

B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Retail Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for 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.

Auditors' 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 Auditors' Report (Continued)

Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Auditors' 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

- 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 Auditors' Report (Continued)
Edelweiss Retail Finance Limited
(Formerly Affluent Dealcom Private 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 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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 no pending litigations as at 31 March 2015;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Associates LLP**

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, 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.
- ii. The principal activity of the Company is to carry on the business of giving loans. Accordingly it is not required to hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposits from public.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section 1 of Section 148 of the Act, for any of the 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 books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, wealth 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 sales tax, duty of customs, duty of excise, value added tax, employees' state insurance and 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 2015 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no material dues of income tax and service tax which have not been deposited with the appropriate authorities on account of any dispute.

Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Annexure to the Independent Auditors' Report (Continued)

- (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder during the year.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership Number: 042554

Mumbai
14 May 2015

Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Balance Sheet

(Currency : Indian Rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	15,65,88,330	2,99,85,000
(b) Reserves and surplus	2.2	1,07,88,81,980	17,94,04,049
		1,23,54,70,310	20,93,89,049
Non-current liabilities			
(a) Long-term borrowings	2.3	3,54,00,00,000	15,00,00,000
(b) Deferred tax liabilities (Net)	2.4	25,22,340	2,83,323
(c) Other long term liabilities	2.5	2,73,01,074	25,72,459
(d) Long-term provisions	2.6	1,14,70,972	7,09,447
Current liabilities			
(a) Short-term borrowings	2.7	50,28,60,060	25,60,55,675
(b) Trade payables	2.8	4,79,57,498	1,45,32,824
(c) Other current liabilities	2.9	27,73,81,494	71,17,008
(d) Short-term provisions	2.10	3,52,37,910	8,56,077
TOTAL		5,68,02,01,658	64,15,15,862
ASSETS			
Non-current assets			
(a) Fixed assets	2.11	3,79,096	-
(i) Tangible assets			
(b) Long-term loans and advances	2.12	4,19,54,76,669	28,74,52,014
		4,19,58,55,765	28,74,52,014
Current assets			
(a) Cash and bank balances	2.13	1,46,02,080	23,48,996
(b) Short-term loans and advances	2.14	1,41,23,63,581	34,80,12,061
(c) Other current assets	2.15	5,73,80,232	37,02,791
		1,48,43,45,893	35,40,63,848
TOTAL		5,68,02,01,658	64,15,15,862

Significant accounting policies and notes to the financial statements

I & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W /W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

For and on behalf of the Board of Directors



Anil Kothuri

Director

DIN: 00177945



Krishnaswamy Siddharth

Director

DIN: 02463804

Mumbai
14 May 2015

Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Statement of Profit and Loss

(Currency : Indian Rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Fee and commission income	2.16	1,88,74,809	2,68,854
Income from treasury	2.17	-	43,26,839
Interest income	2.18	43,33,19,270	1,57,34,945
Other income	2.19	2,95,785	-
Total Revenue		45,24,89,864	2,03,30,638
Expenses			
Employee benefit expenses	2.20	3,21,65,042	1,14,383
Finance costs	2.21	18,49,81,789	61,10,271
Depreciation	2.11	567	-
Other expenses	2.22	11,73,71,991	1,26,06,008
Total expenses		33,45,19,389	1,88,30,662
Profit before tax		11,79,70,475	14,99,976
Tax expense:			
(1) Current tax		3,91,75,174	5,83,940
(2) MAT credit entitlement		-	(3,41,987)
(3) Deferred tax charge		22,39,015	2,83,324
Profit for the year		7,65,56,286	9,74,699
Earnings per equity share (Face value Rs. 10 each):			
Basic and diluted	2.25	6.72	0.96

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 Registration No. 116231W /W-100024



