

B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Edelweiss Web Services Ltd

Report on the financial statements

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

Management's responsibility for 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Independent Auditors' Report (Continued)

Edelweiss Web Services Ltd

Auditor's responsibility (Continued)

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

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 Web Services Ltd

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 on its financial position in its financial statements.
 - 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: 116231 W/W-100024



N. Sampath Ganesh
Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Web Services Ltd

Annexure to the Independent Auditors' Report 31 March 2015

(Referred to in our report of even date)

- 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. (a) The Company has conducted a physical verification of equity shares and other securities relating to the Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals.
- (b) The procedures for physical verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.
- (c) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock in trade.
- 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. We have not observed any major weakness in the internal control system during the course of the audit.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
- 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, service tax, value added tax and other material statutory dues have been generally 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 Wealth Tax, Sales Tax, Duty of Customs, Duty of Excise and Cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.



Edelweiss Web Services Ltd

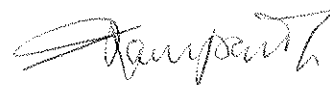
Annexure to the Independent Auditors' Report 31 March 2015 (Continued)

- (b) According to the information and explanations given to us, there are no dues of provident fund, income tax, service tax, value added tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (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 has accumulated losses as at the end of the financial year which are more than 50 percent of its net worth, and has not incurred cash losses in the financial year but has incurred cash losses of Rs.60,554,541 in the immediately preceding financial year.
- ix. The Company did not have any outstanding 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 guarantee for loans taken by others from bank or financial institutions. Thus, paragraph 3 (x) of the order is not applicable.
- xi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company did not have any term loans and hence, Paragraph 3 (xi) of the Order is not applicable.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For B S R & Associates LLP

Chartered Accountants

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



N. Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Web Services Limited

Balance Sheet

as at 31 March 2015

(Currency : Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	72,274,510	42,274,510
(b) Reserves and surplus	2.2	30,468,707	(140,590,390)
		102,743,217	(98,315,880)
Non-current Liabilities			
(a) Long-term borrowings	2.3	54,000,000	171,000,000
(b) Other Long term liabilities	2.4	177,610	-
(c) Long-term provisions	2.5	1,845,023	1,505,000
Current liabilities			
(a) Short-term borrowings	2.6	4,564,573,690	17,573,813
(b) Trade payables	2.7	14,024,309	6,217,340
(c) Other current liabilities	2.8	53,191,814	15,492,697
(d) Short-term provisions	2.9	5,707,244	3,828,785
TOTAL		4,796,262,907	117,301,755
ASSETS			
Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		7,763,151	9,143,574
(ii) Intangible assets		12,023,255	23,267,807
(iii) Intangible assets under development		36,917,060	15,940,940
(b) Long-term loans and advances	2.11	14,879,993	10,097,113
(c) Other non-current assets	2.12	88,271	79,646
		71,671,730	58,529,080
Current assets			
(a) Inventories	2.13	521,924,028	8,818
(b) Trade receivables	2.14	36,666,491	37,698,326
(c) Cash and bank balances	2.15	11,014,201	822,677
(d) Short-term loans and advances	2.16	23,085,910	20,208,543
(e) Other current assets	2.17	4,131,900,547	34,311
		4,724,591,177	58,772,675
TOTAL		4,796,262,907	117,301,755

Significant accounting policies and notes to financial statements
As per our report of even date attached.

1 & 2

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

14 May 2015

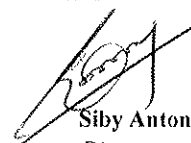
For and on behalf of the Board of Directors



B. Renganathan

Director


DIN :01206952



Siby Antony

Director

DIN:00075909



Brijmohan Bohra

Company Secretary

Mumbai

14 May 2015

Edelweiss Web Services 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	2.18	34,882,550	36,598,200
Income from treasury operations and investments	2.19	275,242,192	17,092,161
Sale of commodities		1,121,871,569	-
Other operating revenue	2.20	107,769,323	716,792
Other income	2.21	17,742	210,063
Total Revenue		1,539,783,376	54,617,216
Expenses			
Purchases of commodities		992,841,358	-
Employee benefit expenses	2.22	40,573,723	32,634,011
Finance costs	2.23	197,210,047	17,892,910
Depreciation and amortization expenses		19,938,284	19,204,787
Other expenses	2.24	237,377,867	40,567,809
Total expenses		1,487,941,279	110,299,517
Profit/(Loss) before tax		51,842,097	(55,682,301)
Tax expense:			
Income tax		783,000	-
Deferred tax charge		-	4,872,240
Profit/(Loss) after tax		51,059,097	(60,554,541)
Earnings per equity share:			
Basic and diluted (face value Rs.10 each)	2.26	12.08	(14.32)

