clover Scheme 1	1.22	-
Interest Expense on loan taken from	Edelweiss Financial Services Limited	210.56	233.73
	Edelweiss Commodities Services Limited	4.62	0.48
Interest expense on non convertible debenture to	Edelweiss Tokio Life Insurance Company Limited	-	11.19
Interest Expense on benchmark linked debentures to	ECap Equities Limited	282.96	-
Interest expense on subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	11.14	-
Interest received on debt instruments from	ECL Finance Limited	0.51	1.10
Interest received on margin placed with brokers	Edelweiss Securities Limited	1.72	2.23
Dividend paid to	Edelweiss Financial Services Limited	550.92	199.13
Reimbursement paid to	Edelweiss Commodities Services Limited	1.95	2.15
	Edelweiss Financial Services Limited	467.15	159.85
	ECL Finance Limited	-	50.00
Cost reimbursement paid to	Edelweiss Financial Services Limited	14.10	-
	Edelweiss Commodities Services Limited	9.07	7.63
	Edelweiss Web Services Limited	0.06	0.04
	ECL Finance Limited	-	0.59
Rating support fees paid to	Edelweiss Financial Services Limited	26.10	5.30
Clearing charges and Stamp Duty paid to	Edelweiss Securities Limited	0.07	0.12
Commission and brokerage paid to	Edelweiss Securities Limited	0.04	0.22
Donation given to	EdelGive Foundation	0.40	0.20
Remuneration paid to (refer Note 2)	Venkat Ramaswamy	46.64	27.13
	Gaurang Tailor	-	0.16
E Balances with related parties			
Liabilities			
Subordinate debt	Edelweiss Tokio Life Insurance Company Limited	150.00	-
Benchmark linked debentures	ECap Equities Limited	12.50	-
Interest expense accrued and due on borrowings	Edelweiss Financial Services Limited	3.24	7.90
	Edelweiss Commodities Services Limited	0.50	0.00



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

2.29 Related parties (Continued)

Nature of Transactions	Related Party Name	31 March 2016	31 March 2015
Interest expense accrued but not due on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	11.14	-
Interest expense accrued but not due on benchmark linked debentures	ECap Equities Limited	1.76	-
Remuneration payable to (refer Note 2)	Venkat Ramaswamy	38.50	20.00
Corporate guarantee taken from	Edelweiss Financial Services Limited	12,145.50	5,433.10
Trade payables to	Edelweiss Financial Services Limited	30.28	0.98
	Edelweiss Securities Limited	1.15	192.23
	Edelweiss Commodities Services Limited	0.18	0.06
	ECL Finance Limited	0.22	0.77
	Edelweiss Web Services Limited	0.06	0.04
	EW Clover Scheme 1	0.10	-
	Edelweiss Housing Finance Limited	-	0.52
	Edelweiss Asset Management Limited	0.05	-
Dividend Payable to	Edelweiss Financial Services Limited	-	199.13
Investment in Equity shares of	EC Global Limited	0.44	0.44
	Olive Businesss Centre Limited	181.61	181.61
Investment in preference shares of	Arum Investments Pvt. Limited	116.58	116.58
	Edelweiss Broking Limited	374.00	374.00
Investment in Stock in trade (Debentures) of	Edelweiss Financial Services Limited	140.80	-
	ECL Finance Limited	73.83	71.49
Unsecured loan taken from	Edelweiss Financial Services Limited	123.41	36.26
	Edelweiss Commodities Services Limited	10.90	0.83
Assets			
Accrued interest income on loans given to	Edelweiss Commodities Services Limited	-	2.49
Accrued interest income on debentures of	Edelweiss Financial Services Limited	0.96	-
	ECL Finance Limited	32.84	0.04
Long term loans and advances			
Receivable from financing business from	Edelweiss Commodities Services Limited	-	400.00
Short term loans and advances			
Advances recoverable in cash or in kind or for value to be received from	Edelweiss Financial Services Limited	1.05	0.30
	Edelcap Securities Limited	0.19	-
	Edelweiss Web Services Limited	0.37	0.15
	Edelweiss Securities Limited	-	0.01
	Arum Investments Pvt. Limited	-	-
	ECL Finance Limited	-	0.11
	Others - Fellow subsidiary companies	-	0.01
Trade Recivables	ECL Finance Limited	14.29	-
Other current assets			
Accrued interest on income on margin placed with	Edelweiss Securities Limited	0.08	0.19
Receivable from broker	Edelweiss Securities Limited	195.76	84.73