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Anil Kothuri

Director

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Krishnaswamy Siddharth

Director

DIN: 02463804

Mumbai

14 May 2015

Mumbai

14 May 2015

Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Cash Flow Statement

(Currency : Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before tax	11,79,70,475	14,99,976
<i>Adjustments for</i>		
Depreciation	567	-
Provision for compensated absences	23,000	-
Provision for standard assets - addition	1,27,14,783	15,64,524
Provision for non performing assets	14,04,451	-
Amortised loan processing fees	(1,59,65,095)	(2,67,826)
Amortised loan origination cost	2,48,74,026	4,20,699
Profit on sale of current investments (net)	-	(43,26,839)
Operating cash flow before working capital changes	14,10,22,207	(11,09,466)
Add / (Less): Adjustments for working capital changes		
Increase in receivable from financing business (Refer note 1)	(4,88,87,46,396)	(62,58,11,040)
Increase in other loans and advances	(10,86,63,533)	(95,21,137)
Increase in other current assets	(5,36,77,441)	(37,02,791)
Increase from short-term borrowings (Net of repayment)	24,68,04,385	25,60,55,675
Increase in liabilities and provisions	34,44,11,870	2,42,50,996
Cash used in operations	(4,31,88,48,908)	(35,98,37,763)
Income taxes paid	(80,43,320)	(7,40,426)
Net cash used in operating activities - A	(4,32,68,92,228)	(36,05,78,189)
B Cash flow from investing activities		
Purchase of Fixed asset	(3,79,663)	-
Sale of current investments	-	6,29,26,739
Net cash (used in) / generated from investing activities - B	(3,79,663)	6,29,26,739
C Cash flow from financing activities		
Proceeds from issue of equity shares	94,95,24,975	15,00,00,000
Proceeds from long-term borrowings (Refer note 1)	3,39,00,00,000	15,00,00,000
Net cash generated from financing activities - C	4,33,95,24,975	30,00,00,000
Net Increase in cash and cash equivalents (A+B+C)	1,22,53,084	23,48,550
Cash and cash equivalents as at the beginning of the year	23,48,996	446
Cash and cash equivalents as at the end of the year (Refer note 2.13)	1,46,02,080	23,48,996

Notes:

- 1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For **BSR & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W /W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

For and on behalf of the Board of Directors



Anil Kothari

Director

DIN: 00177945

Mumbai
14 May 2015



Krishnaswamy Siddharth

Director

DIN: 02463804

Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private 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 India Generally Accepted Accounting Principles (GAAP) under the historical cost convention, 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 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India ('RBI'). 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:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primary for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. 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.

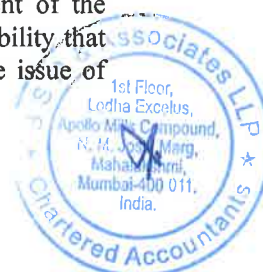
Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. 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.



Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

1.4 Revenue recognition

- a. Fees Income including processing fees (other than small & medium enterprises loans) are accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. In case of small & medium enterprises loans, processing fees collected are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write off.
- 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.
- d. 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.
- e. Dividend income is recognised when the right to receive payment is established.

1.5 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.

1.6 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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
Office Equipment	5 years



Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

1.7 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005), is set out below:

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit 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 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

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.



Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

1.9 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.

1.10 Loan origination costs

Loan origination costs comprise of costs paid to third party vendors and intermediaries for loan acquisition, processing, field verification, legal evaluation, title search, fraud check, technical valuation, etc. Such origination costs, directly attributable to disbursed loans are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed as part of "Long-term loans and advances" and "Short-term loan and advances" based on amortisable tenor. Where the loan is foreclosed or written off, the unamortised portion of such loan origination costs are recognised as charge to the statement of profit and loss at the time of such foreclosure or write off.

1.11 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 only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax (MAT)

MAT credit asset is recognised where there is convincing evidence that the asset can be realised in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.



Edelweiss Retail Finance Limited

(Formerly Affluent Dealcom Private Limited)

Notes to the financial statements *(Continued)*

1.12 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to 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 the 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.

1.13 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 Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.1 Share capital

Authorised:

30,000,000 (Previous year: 10,000,000) Equity Shares of Rs. 10 each

As at
31 March 2015

As at
31 March 2014

300,000,000 100,000,000

300,000,000 100,000,000

Issued:

15,658,833 (Previous year: 9,698,500) Equity Shares of Rs. 10 each, fully paid up

156,588,330 96,985,000

156,588,330 96,985,000

Subscribed and Paid up:

15,658,833 (Previous year: 2,998,500) Equity Shares of Rs. 10 each, fully paid up

(Entire equity paid up capital is held by Edelcap Securities Limited, the holding company and its nominees)

156,588,330 29,985,000

156,588,330 29,985,000

Movement in share capital

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

31 March 2015		31 March 2014	
Number of shares	Amount	Number of shares	Amount
2,998,500	29,985,000	998,500	9,985,000
12,660,333	126,603,330	2,000,000	20,000,000
15,658,833	156,588,330	2,998,500	29,985,000

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Edelcap Securities Limited, the holding company

31 March 2015		31 March 2014	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
15,658,833	100%	2,998,500	100%
15,658,833		2,998,500	

Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs 10 each fully paid

Edelcap Securities Limited

As at 31 March 2015		As at 31 March 2014	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
15,658,833	100%	2,998,500	100%
15,658,833	100%	2,998,500	100%

Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held.