Significant accounting policies and notes to financial statements

1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

14 May 2015

For and on behalf of the Board of Directors



B. Renganathan

Director

DIN :01206952



Siby Antony

Director

DIN:00075909



Brijmohan Bohra

Company Secretary

Mumbai

14 May 2015

Edelweiss Web Services 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/(Loss) before taxation	51,842,097	(55,682,301)
Adjustments for		
Depreciation	19,938,284	19,204,787
Gratuity provision/Compensated Absences	576,000	648,000
Interest income	(17,742)	(210,063)
Interest expense	197,206,155	17,880,264
Operating cash flow before working capital changes	269,544,794	(18,159,313)
Add / (Less): Adjustments for working capital changes		
Decrease/(increase) in trade receivables	1,031,835	(16,502,800)
(Increase)/decrease in stock in trade	(521,915,210)	1,776
(Increase) in short term/long term loans and advances	(2,377,610)	(9,324,904)
(Increase) in other assets	(4,131,874,861)	(41,725)
Increase in liabilities and provisions	28,436,903	7,674,580
Cash used in operations	(4,357,154,149)	(36,352,386)
Income taxes paid	4,431,113	618,066
Net cash (used) in operating activities - A	(4,361,585,262)	(36,970,452)
B Cash flow from investing activities		
Purchase of tangible assets	(3,057,654)	(4,249,664)
Addition to intangible assets	(4,255,655)	(4,945,918)
Addition to intangible assets under development	(20,976,120)	(14,349,895)
Interest received	17,742	210,063
Net cash used in investing activities - B	(28,271,687)	(23,335,414)
C Cash flow from financing activities		
Loan taken/(repaid) in short term borrowing	4,546,999,877	(5,076,187)
Loan taken/(repaid) in long term borrowing	(117,000,000)	81,000,000
9% Non-cumulative Redeemable Preference Shares issued	30,000,000	-
Securities Premium on Redeemable Pref Shares	120,000,000	-
Interest paid	(179,951,404)	(17,084,013)
Net cash generated from financing activities - C	4,400,048,473	58,839,800
Net increase/(decrease) in cash and cash equivalents (A+B+C)	10,191,524	(1,466,066)
Cash and cash equivalent as at the beginning of the year	822,677	2,288,743
Cash and cash equivalent as at the end of the year (Refer note 2.15)	11,014,201	822,677

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

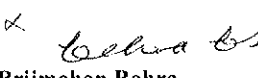
Mumbai

14 May 2015

For and on behalf of the Board of Directors


B. Rehanathan
Director
DIN :01206952


Siby Antony
Director
DIN:00075909


Brijmohan Bohra
Company Secretary
Mumbai
14 May 2015

Edelweiss Web Services Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

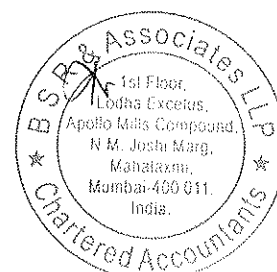
The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 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 and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from the estimates. Any revisions to accounting estimates are recognised prospectively in current or future periods.

1.3 Revenue recognition

- a) Fee income including advisory fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty. Interest income is recognised on accrual basis of accounting.
- b) Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity, interest rate and currency derivative instruments.
- c) Profit/loss on sale of securities and commodities is determined based on the weighted average cost of the securities/commodities sold.
- d) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement or squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- e) Dividend income is recognised when the right to receive payment is established.



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1.4 Current-non-current classification

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

Assets

An Asset is classified as current when it satisfies any of the following criteria:

- e) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- f) It is held primary for the purpose of being traded;
- g) It is expected to be realized within 12 months after the reporting date; or
- h) 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:

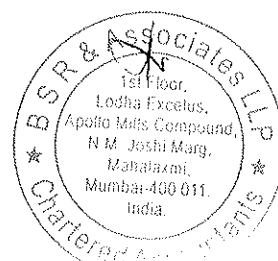
- i) It is expected to be settled in the company's normal operating cycle.
- j) It is held primarily for the purpose of being traded;
- k) It is due to be settled within 12 months after the reporting date; or
- l) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current

1.5 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities, including from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.



Edelweiss Web Services Limited

Notes to the financial statements (*Continued*)

(Currency: Indian rupees)

1.6 Investments

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

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

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 & loss.

Gratuity

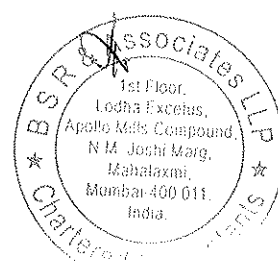
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefits scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. This benefit is discounted 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 carried out by an independent actuary using the Projected Unit Credit Method which recognizes each period of service that give 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.

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 Profit & Loss account and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1.7 Employee benefits (continued)

Deferred Bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.8 Taxation

Tax expense comprises income 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 reasonable/virtually certain (as the case may be) to be realised.

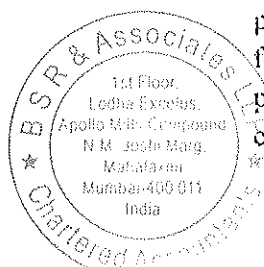
Minimum Alternative Tax (MAT)

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future.

1.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.



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Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1.10 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:

Nature of assets	Useful Life
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Intangible fixed assets

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

1.11 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

Non monetary assets and liabilities are carried at historical cost using exchange rate on the date of the transaction.



