

Edelweiss Insurance Brokers Limited

Financial Statements

together with the Auditors' Report

for the year ended 31 March 2015

Edelweiss Insurance Brokers Limited

Financial statements together with the Auditors' Report

Contents

Auditors' Report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

B S R & Associates LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Independent Auditors' Report

To the Members of Edelweiss Insurance Brokers Limited

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Insurance Brokers 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 Insurance Brokers 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 Insurance Brokers 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 Insurance Brokers 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 Company is a service company primarily in the business of rendering insurance broking services.
- 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.

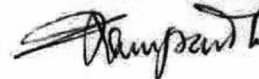


Edelweiss Insurance Brokers Limited
Annexure to the Independent Auditors' Report (Continued)

- (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.

Mumbai
14 May 2015

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024



N Sampath Ganesh
Partner
Membership Number: 042554

Edelweiss Insurance Brokers 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	69,50,000	69,50,000
(b) Reserves and surplus	2.2	13,29,18,305	11,15,56,606
		<u>13,98,68,305</u>	<u>11,85,06,606</u>
Non-current liabilities			
Long-term provisions	2.3	42,07,154	25,81,000
Current liabilities			
(a) Trade payables	2.4	1,47,54,663	57,65,794
(b) Other current liabilities	2.5	5,48,37,682	2,39,40,072
(c) Short-term provisions	2.6	29,92,062	28,08,062
TOTAL		<u><u>21,66,59,866</u></u>	<u><u>15,36,01,534</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.7	66,84,537	55,56,530
(ii) Intangible assets	2.7	12,57,175	-
(iii) Capital work-in-progress		15,21,521	-
(b) Deferred tax assets	2.8	21,41,755	14,99,380
(c) Long-term loans and advances	2.9	3,77,12,459	9,92,61,271
(d) Other non-current assets	2.10	11,10,986	10,27,386
		<u>5,04,28,433</u>	<u>10,73,44,567</u>
Current assets			
(a) Trade receivables	2.11	4,46,79,064	2,57,46,778
(b) Cash and cash equivalents	2.12	16,85,434	9,69,404
(c) Short-term loans and advances	2.13	11,91,94,939	1,92,69,817
(d) Other current assets	2.14	6,71,996	2,70,968
		<u>16,62,31,433</u>	<u>4,62,56,967</u>
TOTAL		<u><u>21,66,59,866</u></u>	<u><u>15,36,01,534</u></u>

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

Mumbai
14 May 2015

For and on behalf of the Board of Directors



Anil Kothuri
Director
DIN No.: 00177945



Anurag Madan
Director
DIN No.: 00010324

Mumbai
14 May 2015

Edelweiss Insurance Brokers 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			
Commission income	2.15	18,86,98,227	13,47,21,951
Other operating revenue	2.16	92,889	1,08,483
Other income	2.17	98,77,413	90,08,949
Total revenue		19,86,68,529	14,38,39,383
Expenses			
Employee benefit expenses	2.18	11,62,89,736	5,83,83,609
Finance costs	2.19	5,961	1,39,683
Depreciation and amortization	2.7	35,43,596	15,49,843
Other expenses	2.20	4,60,85,190	3,32,56,548
Total expenses		16,59,24,483	9,33,29,683
Profit before tax		3,27,44,046	5,05,09,700
Tax expense:			
(1) Current tax		1,18,89,181	1,67,42,791
(including adjustment for earlier years Rs. 609,181, Previous year: Rs. Nil)			
(2) Deferred tax		(6,42,375)	3,08,792
Profit for the year		2,14,97,240	3,34,58,117
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.22	30.93	48.14

Significant accounting policies and notes to the financial statements

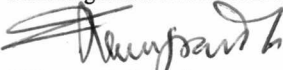
1 & 2

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

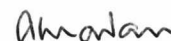
For and on behalf of the Board of Directors