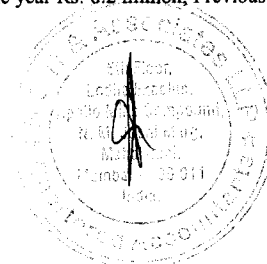
Note 1: The Intra group company loans are generally in the nature of revolving demand loans. Loan given/taken to/from related parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.

Note 2: Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis.

* Amounts is less than 0.01 million

Disclosure of loans and advances pursuant to regulation 53 of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:

- Nil (Previous year: Nil) due from Edelweiss Financial Services Limited (maximum amount due at any time during the year Rs.1461.32 million; Previous year: Nil)
- Nil (Previous year: Nil) due from Olive Businesss Centre Limited (maximum amount due at any time during the year Rs. 8.2 million; Previous year: 0.47 million)



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.30 Earnings per share

In accordance with Accounting Standard 20 on earnings per shares as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014., the computation of earnings per share is set out below:

	2016	2015
a) Profit for the year (as per statement of profit and loss)	522.55	507.55
Less: Preference dividend on cumulative preference share capital	45.89	45.89
Less : Dividend Distribution Tax on above preference dividend	9.34	9.18
Profit attributable to Equity Shareholders	467.32	452.48
b) Calculation of weighted average number of Equity Shares of Rs 10 each:		
- Number of equity shares outstanding at the beginning of the year	2.66	2.66
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	2.66	2.66
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	2.66	2.66
c) Basic and diluted earnings per share (in Rupees) (a/b)	176.01	170.43

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at the year ended 31 March 2016.

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

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

Amount of Rs.2.51 million (previous year: Rs. 1.15 million) is recognised as expenses and included in "Employee Benefits Expense" – Note 2.25 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

The following tables summarize the components of the net benefit expenses recognized in the statement profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Net employee benefit expenses (recognized in employee cost)

	2016	2015
Current service cost	1.20	0.70
Interest on defined benefit obligation	0.52	0.50
Expected return on plan assets	(0.51)	(0.43)
Actuarial (gain)/losses	1.28	(0.16)
Total included in Employee benefit expenses	2.49	0.61

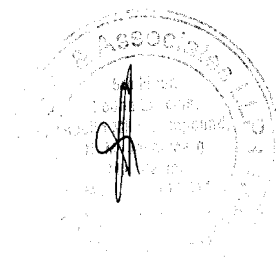
Balance Sheet

Changes in the present value of the defined benefit obligation (DBO) are as follows:

	2016	2015
Present value of DBO at start of year	6.72	6.67
Employee transfer in / out adjustment	(0.03)	(1.10)
Interest cost	0.52	0.50
Current service cost	1.20	0.70
Benefit paid	(1.20)	(0.73)
Actuarial (gain)/loss on obligations	1.15	0.68
Present value of DBO at end of year	8.36	6.72

Changes in the Fair Value of Plan Assets are as follows:

	2016	2015
Fair value of plan assets at the beginning of the year	7.21	4.21
Expected Return on Plan Asset	0.51	0.43
Contributions by Employer	2.00	2.46
Benefits paid	(1.20)	(0.73)
Actuarial (loss)/Gain	(0.13)	0.84
Fair value of plan assets at the end of the year	8.38	7.21



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (Continued)

Amount recognised in the Balance Sheet:

Particulars	2016	2015	As at 31 March, 2014	2013	2012
Present value of DBO	8.37	6.72	6.67	4.07	2.15
Fair value of plan assets	8.38	7.21	4.21	2.55	2.26
Net (Assets)/Liability	0.01	0.48	(2.46)	(1.52)	0.11

Experience Adjustments:

Particulars	2016	2015	As at 31 March, 2014	2013	2012
-On Plan Liabilities: (Gain)/ Loss	1.01	0.19	0.76	1.12	(1.53)
-On Plan Assets: Gain/ (Loss)	(0.14)	0.84	0.22	(0.05)	0.03
Estimated Contribution for next year	-	-	2.50	1.50	-