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1.12 Impairment of assets

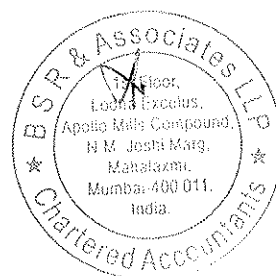
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount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

1.13 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 Web Services 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 :		
6,000,000 (Previous year: 6,000,000) Equity Shares of Rs. 10 each	60,000,000	60,000,000
4,000,000 (Previous year: 4,000,000) Preference Shares of Rs. 10 each fully paid	40,000,000	40,000,000
	100,000,000	100,000,000
Issued, Subscribed and Paid up:		
4,227,451 (Previous year: 4,227,451) Equity Shares of Rs. 10 each fully paid	42,274,510	42,274,510
3,000,000 9% Non-cumulative Redeemable Preference Shares	30,000,000	-
	72,274,510	42,274,510

(the entire paid up share capital is held by Edelweiss Broking Limited, the holding company and its nominees).

a. Movement in share capital :

	31 March 2015		31 March 2014	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	4,227,451	42,274,510	4,227,451	42,274,510
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,227,451	42,274,510	4,227,451	42,274,510
9% Non-cumulative Redeemable Preference Shares of Rs 10 each fully paid				
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	3,000,000	30,000,000	-	-
Outstanding at the end of the year	3,000,000	30,000,000	-	-

b. 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. 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.

c. Terms/rights attached to Preference Shares:

30,00,000 Preference Shares of Rs. 10 each were allotted for cash at a premium of Rs. 40 per share on July 14, 2014. The Preference shares will be redeemed after a period of 3 years from the date of allotment. The shares will be redeemed at a premium of Rs. 40 per share.

2.2 Reserves and surplus

Securities premium account		
Opening balance	-	-
Add : Additions during the year	120,000,000	-
Closing Balance	120,000,000	-
Deficit in statement of profit and loss		
Opening balance in statement of profit and loss	(140,590,390)	(80,035,849)
Add: Profit/(loss) for the year	51,059,097	(60,554,541)
Closing Balance	(89,531,293)	(140,590,390)
	30,468,707	(140,590,390)

2.3 Long-term borrowings

Unsecured

Loans and advances (Refer Note 2.33)	54,000,000	171,000,000
	54,000,000	171,000,000

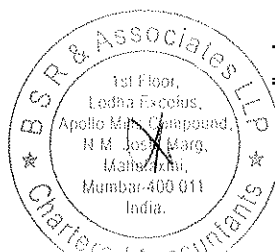


Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.4 Other long term liabilities		
Rental Deposits	177,610	-
	177,610	-
2.5 Long-term provisions		
Provision for employee benefits		
Gratuity (Refer Note 2.28)	1,573,023	1,295,000
Compensated leave absences	272,000	210,000
	1,845,023	1,505,000
2.6 Short-term borrowings		
<u>Unsecured</u>		
(Due within one year, unless otherwise stated)		
Loans and advances	4,564,573,690	17,573,813
	4,564,573,690	17,573,813
2.7 Trade payables		
Trade payables	14,024,309	6,217,340
(includes sundry creditors and provision for expenses)		
	14,024,309	6,217,340
2.8 Other current liabilities		
Interest accrued but not due on borrowings	18,068,649	813,856
Other Payables		
Accrued salaries and benefits	16,590,369	7,522,190
Withholding tax, service tax and other taxes payable	18,443,796	1,104,072
Book overdraft	-	5,958,579
Others	89,000	94,000
	53,191,814	15,492,697
2.9 Short-term provisions		
Provision for employee benefits		
Gratuity (Refer Note 2.28)	681,000	457,023
Compensated leave absences	71,000	59,000
Provision for taxation (net of advance tax and tax deducted at source Rs.13,507,141/-, previous year Rs.1,154,247)	3,652,245	2,017,763
Provision for capex	1,302,999	1,294,999
	5,707,244	3,828,785

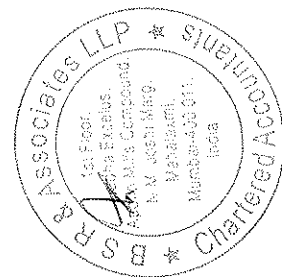


Notes to the financial statements (Continued)

2.10 Fixed assets

Note

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.365,316



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.11 Long-term loans and advances		
<u>Unsecured</u>		
<i>Considered good unless stated otherwise</i>		
Security Deposits		
Other deposits	1,500,000	1,440,000
Other loans and advances		
Advance income taxes (net of provision for taxation Rs. 4,599,695; previous year Rs. 2,662,821)	13,278,906	8,556,026
MAT credit entitlement	101,087	101,087
	<u>14,879,993</u>	<u>10,097,113</u>
2.12 Other non-current assets		
Accrued interest on fixed deposits	13,839	5,214
Long term deposits with banks	74,432	74,432
	<u>88,271</u>	<u>79,646</u>