Anil Kothuri

Director

DIN No.: 00177945



Anurag Madan

Director

DIN No.: 00010324

Mumbai
14 May 2015

Mumbai
14 May 2015

Edelweiss Insurance Brokers 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	3,27,44,046	5,05,09,700
<i>Adjustments for</i>		
Depreciation and amortization	35,43,596	15,49,843
Provision for gratuity	12,75,154	6,95,657
Provision for compensated leave absences	5,35,000	(49,000)
Bad debts written off	-	3,39,076
Loss on sale/ write-off of fixed assets	7,688	2,92,634
Interest income	(99,70,302)	(91,08,569)
Interest expense	-	1,84,930
Operating cash flow before working capital changes	2,81,35,182	4,44,14,271
Add / (Less): Adjustments for working capital changes		
Increase in trade receivables	(1,89,32,286)	(1,04,84,453)
(Increase)/Decrease in loans and advances and other assets	(47,03,383)	8,23,914
Increase in liabilities and provisions	3,98,86,480	72,73,277
Cash generated from operations	4,43,85,993	4,20,27,009
Income taxes paid	(2,07,80,819)	(1,98,69,509)
Net cash generated from operating activities - A	2,36,05,174	2,21,57,500
B Cash flow from investing activities		
Purchase of fixed assets	(77,45,643)	(49,57,874)
Proceeds from sale of fixed assets	1,52,114	33,551
Interest received	95,69,274	90,77,970
Loans given (net) (refer note 1)	(2,48,64,889)	(3,69,95,712)
Proceeds from maturity of Inter corporate deposits	-	50,00,000
Net cash used in investing activities - B	(2,28,89,144)	(2,78,42,065)
C Cash flow from financing activities		
Interest paid	-	(1,84,930)
Net cash used in financing activities - C	-	(1,84,930)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	7,16,030	(58,69,495)
Cash and cash equivalent as at the beginning of the year	9,69,404	68,38,899
Cash and cash equivalent as at the end of the year (refer note 2.12)	16,85,434	9,69,404

Notes:

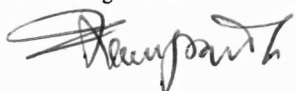
1. Net figures have been reported on account of volume of transactions.

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 No.: 00177945

Mumbai

14 May 2015



Anurag Madan

Director

DIN No.: 00010324

Edelweiss Insurance Brokers 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, 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. The financial statements are presented in Indian rupees.

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 and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

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

Assets

An asset is classified as current when it 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, result 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 Insurance Brokers Limited

Notes to the financial statements (continued)

1.4 Revenue recognition

- Brokerage income is recognised on accrual basis at the inception of the insurance policy i.e. once the policy is issued by the insurance company based on the terms agreed with the insurance companies.
- Interest income is recognised on accrual basis.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

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. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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

Class of asset	Useful Life
Office equipments	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

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

Intangible fixed assets

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

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

1.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the 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 Insurance Brokers 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 recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their services 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 independent actuarial valuation by an actuary 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 leave 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 Taxation

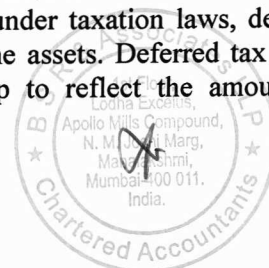
Income-tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Income tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are 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 reasonably/virtually certain, as the case may be, to be realised.



Edelweiss Insurance Brokers Limited

Notes to the financial statements (continued)

1.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 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 earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.10 Provisions and contingencies

The Company creates a provision when there is a 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 Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.1 Share capital		
Authorised :		
2,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each	2,00,00,000	2,00,00,000
Issued, Subscribed and Paid up:		
695,000 (Previous year: 695,000) equity shares of Rs. 10 (Previous year: Rs. 10) each, fully paid-up	69,50,000	69,50,000
	69,50,000	69,50,000

(The entire paid up capital is held by Edelweiss Financial Services Limited, the holding company and its nominees).

a. Movement in share capital during the year

	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	6,95,000	69,50,000	6,95,000	69,50,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	6,95,000	69,50,000	6,95,000	69,50,000

b. Rights of equity shareholders:

The Company has only one class of 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.

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

	31 March 2015		31 March 2014	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Edelweiss Financial Services Limited, the holding company	6,94,974	100.00%	6,94,974	100.00%
	6,94,974	100.00%	6,94,974	100.00%

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

	31 March 2015		31 March 2014	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Equity Shares of Rs 10 each fully paid				
Edelweiss Financial Services Limited, the holding company	6,94,974	100.00%	6,94,974	100.00%
	6,94,974	100.00%	6,94,974	100.00%



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.2 Reserves and surplus		
Surplus in statement of profit and loss		
Opening balance	11,15,56,606	7,80,98,489
Add: Adjustment on account of accumulated depreciation (net of tax)	(1,35,541)	-
Add: Profit for the year	2,14,97,240	3,34,58,117
	13,29,18,305	11,15,56,606
2.3 Long-term provisions		
Provision for employee benefits		
- Gratuity	32,16,154	20,28,000
- Compensated leave absences	9,91,000	5,53,000
	42,07,154	25,81,000
2.4 Trade payables		
Trade payables	1,47,54,663	57,65,794
(includes sundry creditors, provision for expenses)		
	1,47,54,663	57,65,794