Principle actuarial assumptions at the balance sheet date:

	2016	2015
Discount rate current	7.40%	7.80%
Salary escalation rate	7%	7%
Employees attrition rate	13%-25%	13%-25%

2.32 Encumbrances' on fixed deposits held by the Company

- Sales tax authorities: Rs. Nil (Previous year: Rs. 0.07 million) for meeting deposit requirements.
- The Collector of Raigad, Alibagh state excise department: Rs. 0.05 million (Previous year: Rs. 0.10 million) for license.
- Barclays Bank Rs 8.30 million (Previous year: Rs. Nil) for meeting margin requirement for trading in interest rate swaps.
- Ratnakar Bank: Rs 50.00 million (Previous year: Rs. 50.00 million) against Overdraft facility.

2.33 Details of unsecured debentures issued

Details of the unsecured Debentures issued as at 31 March 2016

Rate of Interest	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	Total
11.00%	150.00	-	-	-	150.00

2.34 Details of secured debentures issued

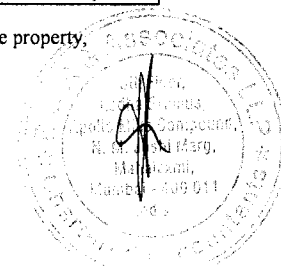
As at 31 March 2016

Interest rate range	> 3 Years	2 - 3 Years	Maturity 1 - 2 Years	< 1 Year	Total
Non-convertible debentures					
10% to 11%	-	1,500.00	-	-	1,500.00
Benchmark linked debentures	722.57	1,158.58	2,343.38	1,739.29	5,963.82
Total	722.57	2,658.58	2,343.38	1,739.29	7,463.82

As at 31 March 2015

Interest rate range	> 3 Years	2 - 3 Years	Maturity 1 - 2 Years	< 1 Year	Total
Non-convertible debentures					
10% to 11%	-	1,500.00	-	-	1,500.00
Benchmark linked debentures	698.77	834.69	475.39	1,922.50	3,931.35
Total	698.77	2,334.69	475.39	1,922.50	5,431.35

a) The Company has an asset cover of 100% in accordance with the terms of the trust deed by way of charge on immovable property, floating charge on movable properties in the form of receivables.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

b) Debt Equity and Asset cover Ratio:

Particulars	As at 31-Mar-16	As at 31-Mar-15
Shareholders' fund		
Paid up capital - Equity	26.55	26.55
Add : Reserve and surplus	3,117.60	3,313.34
Less : Deferred tax asset	136.00	46.94
Total equity (A)	3,008.15	3,292.95
Debt		
Long-term borrowings	5,874.52	3,508.85
Short-term borrowings	26,785.76	28,709.42
Current maturities of long term borrowings	1,251.80	637.50
Preference Share capital	313.80	313.80
Redemption premium on Preference	156.90	156.90
Total debt (B)	34,382.78	33,326.47
Debt equity ratio (B/A)	11.43	10.12

Asset cover ratio

Particulars	As at 31-Mar-16	As at 31-Mar-15
Assets available		
Loans and advances [#]	8,001.61	5,989.04
Stock in trade	25,212.04	28,355.33
Total (A)	33,213.65	34,344.37
Secured debt		
Long term secured borrowings	5,724.52	3,508.85
Short-term Secured borrowings	24,332.52	27,185.00
Current maturities of secured long term debt	1,251.80	637.50
Total (B)	31,308.84	31,331.35
Asset cover (A/B)	1.06 : 1	1.1 : 1

[#] Includes debentures in the nature of loan and advances, hereinafter referred to as loans and advances

2.35 Open interest in interest rate derivatives:

As at 31 March 2016

Benchmark	Notional principal	Terms	Purpose
MIBOR	7,550	Pay fixed Vs. receive floating	Hedging

As at 31 March 2015

Benchmark	Notional principal	Terms	Purpose
MIBOR	12,500	Pay fixed Vs. receive floating	Hedging