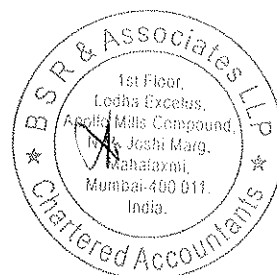


Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.13 Inventories / Stock in trade						
Equity shares (quoted)						
ABB India Limited	2	1	664	2	1	664
ACC Ltd	10	214	311,682	-	-	-
Alok Industries Limited	10	1	7	10	1	7
Asian Paints Limited	1	10	548	10	1	548
Bharat Heavy Electricals Limited	2	2	380	2	2	300
Bharti Infratel Limited	10	1	179	10	1	179
Capital First Limited	10	1	162	10	1	162
DCB Bank Limited	10	2	86	10	2	86
ICICI Bank Limited	2	10	2,079	10	2	2,079
ITC Limited	1	1	326	1	1	235
Margo Finance Limited	10	1	5	10	1	5
Prime Focus Limited	1	1	27	1	1	27
REI Agro Limited	1	12	8	1	12	53
Shriram Transport Finance Company Limited	10	1	601	10	1	601
State Bank of India	1	20	3,835	10	2	3,835
Suzlon Energy Limited	2	1	11	2	1	11
Texmaco Infrastructure & Holdings Limited	1	1	26	1	1	26
Future retail	2	1	99	-	-	-
Jaiprakash Associates Limited	2	4	99	-	-	-
Va Tech Wabag	2	2	1,330	-	-	-
Cholamandalam Investment and Finance Company	10	1	385	-	-	-
Dredging Corporation India	10	1	330	-	-	-
Aegis Logistics Ltd	10	5	1,160	-	-	-
			324,028			8,818
Bonds (Quoted)						
8.40% Government Stock 28.07.2024	100	5,000,000	521,600,000	-	-	-
			521,600,000			-
			521,924,028			8,818
Aggregate of stock in trade of Equity shares(Quoted)	-At carrying value		324,028			8,818
	-At market value		361,159			9,875
Aggregate of stock in trade of bonds (Quoted)	-At carrying value		524,250,000			-
	-At market value		521,600,000			-

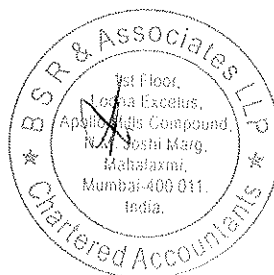


Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.14 Trade receivables		
Other debts(For a period less than 6 months)		
Unsecured, considered good	36,666,491	37,698,326
	<u>36,666,491</u>	<u>37,698,326</u>
2.15 Cash and bank balances		
Balances with banks - in current accounts	11,014,201	822,677
	<u>11,014,201</u>	<u>822,677</u>
2.16 Short-term loans and advances		
<u>Unsecured</u>		
<i>Considered good unless stated otherwise</i>		
Loan & Advances	11,000,000	11,000,000
Other loans and advances		
Deposits- others	-	60,000
Prepaid expenses	4,303,186	1,649,958
Loans and advances to employees	301,668	862,878
Vendor advances	1,344,304	1,450,086
Input tax credits	3,214,964	2,770,589
Rs.Nil, previous year Rs.Nil)	2,921,788	2,362,031
Advances recoverable in cash or in kind or for value to be received	-	53,000
	<u>23,085,910</u>	<u>20,208,543</u>
2.17 Other current assets		
Accrued interest on debt instruments	7,350,000	-
Accrued interest on loans given	72,381	34,311
Accrued interest on margin	8,532,139	-
Currency options premium paid	1,674,250	-
Margin placed with broker	4,114,271,777	-
	<u>4,131,900,547</u>	<u>34,311</u>

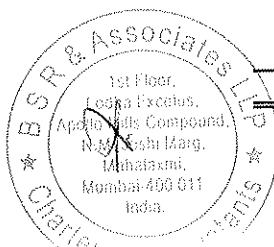


Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.18 Fee and commission income		
Fee Income	34,882,550	36,598,200
	34,882,550	36,598,200
2.19 Income from treasury operations and investments		
Profit /(Loss) on trading of securities (net)	(5,010,675)	62
Profit /(Loss) on trading in Equity Derivative Instruments (net)	313,587,844	(9,987)
Profit /(Loss) on trading in currency derivative instruments (net)	(33,340,693)	17,101,315
Dividend on stock in trade	5,716	771
	275,242,192	17,092,161
2.20 Other operating revenue		
Interest income on loan	1,265,000	-
Interest income on fixed deposits	8,046	6,634
Interest income on debt instrument	3,150,000	-
Interest income on margin	67,723,058	710,158
Interest income on overdue accounts	30,931,219	-
Warehouse charges	4,692,000	-
	107,769,323	716,792
2.21 Other income		
Miscellaneous income	-	9,525
Interest income on loan	-	110,904
Interest Income - Others	17,742	89,634
	17,742	210,063
2.22 Employee benefit expenses		
Salaries and wages (Refer note.2.28)	39,237,489	31,714,992
Contribution to provident and other funds	573,550	361,356
Staff welfare expenses	762,684	557,663
	40,573,723	32,634,011
2.23 Finance costs		
Interest on loan from ultimate holding company	169,572,632	6,228,119
Interest on loan from fellow subsidiaries	10,558,028	11,652,145
Interest - others	17,075,495	-
Financial and bank charges	3,892	12,646
	197,210,047	17,892,910