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.5 Other current liabilities		
Other payables		
- Accrued salaries and benefits	4,85,29,879	1,85,06,439
- Withholding tax, service tax and other taxes payable	20,17,517	12,43,272
- Book overdraft	21,08,119	30,84,771
- Others	21,82,167	11,05,590
	5,48,37,682	2,39,40,072
2.6 Short-term provisions		
Provision for employee benefits		
- Gratuity	5,19,000	4,32,000
- Compensated leave absences	2,34,000	1,37,000
Others		
- Provision for taxation	22,39,062	22,39,062
(Net of advance tax and tax deducted at source Rs.16,858,574; Previous year Rs.16,858,574)		
	29,92,062	28,08,062



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.7 Fixed assets

Description of assets	Gross Block				Depreciation and amortization				Net Block	
	As at 1 April 2014	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2015	As at 1 April 2014	Adjustment of Depreciation (Opening Reserve)	Charge for the year	Deductions during the year	As at 31 March 2015	As at 31 March 2014
Tangible assets										
Furniture and fixtures	6,88,523	-	1,86,376	5,02,147	3,35,583.00	-	60,522	32,801	3,63,304	3,52,940
Vehicles	44,93,969	7,43,810	-	52,37,779	15,11,020.00	-	11,55,721	-	26,66,741	29,82,949
Office equipments	8,23,795	6,29,096	9,875	14,43,016	2,88,719.00	1,09,408	3,57,128	3,651	7,51,604	5,35,076
Computers	20,95,646	31,36,581	31,600	52,00,627	12,06,877.00	26,133	13,88,532	31,596	25,89,946	8,88,769
Leasehold improvement	9,78,944	1,27,000	-	11,05,944	1,82,148.00	-	2,51,233	-	4,33,381	7,96,796
Total : A	90,80,877	46,36,487	2,27,851	1,34,89,513	35,24,347	1,35,541	32,13,136	68,048	66,84,537	55,56,530
Intangible assets										
Computer software	-	15,87,635	-	15,87,635			3,30,460	-	3,30,460	-
Total : B	-	15,87,635	-	15,87,635	-		3,30,460	-	12,57,175	-
Grand Total [A+B]	90,80,877	62,24,122	2,27,851	1,50,77,148	35,24,347		35,43,596	68,048	71,35,436	55,56,530
Previous year	65,31,951	49,57,874	24,08,948	90,80,877	40,57,267		15,49,843	20,82,763	55,56,530	

Note:

As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 1,028,476 and an amount of Rs. 135,541 has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life has expired as at 1 April 2014.



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.8 Deferred tax assets		
Tax effect of the timing differences on account of:		
- Difference between book and tax depreciation	5,01,779	4,77,363
- Disallowances under section 43B of the Income Tax Act, 1961	16,39,976	10,22,017
	21,41,755	14,99,380
2.9 Long-term loans and advances		
<u>Unsecured, considered good</u>		
Loans and advances to a related party	5,00,000	7,00,00,000
Security deposits		
- Rental deposits	48,20,500	30,52,000
- Other deposits	5,00,000	5,00,000
Advance income tax (Net of provision for taxation Rs. 34,779,571; Previous year: Rs. 23,475,185)	3,18,91,959	2,57,09,271
	3,77,12,459	9,92,61,271
2.10 Other non-current assets		
Bank deposits with more than 12 months maturity, (pledged with Insurance Regulatory and Development Authority)	10,25,000	10,25,000
Accrued interest on fixed deposits	85,986	2,386
	11,10,986	10,27,386



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.11 Trade receivables		
Unsecured, considered good		
Other debts	4,46,79,064	2,57,46,778
	4,46,79,064	2,57,46,778
2.12 Cash and cash equivalents		
Cash in hand	3,350	23,501
Balances with banks		
- in current accounts	16,82,084	9,45,903
	16,85,434	9,69,404
2.13 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to a related parties	10,99,26,059	1,60,61,170
Other loans and advances		
- Deposits - others	2,00,000	-
- Prepaid expenses	6,15,999	2,57,366
- Loans and advances to employees	2,52,182	2,31,586
- Vendor advances	17,76,275	1,30,084
- Input tax credit	11,25,863	-
- Advance income tax	52,98,561	25,89,611
(Net of provision for taxation Rs.17,351,972; Previous year : Rs. 16,813,130)		
	11,91,94,939	1,92,69,817
2.14 Other current assets		
Accrued interest on loans given	6,71,996	2,70,968
	6,71,996	2,70,968