2.36 Open interest in equity index/ stock futures as at 31 March 2016

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved	Position	Purpose
1	NIFTY	28-Apr-16	1771	1,32,825	Long position	Hedging
2	NIFTY	26-May-16	368	27,600	Long position	Hedging

Open interest in equity index/ stock futures as at 31 March 2015

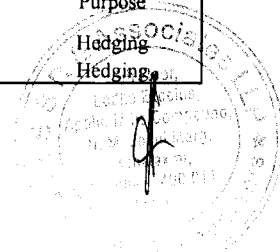
Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved	Position	Purpose
1	NIFTY	30-Apr-15	750	37,500	Long position	Hedging
2	INFY	30-Apr-15	22	2,750	short position	Hedging

2.37 Option equity index/ stock contracts outstanding as at 31 March 2016

Sr. no.	Name of the option – Index / Stock	Total premium carried forward as at 31 March 2016 (Net of provision made)	Purpose
1	Purchaser of option- Nifty	0.96	Hedging
2	Sale of option- Nifty	0.04	Hedging

Option equity index/ stock contracts outstanding as at 31 March 2015

Sr. no.	Name of the option – Index / Stock	Total premium carried forward as at 31 March 2015 (Net of provision made)	Purpose
1	Purchaser of option- Nifty	9.26	Hedging
2	Sale of option- Nifty	5.82	Hedging



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.38 Open interest rate futures as at 31 March 2016 with exchange

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved	Position	Purpose
1	GOI 7.59% 2026	28-Apr-16	6,433	1,28,66,000	Long position	Hedging

Open interest rate futures as at 31 March 2015 with exchange

Sr. No.	Particulars	Expiry date	Number of Contracts	No. of units Involved	Position	Purpose
1	8.40% Central Government Security	30-Apr-15	2,367	47,34,000	Long position	Hedging

2.39 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2016 (Previous year: Rs Nil).

2.40 Contingent liability and commitments

Contingent liability

Taxation matters of Assessment year 2012-13 and Assessment year 2013-14 in respect of which appeal is pending – Rs. 0.53 million (Previous year: Rs. Nil).

Commitments

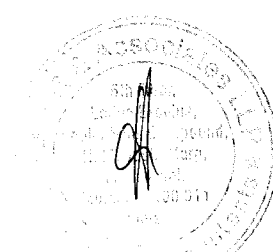
- Uncalled liabilities on non-current investments Rs 43.33 million as at balance sheet date (Previous year: Rs. 2.50 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 0.13 million (Previous year: Rs 0.07 million) as at the balance sheet date.
- Undrawn committed credit lines Rs.351.20 million as at balance sheet date (Previous year: Rs.128.66 million).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

2.41 Details of purchase, sales and change in inventory

Particular	2016	2015
Opening stock		
Equity shares	-	-
Preference shares*	0.00	5.00
Mutual Funds	-	237.88
Debt instruments	29,345.33	18,445.62
Total	29,345.33	18,688.50
Purchase		
Equity shares	-	-
Preference shares*	1,606.23	0.00
Mutual Funds	450.00	-
Debt instruments	2,32,242.86	2,36,955.00
Total	2,34,299.09	2,36,955.00
Sale		
Equity shares	-	-
Preference shares	1,625.15	5.17
Mutual Funds	348.51	263.13
Debt instruments	2,34,628.24	2,26,990.23
Total	2,36,601.90	2,27,258.53
Closing stock		
Equity shares	-	-
Preference shares*	0.85	0.00
Mutual Funds	-	-
Debt instruments	27,311.19	29,345.33
Total	27,312.04	29,345.33
Profit/(Loss) on sale of securities	269.53	960.36

* Amount is less than 0.01 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.42 Key Ratios

The Following table sets forth, for the periods indicated, the key financial ratios.