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

2.2 Reserves and surplus

Capital Reserve

As at
31 March 2015

As at
31 March 2014

8,176,591 8,176,591

Securities Premium Account

Opening balance

Add : Additions during the year

169,932,000 39,932,000

822,921,645 130,000,000

992,853,645 169,932,000

Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India *

Opening balance

Add : Additions during the year

354,811 159,871

15,311,257 194,940

15,666,068 354,811

Surplus in statement of profit and loss

Opening Balance

Add: Net profit for the year

940,647 160,888

76,556,286 974,698

Amount available for appropriation

Appropriations:

Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934

77,496,933 1,135,586

15,311,257 194,940

62,185,676 940,647

1,078,881,980 179,404,049

* 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 Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures	25,00,00,000	-
[Secured by pari pasu charge on immovable property and loans and advance refer note 2.31]		
Term loans from bank	50,00,00,000	-
[Secured by pari pasu charge on receivables of the company. Refer note 2.32.]		
	<u>75,00,00,000</u>	<u>-</u>
<u>Unsecured</u>		
Loans from related parties	2,79,00,00,000	15,00,00,000
	<u>3,54,00,00,000</u>	<u>15,00,00,000</u>
2.4 Deferred tax liabilities (Net)		
<u>Deferred tax liabilities for</u>		
Unamortised loan origination costs	2,53,30,213	22,15,093
Difference between book and tax depreciation	120	-
	<u>2,53,30,333</u>	<u>22,15,093</u>
<u>Deferred tax assets on</u>		
Provision for standard assets	49,41,782	4,83,438
Unamortised processing fees	1,73,61,817	14,48,332
Provision for Gratuity	10,382	-
Disallowances under section 43B of the Income Tax Act, 1961	7,960	-
Provision for non performing assets	4,86,052	-
	<u>2,28,07,993</u>	<u>19,31,770</u>
	<u>25,22,340</u>	<u>2,83,323</u>
2.5 Other long term liabilities		
Unamortised processing fees	2,73,01,074	25,72,459
	<u>2,73,01,074</u>	<u>25,72,459</u>
2.6 Long-term provisions		
Provision for employee benefits		
Gratuity	30,000	1,000
Compensated leave absences	12,000	-
Provision for non performing assets	5,95,355	-
Provision for standard assets	1,08,33,617	7,08,447
	<u>1,14,70,972</u>	<u>7,09,447</u>



Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.7 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	10,00,00,000	-
[Secured by pari passu charge on receivables of the company. Refer note 2.35.]		
<u>Unsecured</u>		
Loans from a related party [Refer note.2.24] [repayable on demand at variable rate of interest]	40,28,60,060	25,60,55,675
	50,28,60,060	25,60,55,675
2.8 Trade payables (includes sundry creditors, provision for expenses and customer payables)		
Trade payables to non-related parties	2,23,63,551	81,50,985
Trade payables to related parties	2,55,93,947	63,81,839
	4,79,57,498	1,45,32,824
2.9 Other current liabilities		
Interest accrued but not due on borrowings	72,945	-
Interest accrued and due on borrowings	1,55,81,378	9,40,801
Unamortised processing fees	2,28,65,989	21,14,698
Other Payables		
Accrued salaries and benefits	2,50,22,503	-
Withholding taxes, service tax and other taxes payable	75,47,602	7,39,355
Bank overdraft	20,62,91,077	33,22,154
	27,73,81,494	71,17,008
2.10 Short-term provisions		
Provision for employee benefits		
Compensated absences	11,000	-
Others		
Provision for non performing assets	8,09,096	-
Provision for standard assets	34,45,690	8,56,077
Provision for taxation (Net of advance tax Rs. 9,897,180/-, previous year : Rs. Nil)	3,09,72,124	-
	3,52,37,910	8,56,077



(Currency : Indian Rupees)

2.11 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31-Mar-2015	As at 1 April 2014	Charge for the year	As at 31-Mar-2015	As at 31 March 2014
Tangible assets								
Land	-	3,67,500	-	3,67,500	-	-	-	3,67,500
Office equipment	-	12,163	-	12,163	-	567	567	11,596
Total : A	-	3,79,663	-	3,79,663	-	567	567	3,79,096
Grand Total [A+B]	-	3,79,663	-	3,79,663	-	567	567	3,79,096
Previous Year	-	-	-	-	-	-	-	-



Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.12 Long-term loans and advances		
<u>Secured</u>		
(considered good, unless stated otherwise)		
Receivable from financing business		
- considered good	2,46,52,12,545	12,57,55,192
	<u>2,46,52,12,545</u>	<u>12,57,55,192</u>
<u>Unsecured</u>		
(considered good, unless stated otherwise)		
Receivables from financing business		
- considered good	1,68,96,89,593	15,76,25,115
- considered non performing assets	5,95,355	-
	<u>1,69,02,84,948</u>	<u>15,76,25,115</u>
Security Deposits		
Rental deposits	11,58,000	-
Other loans and advances		
Unamortised loan origination costs	3,86,34,269	38,69,584
Advance income taxes (net of provision for tax Rs. 169,705, Previous year:Rs.583,941)	1,86,907	2,02,123
	<u>1,73,02,64,124</u>	<u>16,16,96,822</u>
	<u>4,19,54,76,669</u>	<u>28,74,52,014</u>



Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.13 Cash and bank balances		
Cash and Cash equivalents		
Balances with Banks		
- in Current accounts	1,46,02,080	23,48,996
	1,46,02,080	23,48,996
	1,46,02,080	23,48,996
2.14 Short-term loans and advances		
<u>Secured</u>		
(considered good, unless stated otherwise)		
Receivable from financing business		
- considered good	11,93,32,603	74,90,797
<u>Unsecured</u>		
(considered good, unless stated otherwise)		
Receivables from financing business		
- considered good	1,23,14,18,245	30,74,39,936
- considered non performing assets	8,09,096	-
	1,23,22,27,341	30,74,39,936
Loans and advances to related party	75,00,000	2,75,00,000
Other loans and advances		
Prepaid expenses	19,953	-
Unamortised loan origination costs	3,45,57,518	32,99,002
Advance income taxes (net of provision for tax Rs.578,722, Previous year Rs. 1,69,705)	2,05,960	8,487
MAT credit entitlement	-	3,41,987
Advances recoverable in cash or in kind or for value to be received	1,85,20,206	19,31,852
	1,29,30,30,978	34,05,21,264
	1,41,23,63,581	34,80,12,061
2.15 Other current assets		
Accrued interest on loans	3,29,658	37,02,791
Interest accrued but not due on loan	5,70,50,574	-
	5,73,80,232	37,02,791



Edelweiss Retail Finance Limited *(formerly Affluent Dealcom Private Limited)*

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

**For the year ended
31 March 2015**

**For the year ended
31 March 2014**

2.16 Fee and commission income

Loan processing fees

1,88,74,809

2,68,854

1,88,74,809

2,68,854

2.17 Income from treasury and investments

Profit on sale of current investment

-

43,26,839

-

43,26,839

2.18 Interest Income

On loans

43,33,19,270

1,57,34,945

43,33,19,270

1,57,34,945

2.19 Other income

Miscellaneous income

2,95,785

-

2,95,785

-



Edelweiss Retail Finance Limited (formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)		For the year ended 31 March 2015	For the year ended 31 March 2014
2.20	Employee benefits expense		
	Salaries and wages	3,18,43,656	1,13,383
	Contribution to provident and other funds	3,11,978	1,000
	Staff welfare expenses	9,408	-
		3,21,65,042	1,14,383
2.21	Finance costs		
	Interest on debentures	72,945	-
	Interest on term loan	7,70,600	-
	Interest on bank overdraft	4,75,558	-
	Interest on loan from related party	18,05,91,802	61,02,783
	Interest - others	16,88,912	5,218
	Finance and bank charges	13,81,972	2,270
		18,49,81,789	61,10,271
2.22	Other expenses		
	Auditors' remuneration (refer below)	2,38,000	2,52,600
	Commission and brokerage	50,000	-
	Electricity charges	96,866	-
	Insurance	55,840	-
	Legal and professional fees	6,68,46,722	95,65,741
	Membership and subscription	2,780	-
	Loan origination costs amortised	2,48,74,026	4,20,699
	Office expenses	1,63,124	-
	Printing and stationery	2,64,826	-
	Provision for standard assets	1,27,14,783	15,64,524
	Provision for non performing assets	14,04,451	-
	Rates and taxes	2,500	2,500
	Rent	8,96,914	-
	Repairs and maintenance - others	10,190	-
	ROC expenses	19,35,988	1,66,750
	Service tax expenses	40,49,141	-
	Stamp duty	32,91,915	6,32,400
	Travelling and conveyance	3,54,246	-
	Miscellaneous expenses	1,19,679	794
		11,73,71,991	1,26,06,008
	Auditors' remuneration:		
	As auditor	2,20,000	2,00,000
	For other services	18,000	52,600
		2,38,000	2,52,600



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Segment reporting

For the current year the Company is engaged in single segment of financing business and there are no separate reportable segments as defined in AS – 17.

For the previous year 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, income from investments and dividend income
Financing business	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.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

The following table gives information on segment assets and liabilities as at March 31, 2015 and the segment revenue, expenses and result for the year ended on that date:

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I Segment Revenue		
a) Capital based business	-	43,26,839
b) Financing business	45,24,89,863	1,60,03,799
c) Unallocated	-	-
Total Income	45,24,89,863	2,03,30,638
II Segment Results		
a) Capital based business	-	15,86,173
b) Financing business	11,79,70,475	7,98,803
c) Unallocated	-	8,85,000
Total	11,79,70,475	14,99,976
Profit before taxation	11,79,70,475	14,99,976
Less : Provision for taxation	4,14,14,189	5,25,278
Profit after taxation	7,65,56,286	9,74,698
Particulars	As at March 31, 2015	As at March 31, 2014
III Segment Assets		
a) Capital based business	-	2,58,390
b) Financing business	5,68,02,01,656	64,07,04,876
c) Unallocated	-	5,52,597
Total	5,68,02,01,656	64,15,15,863
IV Segment Liabilities		
a) Capital based business	-	4,51,35,259
b) Financing business	4,44,47,31,346	38,56,04,875
c) Unallocated	-	13,86,679
Total	4,44,47,31,346	43,21,26,813
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Capital based business	-	-
b) Financing business	-	-
c) Unallocated	-	-
Total	-	-
VI Depreciation and Amortisation		
a) Capital based business	-	-
b) Financing business	567	-
c) Unallocated	-	-
Total	567	-
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Capital based business	-	-
b) Financing business	1,41,19,234	15,64,524
c) Unallocated	-	-
Total	1,41,19,234	15,64,524



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Related Parties as per AS 18

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited -Holding company
	Edelweiss Financial Services Limited – Ultimate holding company
Fellow Subsidiaries (with whom transactions have taken place)	Edelcap Securities Limited Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited Edelweiss Financial Services Limited Edelweiss Housing Finance Limited Edelweiss Securities Limited Edelweiss Web Services Limited EFSL Commodities Limited

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
1	Capital Account Transaction during the year			
	Equity share capital issued to	Edelcap Securities Limited	12,66,03,330	2,00,00,000
	Securities premium received from	Edelcap Securities Limited	82,29,21,645	13,00,00,000
2	Current account transactions			
	Loans taken from	Edelweiss Financial Services Limited EFSL Commodities Limited	3,55,61,64,496 3,15,00,00,000	1,05,05,11,000 -
	Loans repaid to	Edelweiss Financial Services Limited EFSL Commodities Limited	3,55,93,60,111 64,44,55,325	36,00,00,000 -
	Loans given to	Edelweiss Securities Limited	-	6,15,00,000
	Repayment of loans by	Edelweiss Securities Limited	2,00,00,000	3,40,00,000
3	Interest expenses	Edelweiss Financial Services Limited EFSL Commodities Limited	16,62,75,637 1,43,16,165	61,02,783 -
4	Advisory Fees paid to	Edelweiss Housing Finance Limited	2,49,07,633	62,34,700
5	Interest received on loan from	Edelweiss Securities Limited	14,29,623	38,68,096
6	Reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Web Services Limited Edelweiss Commodities Services Limited	2,45,66,389 16,000 9,93,780	2,12,611 - -
7	Director Nomination Deposit received from	Edelcap Securities Limited	1,00,000	-
8	Short term borrowings from	Edelweiss Financial Services Limited	40,28,60,060	25,60,55,675
9	Long term borrowings from	Edelweiss Financial Services Limited	-	15,00,00,000
10	Other current liabilities			
	Interest accrued and due on borrowings	Edelweiss Financial Services Limited EFSL Commodities Limited	26,96,829 1,28,84,549	9,40,801 -
11	Corporate Guarantee taken from	Edelweiss Financial Services Limited	25,00,00,000	-



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

(ii) Transactions with related parties (Continued)

12 Trade Payables	Edelweiss Housing Finance Limited	2,54,95,453	63,81,839
	Edelweiss Financial Services Limited	78,441	-
	Edelweiss Web Services Limited	12,078	-
	Edelweiss Commodities Services Limited	7,975	-
	Edelcap Securities Limited	1,00,000	-
13 Loans and advances			
Unsecured	Edelweiss Securities Limited	75,00,000	2,75,00,000
14 Other current assets			
Accrued interest income on loans given	Edelweiss Securities Limited	44,661	85,777

Note 1 : Loan given/taken to/from related parties are disclosed based on the maximum incremental amount given/taken during the reporting period.

2.25 Earnings per share

In accordance with Accounting Standard 20 on earnings per share issued by the Companies (Accounts) Rules,2014,the computation of earnings per share is set out below.

Particulars	2015	2014
a) Shareholders earnings (as per statement of profit and loss)	7,65,56,286	9,74,699
b) Calculation of weighted average number of Equity Shares of Re 10 each:		
- Number of equity shares outstanding at the beginning of the year	29,98,500	9,98,500
- Number of equity shares issued during the year	1,26,60,333	2000000
Total number of equity shares outstanding at the end of the year	1,56,58,833	29,98,500
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,13,99,777	10,20,418
Basic and diluted earnings per share (in Rupees) (a/b)	6.72	0.96

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 end

2.26 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

A) Defined contribution plan (Provident fund):

Amount of Rs.2,82,568 (previous year: Rs.Nil) is recognised as expenses and included in "Employee benefit expenses"

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net employee benefit expenses recognized in the statement of profit and loss and 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)