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.24 Other expenses		
Advertisement and business promotion	59,400	54,360
Auditors' remuneration (Refer Note below)	174,400	169,600
Communication	2,508,442	2,179,267
Computer expenses	423,305	546,684
Computer software	8,440,288	5,734,924
Clearing & custodian charges	185,000	-
Electricity charges (Refer note 2.30)	409,361	514,163
SEBI Fees	12,682	325
Foreign exchange loss (net)	6,184	310,971
Insurance	58,250	61,801
Legal and professional fees	20,885,101	21,737,407
Membership & Subscription	335,343	464,658
Office expenses	1,600	7,919
Printing and stationery	11,759	95,170
Rates and taxes	56,728	5,120
Rent (refer note 2.30)	3,714,250	5,203,001
ROC Expenses	7,228	-
Security transaction tax	130,743,829	387
Seminar & Conference	-	9,073
Service tax expenses	10,955,079	1,828,907
Site related expenses	449,953	7,000
Stamp duty	53,317,108	48,774
Stock exchange expenses	250,000	250,000
Travelling and conveyance	1,296,272	1,336,759
Warehousing charges	3,069,473	-
Miscellaneous expenses	6,832	1,539
	237,377,867	40,567,809

Auditors' Remuneration:

As auditor	160,000	160,000
For reimbursement of expenses	14,400	4,960
	174,400	164,960



Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 -- "Related Party Disclosure":

i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Holding Company	Edelweiss Broking Limited
Ultimate Holding Company	Edelweiss Financial Services Limited (formerly Edelweiss Capital Limited)

Fellow Subsidiaries :

(with whom transactions have taken place)

EC Commodity Limited
Edelweiss Securities Limited

Edelweiss Commodities Services Limited
Edelweiss Investment Advisors Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Financial Advisors Limited
Styrax Commodities Ltd
Allium Finance Private Limited
Arum Investments Private Limited
Ecap Equities Limited
ECL Finance Limited
Edel Commodities Limited
Edel Commodities Trading Limited
Edel Finance Company Limited
Edelweiss Comtrade Limited
Edelcap Securities Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Custodial Services Limited
Edelweiss Finance & Investments Limited
Edelweiss Fund Advisors Private Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
Edelweiss Insurance Brokers Limited
Edelweiss Investment Adviser Limited
Edelweiss Metals Private Limited
EFSL Commodities Limited
EFSL Comtrade Limited
Edel Land Limited
Edelweiss Capital Markets Limited
Edelweiss Retail Finance Limited
Forefront Capital Management Pvt Limited
Edelweiss Integrated Commodity Management Limited
ECAP Equities Ltd

Key Management Personnel
(with whom transactions have taken place)

Nil

Relative of Key Management Personnel
(with whom transactions have taken place)

Nil

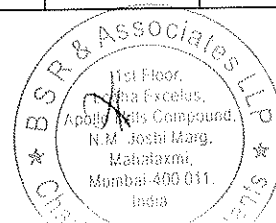


Edelweiss Webservices Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:(Continued)

ii. Transactions with related parties :				
Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
	Capital Account Transaction during the year			
1	Issue of Redeemable Preference Shares	Edelweiss Broking Limited	30,000,000	-
2	Short Term Loans taken from	Edelweiss Financial Services Limited (Note c)	6,073,680,849	158,394,581
3	Long Term Loans taken from	Edelweiss Alternative Asset Advisors Limited(Note c)	-	81,000,000
		Edelweiss Investment Adviser Limited(Note c)	-	-
4	Short Term Loans repaid to	Edelweiss Financial Services Limited (Note c)	1,526,680,972	163,470,768
5	Long Term Loans repaid to	Edelweiss Alternative Asset Advisors Limited(Note c)	37,000,000	-
		Edelweiss Investment Adviser Limited(Note c)	80,000,000	-
6	Short Term Loans given to	Edelweiss Commodities Services Limited(Note c)	-	11,000,000
7	Margin placed with	Edelweiss Securities Limited(Note c)	5,851,582,866	142,126,122
		Edelweiss Broking Limited(Note c)	1,549	-
8	Margin withdrawn from	Edelweiss Securities Limited(Note c)	1,737,280,170	142,126,122
		Edelweiss Broking Limited(Note c)	537	-
	Current Account Transaction during the year			
9	Interest Expenses on loan from	Edelweiss Financial Services Limited	169,572,632	6,228,119
		Edelweiss Investment Advisors Limited	3,961,644	10,799,985
		Edelweiss Alternative Asset Advisors Limited	6,596,384	852,160
10	Interest Income on margin placed with	Edelweiss Securities Limited	67,723,058	710,158
11	Interest received on loans given to	Edelweiss Commodities Services Limited	1,265,000	110,904
12	Reimbursement paid to	Edelweiss Financial Services Limited	152,436	9,732,226
		Edelweiss Commodities Services Limited	4,123,611	-
13	Reimbursement Received from	Edelweiss Retail Finance Limited	4,200	-
14	Warehouse Charges Received from	Styrax Commodities Ltd	1,536,800	-
15	Interest on Delayed Payment charges received from	Styrax Commodities Ltd	5,559,390	-
16	Fee income from	Edelweiss Broking Limited	30,555,770	16,291,700
		Edelweiss Securities Limited	906,730	1,408,350
		Edelweiss Financial Advisors Limited	-	18,532,600
		Allium Finance Private Limited	3,060	1,150
		Aram Investments Private Limited	4,980	1,550
		EC Commodity Limited	10,650	3,050