Particulars	2016	2015
Gross NPAs as a percentage of Total Advance	0.00%	0.00%
Net NPAs as a percentage of Total Advance	0.00%	0.00%
Book Value per share (Rs.) (refer note 1 below)	1132.43	1,240.28
Current Ratio (refer note 2 below)	1.19	1.08
Debt to Equity Ratio (refer note 3 below)	11.43	10.12
Return on average Equity (%) (refer note 4 below)	16.59%	15.92%
Return on average assets (%) (refer note 5 below)	1.36%	1.65%

- 1 Book Value per share = Equity Share Capital (+) Reserves and Surplus (-) Redemption premium on Preference Shares and Deferred Tax Assets / Outstanding number of equity shares
- 2 Current ratio = Current assets / Current liabilities.
- 3 Debt-Equity ratio = Total Debt / Total Equity
Total Debt = Preference shares (+) Redemption premium on preference shares (+) Long term borrowings (+) Short term borrowings (+) Current maturity of long term borrowings
Total Equity = Equity Share Capital (+) Reserves and Surplus (-) Deferred tax asset
- 4 Return on average equity = Profit for the year / [Annual average equity share capital (+) Annual average Reserves and Surplus less Deferred tax asset].
- 5 Return on average assets = Profit for the year / Annual average total assets.

2.43 Investments

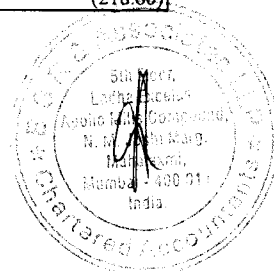
	2016	2015
1) Value of Investments		
i) Gross Value of Investments		
a) In India	1,772.15	1,713.42
b) Outside India	0.44	0.44
ii) Provisions for Depreciation		
a) In India	40.00	20.00
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	1,732.59	1,693.86
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	20.00	20.00
ii) Add : Provisions made during the year	20.00	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	40.00	20.00

2.44 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2016	2015
i) The notional principal of swap agreements	7,550.00	12,500.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	15.66
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps [@]	100%	100%
v) The fair value of the swap book	(169.81)	(218.60)

[@] % of concentration of credit risk arising from swaps with banks.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.44 Derivatives(Continued)

B) Exchange Traded Interest Rate (IR) Derivatives

	2016	2015
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	12,947.60	-
ii) Notional principal amount of exchange traded IR derivatives outstanding	1,286.60	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

C) Qualitative disclosure for Derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative Disclosures

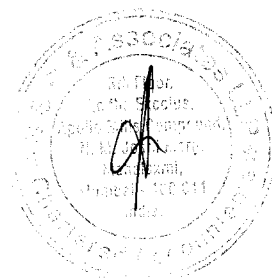
S.no.	Particulars	2016 Currency Derivatives	2016 Interest Rate Derivatives	2015 Currency Derivatives	2015 Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount) For hedging	-	8,836.60	-	12,500.00
ii)	Marked to Market Positions				
	a) Assets (+)	-	-	-	15.66
	b) Liability (-)	-	169.81	-	234.26
iii)	Credit Exposure	-	409.00	-	700.00
iv)	Unhedged Exposures	-	-	-	-

2.45 Capital to Risk Assets Ratio (CRAR)

	2016	2015
i. CRAR (%)	26.08%	30.02%
ii. CRAR - Tier I Capital (%)	20.59%	24.91%
iii. CRAR -Tier II Capital (%)	5.49%	5.11%
iv. Amount of subordinated debt raised as Tier-II capital	150.00	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

2.46 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the year ended 31 March 2016 and 31 March 2015, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.47 Exposure to real estate sector, both direct and indirect; and

	2016	2015
A Direct exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	-	-
ii. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1,565.28	2,193.47
iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
Residential	-	-
Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (Not covered Above)	716.28	-
Total Exposure	2,281.56	2,193.47

2.48 Exposure to Capital Market

	2016	2015
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	795.87	926.60
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	24.86	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	3,862.20	2,135.33
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	219.06	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	26.67	2.50
(ix) Others - Not covered above	29.83	21.78
Total exposure	4,958.49	3,086.21

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.49 Asset Liability Management

As at 31 March 2016

Particulars	Liabilities		Assets	
	Borrowings	Advances [#]	Stock in trade	Investments
1 day to 30/31 days (one month)	23,845.02	384.26	23,500.29	-
Over one month to 2 months	2,392.12	632.75	1,711.75	3.71
Over 2 months to 3 months	163.91	1,090.44	-	1.95
Over 3 months to 6 months	271.70	462.71	-	13.09
Over 6 months to 1 year	1,364.80	1,286.25	-	69.01
Over 1 year to 3 years	5,004.40	3,395.20	-	168.82
Over 3 years to 5 years	497.50	750.00	-	23.97
Over 5 years	372.62	-	-	1,452.03
Total	33,912.07	8,001.61	25,212.04	1,732.58