	2015	2014
Current service cost	12,000	-
Interest on defined benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial losses	17,000	-
Total included in 'Employee Benefit Expenses'	29,000	-



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.27 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits (Continued)

B) Defined benefit plan (Gratuity) (Continued):

Balance Sheet

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

	2015	2014
Liability at the beginning of the year	-	-
Interest cost	-	-
Current service cost	12,000	-
Employee Transfer in adjustment	-	-
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefit paid	-	-
Actuarial (gain)/loss:	17,000	-
Liability at the end of the year	29,000	-

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

	2015	2014
Fair value of plan assets at the Beginning of the year	-	-
Acquisition Adjustment	-	-
Expected Return on Plan Asset	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss):	-	-
Fair value of plan assets at the end of the year	-	-

Amount Recognised in the Balance Sheet:

	2015	2014
Liability at the end of the year	29,000	-
Fair value of plan assets at the end of the year	-	-
Amount recognized in Balance Sheet - Assets/(Liability)	-29,000	-

Experience Adjustment :

	2015	2014
On Plan Liabilities: (Gain)/ Loss	-	-
On Plan Assets: Gain/ (Loss)	-	-
Estimated Contribution for next year	-	-

Principle actuarial assumptions at the balance sheet date:

	2015	2014
Discount rate current	7.80%	-
Salary escalation current	7.00%	-
Employees attrition rate (based on categories)	13-60%	-



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.28 Contingent liabilities and commitments

- The Company has no contingent liabilities as at the balance sheet date is Nil (Previous year: Nil).
- Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for is Rs.115,000 (Previous Year Nil).
- Undrawn committed credit lines Rs.416,085,935 as at balance sheet date (Previous year: Rs. 13,394,121).

2.29 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, rent expenditure, etc. which is for the benefit of itself and its certain subsidiaries including Edelweiss Retail Finance Limited. This cost so expended is reimbursed by Edelweiss Retail Finance Limited on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc.

2.30 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.

2.31 Details of secured debentures issued

Following are details of the repayment terms of Secured Debentures issued

- During the year company has issued 250 Secured Rated Listed Redeemable Non-Convertible Debentures by way of private placement, details of the same are as under:

S.no.	Issue Date/Date of Allotment	Date of Redemption	Coupon Rate	Face Value per Debenture	Amount outstanding as at 31st March 2015
1	31st March, 2015	30th March, 2018	0%	10,00,000	25,00,00,000

- No debenture redemption reserve is being created for issue of 250 Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 1,000,000/- each. The Ministry of Company Affairs has vide General Circular No. 04/2013 No. 11/02/2012-CL-V (A) dated February, 11th, 2013 clarified that NBFCs need not create a debenture redemption reserve as specified under section 117C of the Companies Act, 1956 in respect of privately placed debentures.

- Debt Equity and Asset cover Ratio:

i) Debt Equity Ratio

	2015	2014
Shareholder's fund		
Paid up capital	15,65,88,330	2,99,85,000
Add: Reserve and surplus	1,07,88,81,980	17,94,04,049
Equity(A)	1,23,54,70,310	20,93,89,049
Debt		
Long-term borrowings	3,54,00,00,000	15,00,00,000
Short-term borrowings	50,28,60,060	25,60,55,675
Debt (B)	4,04,28,60,060	40,60,55,675
Debt equity Ratio (B/A)	3.27	1.94

ii) Asset cover Ratio

	2015	2014
Assets available		
Loans and advances (A)	5,51,45,57,437	62,58,11,040
Secured debt		
Long-term Secured borrowings	75,00,00,000	-
Short-term Secured borrowings	10,00,00,000	-
Total (B)	85,00,00,000	-
Asset cover (A/B)	6.49:1	Nil



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.32 Long term bank borrowing secured by charge on loan receivable

Following are details of the repayment terms of loan taken from Banks

Rate of Interest	Maturity			Total
	> 1 Year	1 - 3 Years	> 3 Years	
11.25%	-	25,00,00,000	25,00,00,000	50,00,00,000

2.33 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2015 (Previous year: Rs Nil).

2.34 Key Ratios

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

	2015	2014
Gross NPAs as a percentage of Total Advance	0.03%	0.00%
Net NPAs as a percentage of Total Advance	0.00%	0.00%
Book Value per share (Rs.)	78.90	69.83
Current Ratio ¹	1.72	1.27
Debt to Equity Ratio (refer note 2.31)	3.27	1.94
Return on average Equity ² (%)	10.58%	0.73%
Return on average assets ³ (%)	2.42%	0.28%

1. Current ratio is the ratio of current assets to current liabilities.

2. Return on average equity is the ratio of the net profit after tax to the annual average equity share capital and reserves.