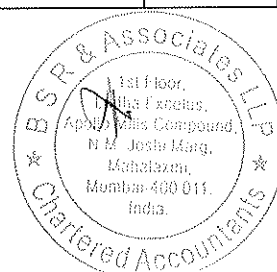


Edelweiss Webservices Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:(Continued)

ii. Transactions with related parties :				
Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
		Ecap Equities Limited	20,610	3,400
		ECL Finance Limited	380,840	106,150
		Edel Commodities Limited	22,370	7,200
		Edel Commodities Trading Limited	4,830	1,800
		Edel Finance Company Limited	7,430	3,250
		Edelcap Securities Limited	15,780	3,950
		Edelweiss Alternative Asset Advisors Limited	40,600	13,100
		Edelweiss Asset Management Limited	58,840	16,800
		Edelweiss Asset Reconstruction Company Limited	31,100	5,100
		Edelweiss Commodities Services Limited	128,930	25,950
		Edelweiss Comtrade Limited	131,770	41,800
		Edelweiss Custodial Services Limited	10,270	1,650
		Edelweiss Finance & Investments Limited	42,600	13,900
		Edelweiss Financial Services Limited	129,850	33,250
		Edelweiss Fund Advisors Private Limited	1,230	350
		Edelweiss Global Wealth Management Limited	55,080	14,250
		Edelweiss Housing Finance Limited	174,670	32,700
		Edelweiss Insurance Brokers Limited	70,790	17,450
		Edelweiss Investment Adviser Limited	71,710	14,250
		Edelweiss Metals Private Limited	25,210	1,200
		Edelweiss Web Services Limited		7,400
		EFSL Commodities Limited	4,520	1,450
		EFSL Comtrade Limited	3,290	850
		Edel Land Limited	1,460	-
		Edelweiss Capital Markets Limited	380	-
		Edelweiss Retail Finance Limited	11,800	-
		Forefront Capital Management Pvt Limited	6,440	-
		Edelweiss Integrated Commodity Management Limited	123,960	-
17	Clearing charges paid to	Edelweiss Securities Limited	185,000	-
18	Warehouse Charges Paid	ECAP Equities Ltd	1,876,800	-
		Edelweiss Capital Markets Limited	1,047,200	-
		Edelweiss Integrated Commodity Management Limited	88,772	-
19	Interest on Delayed Payment charges paid to	ECAP Equities Ltd	13,492,500	-
		Edelweiss Capital Markets Limited	3,582,995	-

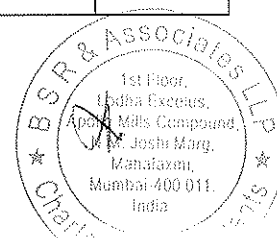


Edelweiss Webservices Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:(Continued)

ii. Transactions with related parties :				
Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
	<u>Balances with related parties</u>			
20	Short term loans taken from	Edelweiss Financial Services Limited	4,564,573,690	17,573,813
21	Long term loans taken from	Edelweiss Investment Advisors Limited	10,000,000	90,000,000
		Edelweiss Alternative Asset Advisors Limited	44,000,000	81,000,000
22	Short term loan given to	Edelweiss Commodities Services Limited	11,000,000	11,000,000
23	Trade Payables	Edelweiss Broking Limited	1,232,911	6,565
		Edelweiss Commodities Services Limited	4,699,576	-
		ECAP Equities Ltd	94,298	-
		ECL Finance Limited	998,954	-
		Edelweiss Securities Limited	680,932	-
		Edelweiss Finance & Investments Limited	149,326	-
		Edelweiss Financial Services Limited	436,065	27,769
		Edelweiss Alternative Asset Advisors Limited	124,009	263,637
		Edelweiss Asset Management Limited	70,000	-
		Edelweiss Investment Advisors Limited	90,529	322,450
		Edelweiss Housing Finance Limited	48,097	-
		Edelweiss Insurance Brokers Limited	33,684	-
		Edel Finance Company Limited	-	88,000
		Edelweiss Global Wealth Management Limited	11,612	-
		EC Commodity Limited	48,533	-
		Edel Commodities Limited	20,362	-
		Edelweiss Asset Reconstruction Company Limited	55,627	-
		Edelweiss Financial Advisors Limited	114,493	-
		Edelweiss Comtrade Limited	266,980	-
		Edelweiss Metals Private Limited	15,595	-
		Edelweiss Integrated Commodity Management Limited	185,996	-
24	Margin Payable to	Edelweiss Broking Limited	30,921	-
25	Margin Receivable from	Edelweiss Securities Limited	4,114,302,698	-
26	Interest accrued and due on borrowings	Edelweiss Financial Services Limited	17,654,131	-
		Edelweiss Commodities Services Limited	48,600	-
		Edelweiss Alternative Asset Advisors Limited	303,781	-
		Edelweiss Investment Adviser Limited	62,137	-
27	Gratuity payable to	Edelweiss Broking Limited	89,000	-