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.15 Commission income		
Insurance brokerage income	18,86,98,227	13,47,21,951
	18,86,98,227	13,47,21,951
2.16 Other operating revenue		
Interest income on fixed deposits	92,889	1,08,483
	92,889	1,08,483
2.17 Other income		
Miscellaneous income	-	8,863
Interest Income - others	98,77,413	90,00,086
	98,77,413	90,08,949
2.18 Employee benefit expenses		
Salaries, allowances and bonus	10,64,58,957	5,57,94,617
Contribution to provident and other funds	37,68,248	15,30,619
Staff welfare expenses	60,62,531	10,58,373
	11,62,89,736	5,83,83,609
2.19 Finance costs		
Interest on loan from holding company	-	1,84,930
Interest - others	5,961	(45,302)
Financial and bank charges	-	55
	5,961	1,39,683



Edelweiss Insurance Brokers 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 Other expenses		
Advertisement and business promotion	66,92,364	21,97,955
Auditors' remuneration (Refer note below)	8,45,200	5,70,500
Bad debts written off	-	3,39,076
Commission and brokerage	2,94,750	-
Communication	18,96,001	13,58,500
Computer expenses	27,500	4,170
Computer software	6,164	75,086
Dematerialisation charges	22,500	20,000
Electricity charges ((Refer note 2.24)	12,89,228	8,99,545
Insurance	7,35,778	5,61,746
Legal and professional fees	1,03,42,987	1,04,04,745
Loss on sale/ write-off of fixed assets (net)	7,688	2,92,634
Membership and subscription	2,53,230	1,07,764
Office expenses	16,08,121	12,89,059
Postage and courier	1,12,792	90,425
Printing and stationery	15,92,514	3,62,097
Rates and taxes	1,73,755	19,539
Rent (Refer note 2.24 and 2.29)	1,08,24,339	78,67,615
Repairs and maintenance - others	7,06,307	2,66,434
ROC Expenses	5,314	1,000
Seminar and conference	4,89,672	7,000
Service tax expenses	40,486	29,417
Travelling and conveyance	80,62,313	64,91,944
Miscellaneous expenses	56,187	297
	4,60,85,190	3,32,56,548

Note :

Auditors' remuneration:

As auditor	5,50,000	5,50,000
For other services	2,50,500	-
For reimbursement of expenses	44,700	20,500
	8,45,200	5,70,500



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.21 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading and investment activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.22 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share 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:

S. No.	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
a)	Net amount attributable to the Equity shareholders (as per statement of profit and loss)	21,497,240	33,458,117
b)	Calculation of weighted average number of Equity Shares of Rs 10 each:		
	Number of shares at the beginning of the year	695,000	695,000
	Shares issued during the year (number of shares issued)	-	-
	Total number of equity shares outstanding at the end of the year	695,000	695,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	695,000	695,000
c)	Basic and diluted earnings per share (in Rupees) (a/b)	30.93	48.14



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

S. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	Edelweiss Commodities Services Limited
	Edelweiss Broking Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Web Services Limited
	Edelweiss Securities Limited
	Edelweiss Investment Advisors Limited



Edelweiss Insurance Brokers Limited

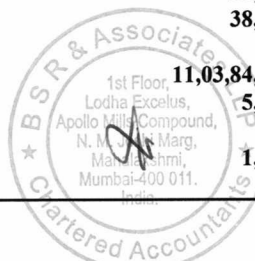
Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Related parties