3. Return on average assets is the ratio of the net profit after tax to the annual average total assets.

2.35 Banking facilities

The Company has obtained borrowing facilities from below mentioned banks:

- 1 Kodak Mahindra Bank

2.36 Capital to Risk Assets Ratio (CRAR)

	2015	2014
i) CRAR (%)	21.49	N.A
ii) CRAR - Tier I capital (%)	0.25	N.A
iii) CRAR - Tier II Capital (%)	21.74	N.A
iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

2.37 Derivatives

The company has not carried out any derivative transaction during the year.(Previous Year Nil)

2.38 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2015 aggregated to Rs. 896,914 (Previous year Rs. Nil) which has been included under the head Other expenses – Rent in the statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

	2015	2014
Minimum lease payments for non cancellable lease		
- not later than one year	19,84,429	-
- later than one year and not later than five years	18,16,558	-
- later than five year	-	-

Future minimum lease payments for the non-cancellable operating lease are before sharing of expenses with group companies.



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.39 Details of non-performing financial assets purchased / sold

During the year the Company has neither purchased nor sold any non-performing financial assets. (Previous year : Nil)

2.40 Exposure to real estate sector, both direct and indirect

	2015	2014
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)	1,49,97,21,290	12,54,44,645
(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 includes non-fund based (NFB) limits.	1,07,73,23,858	78,00,000
 Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	Nil	Nil
- Commercial Real Estate	Nil	Nil
B. Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

2.41

Asset Liability Management

Maturity pattern of certain items of assets and liabilities

For the Financial Year 2014-15

Particulars	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	-	7,91,74,367	-	-
Over One months to 2 months	-	-	8,99,31,771	-	-
Over 2 months upto 3 months	-	-	8,90,53,038	-	-
Over 3 months to 6 months	10,00,00,000	-	32,50,96,147	-	-
Over 6 months to 1 year	-	-	78,38,04,621	-	-
Over 1 year to 3 years	25,00,00,000	25,00,00,000	1,76,57,23,706	-	-
Over 3 years to 5 years	25,00,00,000	-	55,40,74,794	-	-
Over 5 years	-	-	1,82,76,98,993	-	-
Total	60,00,00,000	25,00,00,000	5,51,45,57,437	-	-

For the Financial Year 2013-14

Particulars	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	-	16,56,610	-	-
Over One months to 2 months	-	-	55,03,753	-	-
Over 2 months upto 3 months	-	-	55,86,839	-	-
Over 3 months to 6 months	-	-	1,72,71,821	-	-
Over 6 months to 1 year	-	-	6,87,50,723	-	-
Over 1 year to 3 years	-	-	36,75,66,137	-	-
Over 3 years to 5 years	-	-	6,13,31,788	-	-
Over 5 years	-	-	7,06,42,025	-	-
Total	-	-	59,83,09,696	-	-



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.42 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 provision

	2015	2014
i) Net NPAs to Net advances (%)	0%	0%
ii) Movement of Net NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	14,04,451	-
c) Reductions during the year	-	-
d) Closing balance	14,04,451	-
iii) Movement of Net NPA		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	14,04,451	-
c) Reductions during the year	-	-
d) Closing balance	14,04,451	-

2.43 Details of 'Provisions and Contingencies'

	2015	2014
i) Provisions for depreciation on Investment	-	-
ii) Provision towards NPA	14,04,451	-
iii) Provision made towards Income tax	3,91,75,174	2,41,954
iv) Provision for Standard Assets	1,27,14,783	15,64,524
v) Other Provision and Contingencies	-	-

2.44 Concentration of Deposits, Advances, Exposures and NPAs

A) Concentration of Advances	2015	2014
Total Advances to twenty largest borrowers	78,13,48,003	20,63,10,433
% of Advances to twenty largest borrowers to Total Advances	14.17%	32.97%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	78,13,48,003	20,63,10,433
% of Exposures to twenty largest borrowers / Customers to Total Advances	14.17%	32.97%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	14,04,451	-

D) Sector-wise NPAs

	% of NPAs to Total Advances in that sector	% of NPAs to Total Advances in that sector
	2015	2014
1 Agriculture & allied activities	-	-
2 MSME	0.04%	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

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

During the year ended March 31, 2014 and March 31, 2013, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

2.46 Customer Complaints

	2015	2014
(a) No. of complaints pending at the beginning of the year	-	Nil
(b) No. of complaints received during the year	4	Nil
(c) No. of complaints redressed during the year	4	Nil
(d) No. of complaints pending at the end of the year	-	Nil