As at 31 March 2015

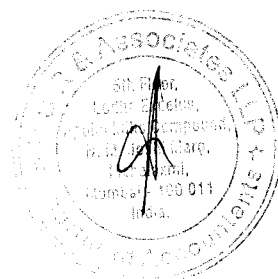
Particulars	Liabilities		Assets	
	Borrowings	Advances [#]	Stock in trade	Investments
1 day to 30/31 days (one month)	26,396.36	27.61	27,223.96	0.46
Over one month to 2 months	987.06	-	998.84	-
Over 2 months to 3 months	23.90	250.00	-	-
Over 3 months to 6 months	0.83	-	132.53	31.11
Over 6 months to 1 year	1,938.76	2,647.73	-	263.49
Over 1 year to 3 years	2,811.10	2,337.28	-	-
Over 3 years to 5 years	466.60	501.43	-	-
Over 5 years	231.15	225.00	-	1,398.80
Total	32,855.76	5,989.05	28,355.33	1,693.86

[#] Includes debentures in the nature of loan and advances.

2.50 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions:

Particulars	2016	2015
i) Movement of NPAs (Gross)		
a) Opening Balance	-	59.59
b) Additions during the year	-	-
c) Reductions during the year	-	59.59
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	59.59
b) Additions during the year	-	-
c) Reductions during the year	-	59.59
d) Closing balance	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.51 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.

Particulars	2016	2015
(i) Provisions for depreciation on Investment	20.00	-
(ii) Provision towards NPA	-	(59.59)
(iii) Provision made towards Income tax	334.55	257.56
(iv) Provision for Standard Assets	9.03	10.52
(v) Other Provision and Contingencies (Provision for doubtful debts)	35.18	(3.34)

2.52 Concentration of Deposits, Advances, Exposures and NPAs

	2016	2015
A) Concentration of Advances		
Total advances to twenty largest borrowers	6,906.93	5,909.51
Percentage of advances to twenty largest borrowers to total advances	86.32%	98.67%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	6,947.00	5,862.61
Percentage of exposures to twenty largest borrowers / customers to total exposures	84.87%	97.89%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to Total Advances in that sector	
	2016	2015
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

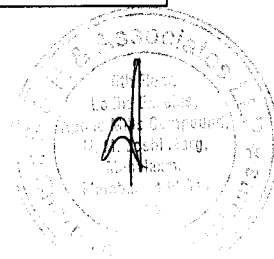
2.53 Customer Complaints

	2016	2015
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

2.54 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total assets as at 31 March, 2016	Total assets as at 31 March, 2015
EC Global Limited	-	Mauritius	6,649.66	11,594.36

2.55 The Company has not restructured any loans and advances during the year ended 31 March 2016 and 31 March 2015.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

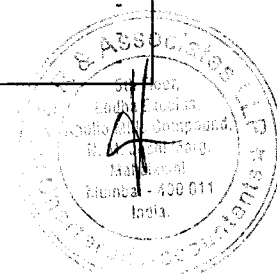
2.56 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities side :

	2016		2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures				
(other than falling within the meaning of public deposits \$)				
i) Secured	7,742.34	-	5,621.25	-
ii) Unsecured	161.14	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	149.87	-	56.63	-
(e) Commercial Paper	2,315.02	-	1,483.42	-
(f) Other Loans:				
Collateralised Lending and Borrowing	23,845.02	-	25,900.00	-
(\$ Please see Note 1 below)				

Assets side :

	Amount Outstanding	
	2016	2015
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	7,969.79	5,957.54
(b) Unsecured	31.82	31.50
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments		
Current Investments:		
1. <u>Quoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.56 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(4) Break-up of Investments (Continued)		Amount Outstanding	
		2016	2015
2. <u>Unquoted</u> :			
(i) Shares : (a) Equity		-	292.77
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		291.77	2.29
(iv) Government Securities		-	-
(v) Others (Debt instruments)		-	-
Long Term investments :			
1. <u>Quoted</u> :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. <u>Unquoted</u> :			
(i) Shares : (a) Equity		795.87	795.87
(b) Preference		530.58	490.58
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
(a) Warrants		-	20.00
(b) Units of Fund		26.67	2.50
(c) Investment in Security Receipts		87.70	89.85
(d) Share Application Money		-	-