Edelweiss Webservices Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees)
2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:(Continued)

ii. Transactions with related parties :				
Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
28	<i>Prepaid Expenses to</i>	Edelweiss Financial Services Limited	75,593	-
29	<i>Trade receivables from</i>	Edelweiss Broking Limited	34,147,124	16,831,464
		Edelweiss Securities Limited	928,129	192,795
		EC Commodity Limited	10,902	3,122
		Edelweiss Financial Advisors Limited	-	115,257
		Edelweiss Commodities Services Limited	131,973	60,873
		Edel Finance Company Limited	7,606	179,695
		Edelweiss Financial Services Limited	132,915	87,035
		Allium Finance Private Limited	3,132	1,177
		Arum Investments Private Limited	5,098	1,587
		Ecap Equities Limited	-	3,480
		ECL Finance Limited	389,828	108,655
		Edel Commodities Limited	22,898	7,370
		Edel Commodities Trading Limited	4,945	1,842
		Edelcap Securities Limited	16,153	4,043
		Edelweiss Alternative Asset Advisors Limited	41,558	13,409
		Edelweiss Asset Management Limited	60,229	17,196
		Edelweiss Asset Reconstruction Company Limited	31,834	5,220
		Edelweiss Comtrade Limited	134,879	42,786
		Edelweiss Custodial Services Limited	10,512	1,689
		Edelweiss Finance & Investments Limited	43,605	14,228
		Edelweiss Fund Advisors Private Limited	1,259	358
		Edelweiss Global Wealth Management Limited	56,380	14,586
		Edelweiss Housing Finance Limited	178,792	33,472
		Edelweiss Insurance Brokers Limited	72,461	17,862
		Edelweiss Investment Adviser Limited	73,402	14,586
		Edelweiss Metals Private Limited	25,805	1,228
		Edelweiss Web Services Limited	-	7,575
		EFSL Commodities Limited	4,626	1,484
		EFSL Comtrade Limited	3,368	870
		Edel Land Limited	1,495	-



Edelweiss Webservices Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:(Continued)

ii. Transactions with related parties :				
Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
		Edelweiss Capital Markets Limited	389	-
		Edelweiss Retail Finance Limited	12,078	-
		Forefront Capital Management Pvt Limited	6,592	-
		Edelweiss Integrated Commodity Management Limited	126,886	-
30	Accrued interest income on loans given to	Edelweiss Commodities Services Limited	72,381	-
31	Accrued interest income on margin with	Edelweiss Securities Limited	8,532,139	-

Note :

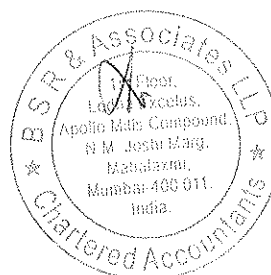
With effect from 1 April 2013 (being the appointed date):

a) The Derivatives Business of Edel Commodities Limited (“Demerging Company”) has been merged with Edelweiss Commodities Services Limited (“Resulting Company”) vide an order of the Hon. High Court of Andhra Pradesh. The effective date of the order is 11 May 2014;

All related party outstanding balances as at the end of the year relating to these demerged businesses have been disclosed as being outstanding to / from the respective Resulting Companies. All related party transactions other than that of revenue nature from the Appointed Date in relation to the demerged business accounted in the Balance Sheet have been disclosed to have been transacted with the respective Demerging Companies.

b) The Demerged Business of Edelcap Securities Limited has been merged with ECap Equities Limited (Ecap) vide an order of the Hon. High Court of Andhra Pradesh. The effective date of the order is 11 May 2014. All related party transactions transacted during the year and the outstanding balances thereof as at the end of the year relating to the Demerged Business have accordingly been disclosed to have been transacted by the Ecap.

c) Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.26 Segment reporting

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
Agency Business	Web based Services

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 and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard -17 on Segment Reporting:

	Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I	Segment Revenue		
	a) Capital based business	1,504,900,826	18,019,016
	b) Agency Business	34,882,550	36,598,200
	c) Unallocated	-	-
	Total	1,539,783,376	54,617,216
	Less : Inter Segment Revenue		
	Total Income	1,539,783,376	54,617,216
II	Segment Results		
	a) Capital based business	43,668,483	(13,334,838)
	b) Agency Business	8,173,613	(42,347,464)
	c) Unallocated	-	-
	Total	51,842,097	(55,682,301)
	Profit/(Loss) before taxation	51,842,097	(55,682,301)
	Less : Provision for taxation	783,000	-
	Add: Deferred Tax	-	(4,872,240)
	Profit/(Loss) after taxation	51,059,097	(60,554,542)



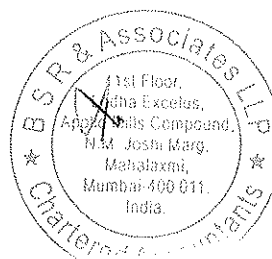
Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.26 Segment reporting (Continued)

Particulars		As at 31 March 2015	As at 31 March 2014
III	Segment Assets		
	a) Capital based business	4,678,377,530	10,145,397
	b) Agency Business	98,066,965	92,450,747
	c) Unallocated	19,818,413	14,705,611
	Total	4,796,262,908	117,301,755
IV	Segment Liabilities		
	a) Capital based business	4,593,740,712	68,764,177
	b) Agency Business	72,663,747	140,977,023
	c) Unallocated	2,71,15,231	5,876,435
	Total	4,693,519,690	215,617,635
V	Capital Expenditure (Including Capital Work-In-Progress)		
	a) Capital based business	-	-
	b) Agency Business	7,313,309	9,195,582
	c) Unallocated	-	-
	Total	7,313,309	9,195,582
VI	Depreciation and Amortisation		
	a) Capital based business	-	-
	b) Agency Business	19,938,284	19,204,787
	c) Unallocated	-	-
	Total	19,938,284	19,204,787
VII	Significant Non-Cash Expenses Other than Depreciation and Amortisation		
	a) Capital based business	577,611	213,785
	b) Agency Business	13,389	434,215
	c) Unallocated	-	-
	Total	591,000	648,000



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.27 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	For the year ended 31 March 2015	For the year ended 31 March 2014
a) Shareholders earnings (as per statement of profit and loss)	51,059,097	(60,554,541)
b) Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	4,227,451	4,227,451
Basic and diluted earnings per share (in Rupees) (a/b)	12.08	(14.32)

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year ended 31 March 2015.