2.47 Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS, CO, PD, No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total		
Sl No	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
	Details																		
1	Restructured accounts as on 1st April, 2014 (Opening figures)*	No. of borrowers Amount outstanding Provision thereon																	
2	Fresh restructuring during the year (Refer Note 2 below)	No. of borrowers Amount outstanding Provision thereon #											1 33,60,000 5,04,000				1 33,60,000 5,04,000		
4	Upgradations of restructured accounts to Standard category	No. of borrowers Amount outstanding Provision thereon																	
5	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers Amount outstanding Provision thereon																	
6	Downgradations of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon																	
7	Write-offs of restructured accounts during the FY (Refer note 3 below)	No. of borrowers Amount outstanding Provision thereon																	
8	Restructured accounts as on 31st Mar, 2015 (Closing figures) *	No. of borrowers Amount outstanding Provision thereon											1 33,60,000 5,04,000				1 33,60,000 5,04,000		
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)																			



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.48 Details of ratings assigned by credit rating agencies

Instrument category	ICRA	CARE
i) Long Term Instruments		
Rating	[ICRA]-AA	CARE AA
Amount	10,50,00,00,000	50,00,00,000
ii) Short term instruments		
Rating	[ICRA]-A1+	CARE A1+
Amount	5,00,00,00,000	5,00,00,00,000

2.49 Note 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. (Figures are as at 31 March 2015)

Liabilities Side:				
Particulars	Amount Outstanding		Amount Overdue	
	2015	2014	2015	2014
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	25,00,72,945	-	-	-
(ii) Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	50,00,00,000	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans	-	-	-	-
1) Loan from related parties	3,20,84,41,438	-	40,60,55,675	-
2) Bank Overdraft	10,00,00,000	-	-	-
(* Please see Note 1 below)				
Assets side:				
			Amount Outstanding	
			2015	2014
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)				
a)Secured			2,58,45,45,148	13,32,45,989
b)Unsecured			2,93,00,12,289	49,25,65,051
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			NA	NA
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial Lease			-	-
(ii) Operating Lease			-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire			-	-
(ii) Repossessed assets			-	-
c) Other loans counting towards Asset Financing Company activities				
(i) Loans where assets have been repossessed			-	-
(ii) Other loans			-	-
4) Break up of Investments				
Current Investments:				
a) Quoted:				
(i) Shares: Equity			-	-
Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of Mutual Funds			-	-
(iv) Government Securities			-	-
(v) Others			-	-
b) Unquoted:				
(i) Shares: Equity			-	-
Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of Mutual Funds			-	-
(iv) Government Securities			-	-
(v) Others (Pass through certificates)			-	-



Edelweiss Retail Finance Limited(formerly Affluent Dealcom Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

Note 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. (Figures are as at 31 March 2015) (Continued)

Long-Term Investments (Net of Provision)							
a) Quoted:							
(i)	Shares: Equity						
	Preference						
(ii)	Debentures and Bonds						
(iii)	Units of Mutual Funds						
(iv)	Government Securities						
(v)	Others						
b) Unquoted:							
(i)	Shares: Equity						
	Preference						
(ii)	Debentures and Bonds						
(iii)	Units of Mutual Funds						
(iv)	Government Securities						
(v)	Others						
	- Pass through certificates						
	- Security Receipts						
5) Borrower group-wise classification of assets financed as in (2) and (3) above							
		Amount net of provisions					
Particulars	Secured		Unsecured		Total		
	2015	2014	2015	2014	2015		2014
1. Related Parties**							
(a) Subsidiaries	-	-	-	-	-		-
(b) Companies in the	-	-	75,00,000	2,75,00,000	75,00,000		2,75,00,000
(c) Other related parties	-	-	-	-	-		-
2. Other than related parties	2,58,45,45,148	13,32,45,989	2,92,25,12,289	46,50,65,051	5,50,70,57,437		59,83,11,040
TOTAL	2,58,45,45,148	13,32,45,989	2,93,00,12,289	49,25,65,051	5,51,45,57,437		62,58,11,040
** As per Accounting Standard of ICAI							
6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)							
		Market Value/Break up or fair		Book Value			
Particulars			2015	2014	2015		2014
1) Related Parties							
(a) Subsidiaries			-	-	-		-
(b) Companies in the			-	-	-		-
(c) Other related parties			-	-	-		-
2. Other than related parties			-	-	-		-
TOTAL			-	-	-		-
7) Other Information							
						2015	2014
Particulars							
a) Gross Non-Performing Assets							
1) Related parties						-	-
2) Other than related parties						14,04,451	-
b) Net Non-Performing Assets							
1) Related parties						-	-
2) Other than related parties						-	-
c) Assets acquired in satisfaction of debt						-	-

Note :

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Company Acceptance of public deposits(Reserve bank) Direction,1998.

As per our report attached on even date

For BSR & Associates LLP

Chartered Accountants

Firm Registration No. 116231W /W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

Date: 14 May 2015

For and on behalf of the Board of Directors



Anil Kothuri
Director/
DIN: 00177945



Krishnaswamy Siddharth
Director
DIN: 02463804

Mumbai

Date: 14 May 2015