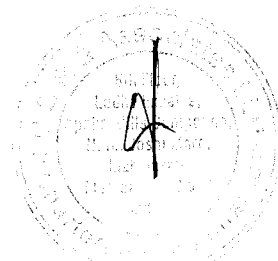
(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

As at 31 March 2016

Category	Amount (net of provisions)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	31.82	31.82
2. Other than related parties	7,969.79	-	7,969.79
Total	7,969.79	31.82	8,001.61

As at 31 March 2015

Category	Amount (net of provisions)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	402.49	-	402.49
(c) Other related parties	-	31.50	31.50
2. Other than related parties	5,555.05	-	5,555.05
Total	5,957.54	31.50	5,989.04



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.56

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see Note 3):

Category	Market value / Break-up or fair value or NAV		Book value (net of provisions)	
	2016	2015	2016	2015
1. Related parties**				
(a) Subsidiaries	-	-	182.04	182.04
(b) Companies in the same group	-	-	490.58	490.58
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	1,059.97	1,021.24
Total	-	-	1,732.59	1,693.86

** As per AS-18 Related Party Disclosures (Please see Note 3)

(7) Other information

Particulars	2016	2015
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

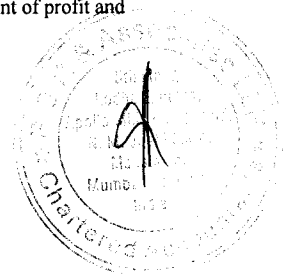
2.57 Ratings assigned by credit rating agencies and migration of ratings during the year ended 31 March, 2016

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA-/Stable	[ICRA]-AA	CARE AA	BWR AA+
Amount	1,300.00	8,000.00	1,500.00	500.00
(ii) Short Term Instruments				
Rating	CRISIL A1+	[ICRA]A1+	CARE A1+	-
Amount	2,500.00	5,000.00	2,500.00	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP- MLD A1+R	PP-MLD [ICRA]A1	-	-
Amount	2,000.00	4,000.00	-	-
Long Term				
Rating	-	PP-MLD [ICRA]AA	CARE PP MLD-AA	-
Amount	-	8,000.00	5,000.00	-

2.58

Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2016 aggregated to Rs.8.07 million (Previous year Rs.7.63 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.59 Details of transaction with non executive directors

	Name of the Non executive	Nature of Transaction	2016	2015
1	Raviprakash R. Bubna	Loans Given	29.70	50.00
		Loans Repaid	30.00	18.50
		Interest Received on loan	3.17	0.70
2	P.N. Venkatachalam	Sitting Fees	0.20	0.24
3	Vinod Juneja	Sitting Fees	0.18	0.12

2.60 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of Companies Act 2013,

a) Gross Amount required to be spent by the Company during the year was Rs. 10.84 million.

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ Acquisition of any assets	-	-	-
ii on purpose other than (i) above	0.40	-	0.40

2.61 Registration obtained from other financial sector regulators - Nil

2.62 Disclosure of Penalties imposed by RBI and other regulators - Nil

2.63 Details of dues to micro, small and medium enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. 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.

2.64 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like rent expenditure, which is for the benefit of itself and its subsidiary. This cost so expended is reimbursed on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. On the same lines, employees cost expended by Edelweiss Finance & Investments Limited for the benefit of fellow subsidiaries is recovered by Edelweiss Finance & Investments Limited. Accordingly, and as identified by the management, the expenditure heads in Note 2.25 and 2.27 are net of the reimbursements.

2.65 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

2.66 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

Firms' Registration No. 116231W/W-100024

Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors

AR Venkatachalam

Venkat Ramaswamy

Executive Director

DIN: 00008509

S. Ranganathan

S. Ranganathan

Director

DIN: 00125493

Manjeet Bajani

Manjeet Bajani

Chief Financial Officer

Nidhi Parekh

Nidhi Parekh

Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016