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

A) Defined contribution plan (Provident fund):

Amount of Rs.572,722 (Previous year: Rs. 360,348) is recognised as expenses and included in "Employee benefit expenses" – note 2.22 in the statement of profit and loss.

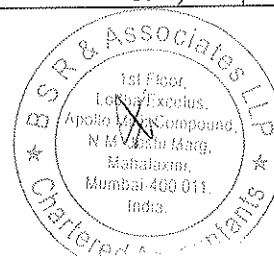
B) Defined benefit plan - Gratuity

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

Statement of Profit and Loss

Net employee benefits expenses:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	360,000	297,000
Interest on defined benefit obligation	145,000	93,000
Actuarial (gains) / losses	86,000	188,000
Total included in 'Employee Benefit Expense'	591,000	578,000



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Balance Sheet

Details of provision for gratuity:

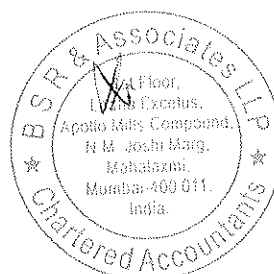
Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the end of the year	2,254,000	1,752,023
Fair value of plan assets at the end of the year	-	-
Difference	2,254,000	1,752,023
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Amount in Balance Sheet	2,254,000	1,752,023

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

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	1,752,023	1,215,023
Transfer In / (Out)	(89,000)	(41,000)
Interest cost	360,000	93,000
Current service cost	145,000	297,000
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefit paid	-	-
Actuarial (gain)/loss on obligations	86,000	188,000
Liability at the end of the year	2,254,000	1,752,023

Experience Adjustment:

	As at 31 March				
	2015	2014	2013	2012	2011
On Plan Liabilities: (Gain)/ Loss	(65,000)	248,000	734,097	(107,800)	(163,844)
On Plan Assets: Gain/ (Loss)	-	-	-	-	-
Estimated Contribution for next year	Nil	Nil	Nil	Nil	Nil



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Principle actuarial assumptions at the balance sheet date:

Particulars	As at 31 March 2015	As at 31 March 2014
Discount rate current	7.8%	8.7%
Salary escalation current	7%	6%
Employees attrition rate (based on categories)		
Senior	13%p.a	13%p.a
Mid	30%p.a	30%p.a
Junior	60%p.a	60%p.a
Expected Average Remaining Working lives of employees	2 years	2years

2.29 Contingent liabilities and commitments

Contingent liabilities

The Company has Rs. Nil contingent liabilities as at the balance sheet date (previous year Rs Nil).

Commitments

The Company has a capital commitment of Rs. 23,968,000 (Previous year Rs. 5,147,000) towards software development charges.

2.30 Cost Sharing

During the year the Company carried out its operations from premises leased by Edelweiss Commodities Services Limited, the fellow subsidiary. The Company has entered a Memorandum of Understanding with this entity for reimbursement of costs on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by management, the expenditure heads in note 2.24 are gross of the reimbursements made.

2.31 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.



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.32 Foreign currency

The company has incurred expenditure of Rs. 612,159 (previous year Rs. 3,663,236) in foreign currency during the year ended 31 March 2015.

2.33 Details of repayment of long term borrowings:

Interest Rate Range	Repayment tenure				
	> 3 yrs	2-3 yrs	1-2 yrs	< 1 yr	Total
10-11%	-	-	-	-	-
11-12%	-	44,000,000	10,000,000	-	54,000,000
above 12%	-	-	-	-	-

2.34 Details of Purchase, Sale & Change in inventory:

Particulars	Amount (For the year ended 31 March 15)	Amount (For the year ended 31 March 14)
Equity shares		
Opening Stock	8,818	10,594
Purchase	357,027,294	266,524
Sales	354,351,409	268,362
Closing Stock	324028	8,818
Profit/(Loss) on sale of Securities	(2,360,675)	62



Edelweiss Web Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.34 Details of Purchase, Sale & Change in inventory (Continued):

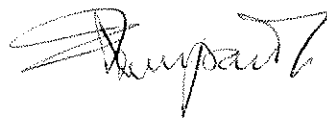
Particulars	Amount (For the year ended 31 March 15)	Amount (For the year ended 31 March 14)
Bonds (Quoted)		
Opening Balance	-	-
Purchase	524,250,000	-
Sales	-	-
Closing Balance	521,600,000	-
Profit/(Loss) on sale of Securities	(2,650,000)	-

As per our report date attached

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



B. Renganathan

Director

DIN : 01206952



Siby Antony

Director

DIN: 00075909



Brijmohan Bohra

Company Secretary

Mumbai

14 May 2015

Mumbai

14 May 2015