(C) Transactions with related party during the reporting year

Nature of Transaction	Name of related parties	2014-15	2013-14
Current account transactions			
Loans taken from	Edelweiss Financial Services Limited	-	98,10,388
	Edelweiss Commodities Services Limited	7,00,000	
Loans repaid to	Edelweiss Financial Services Limited	-	98,10,388
	Edelweiss Commodities Services Limited	7,00,000	
Loans given to	Edelweiss Commodities Services Limited	10,04,12,658	16,61,47,427
Loans repaid by	Edelweiss Commodities Services Limited	7,60,89,564	8,00,86,257
	Edelweiss Financial Services Limited	-	3,437
	Edelweiss Broking Limited	-	584
Inter Corporate Deposit repaid by	Edelweiss Commodities Services Limited	-	50,00,000
Interest on loans paid to	Edelweiss Financial Services Limited	-	1,84,930
Interest received on loans	Edelweiss Commodities Services Limited	98,75,092	85,05,720
Interest received on Inter Corporate Deposit	Edelweiss Commodities Services Limited	-	4,78,356
Insurance brokerage income received from	Edelweiss Tokio Life Insurance Company Limited	-	35,836
Processing fees paid to	Edelweiss Web Services Limited	70,790	19,609
Sale of fixed assets to	Edelweiss Financial Services Limited	5,948	-
	Edelweiss Securities Limited	630	-
	Edelweiss Broking Limited	1,533	-
Cost reimbursements paid to	Edelweiss Financial Services Limited	5,47,728	-
	Edelweiss Commodities Services Limited	29,13,563	25,72,724
	Edelweiss Tokio Life Insurance Company Limited	-	1,68,063
Reimbursements paid to	Edelweiss Financial Services Limited	3,52,40,622	2,67,14,262
Nomination deposits paid to	Edelweiss Financial Services Limited	1,00,000	-
Nomination deposits refunded by	Edelweiss Financial Services Limited	1,00,000	-
Balance with related parties as on 31 March 2015			
Other current liabilities	Edelweiss Tokio Life Insurance Company Limited	-	1,68,063
Interest receivable	Edelweiss Commodities Services Limited	6,71,996	2,70,968
Trade payables	Edelweiss Financial Services Limited	9,69,672	-
	Edelweiss Commodities Services Limited	33,19,147	-
	Edelweiss Investment Advisors Limited	39,761	-
	Edelweiss Web Services Limited	38,777	17,862
Short-term loans and advances	Edelweiss Commodities Services Limited	11,03,84,264	8,60,61,170
	Edelweiss Financial Services Limited	5,948	-
	Edelweiss Securities Limited	630	-
	Edelweiss Broking Limited	1,533	-



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Cost sharing

Edelweiss Commodities Services Limited, being fellow subsidiary incurs expenditure like rent and electricity which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of area occupied, actual identifications etc. Accordingly, and as identified by management, the expenditure heads in Note 2.20 are inclusive of the reimbursements.

2.25 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.

2.26 Foreign currency

The Company has not earned/incurred any income/expenditure in foreign currency during the year (Previous year Rs. Nil).

2.27 Capital commitments and contingent liabilities

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 53,000 (Previous year: Rs. Nil). The Company has no contingent liability as at the balance sheet date. (Previous year: Rs. Nil)

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

A) Defined contribution plan (Provident fund):

Amount of Rs. 2,186,705 (Previous year: Rs. 775,865) is recognised as expense and included in "Employee benefit expenses" – Note 2.18 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Statement of profit and loss

Net employees benefit expenses:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	816,154	509,000
Interest on defined benefit obligation	219,000	139,000
Expected return on plan assets	-	-
Actuarial (gain) or losses	544,000	105,657
Total included in Employee benefit expenses'	1,579,154	753,657

Balance sheet

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

	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	2,460,000	1,764,343
Interest cost	219,000	139,000
Current service cost	816,154	509,000
Past service cost (not vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefits Paid	(304,000)	(58,000)
Actuarial (gain)/loss on obligations	544,000	105,657
Liability at the end of the year	3,735,154	2,460,000



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Changes in Fair Value of Plan Assets are as follows:

	As at 31 March 2015	As at 31 March 2014
Fair Value of plan assets at the beginning of the year	-	-
Acquisition Adjustment	-	-
Expected return on plan asset	-	-
Contribution	(304,000)	58,000
Benefits Paid	(304,000)	(58,000)
Actuarial (gain) or losses	-	-
Liability at the end of the year	-	-

Amount Recognised in the Balance Sheet:

	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	3,735,154	2,460,000	1,764,343
Fair value of plan assets at the end of the year	-	-	-
Amount in Balance sheet	3,735,154	2,460,000	1,764,343



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Experience Adjustment

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
On plan liabilities: (Gain)/ Loss	159,000	227,000	822,911	30,497	-
On plan assets: Gain / (Loss)	-	-	-	-	-
Estimated Contribution for the next year	Nil	Nil	Nil	Nil	Nil

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31-March-15	For the year ended 31-March-14
Discount rate	7.80%	8.90%
Salary escalation rate	7%	6%
Employees attrition rate	13 %- 25%	13 %- 25%



Edelweiss Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.29 Operating leases

The Company has taken various premises on operating lease. Gross rental expenses for the year ended 31 March 2015 aggregated to Rs.10,824,339 (Previous year Rs. 7,867,615) 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:

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

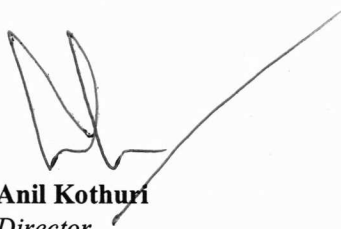
Partner

Membership No: 042554

Mumbai

14 May 2015

For and on behalf of the Board of Directors



Anil Kothuri

Director

DIN no.: 00177945

Mumbai

14 May 2015



Anurag Madan

Director

DIN no.: 00010324