Edelweiss
Ideas create, values protect

EW/Sec/2016/172

August 29, 2016

BSE Limited
P J Towers, Dalal Street,
Fort, Mumbai – 400 001.

Dear Sirs,

Ref.:- Scrip Code:- 532922

Sub: Submission of Annual Report for the Year 2015-16

Please find enclosed the Annual Report of the Company for the Financial Year ended March 31, 2016. Kindly note that the members at the 21st Annual General Meeting of the Company held on Tuesday, August 9, 2016 have adopted the annual Financial Statements together with the Reports of the Board and Auditors thereon.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

B. Renganathan
Executive Vice President & Company Secretary

Encl.: as above.

Edelweiss
Ideas create, values protect

MARCHING TO A *DIFFERENT* BEAT

Annual Report 2015-16

Contents

Performance Highlights	02
The Edelweiss Story	05
Letter from the Chairman	22
EdelGive Foundation	34
Board of Directors	38
Company Information	40
Board's Report	41
Management Discussion & Analysis	47
Corporate Governance Report	82
Consolidated Financial Statements	93
Standalone Financial Statement	147
Notice	183

Taking the big leap to success

PERFORMANCE HIGHLIGHTS

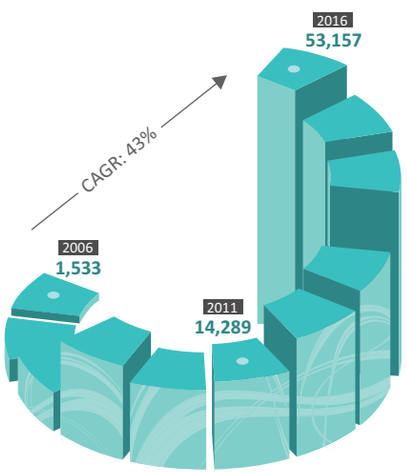
(In ₹ million except per share data)

Year Ended March 31	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Income	53,157	39,119	25,555	21,840	16,707	14,289	9,778	9,005	10,888	3,718	1,533
Total Expenditure	46,969	33,839	22,040	19,247	14,720	10,789	6,450	5,715	6,421	1,971	898
Profit Before Tax	6,188	5,280	3,515	2,593	1,987	3,500	3,328	3,290	4,467	1,747	636
Tax Expenses	2,354	2,017	1,346	881	681	1,031	879	1,199	1,540	646	218
Profit After Tax	4,144	3,287	2,202	1,785	1,277	2,330	2,292	1,864	2,732	1,099	417
Paid up Equity Capital	814	792	769	719	757	752	375	375	375	45	38
Networth*	43,717	35,314	32,558	26,909	28,748	25,554	24,706	23,303	23,274	7,222	1,787
Diluted EPS (₹) (FV ₹1)#	4.85	3.88	2.85	2.31	1.66	3.00	2.94	2.43	4.00	2.08	0.93
BVPS (₹) (FV ₹1)#	45.14	39.92	37.57	32.13	34.80	30.56	30.04	28.21	24.65	9.36	3.93

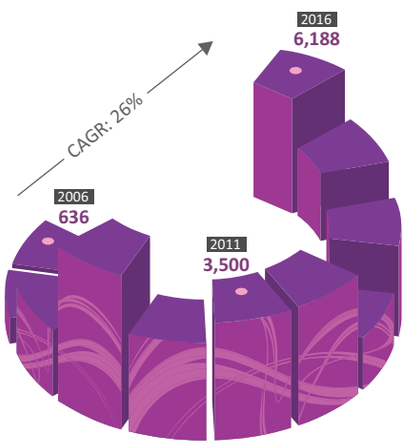
#Adjusted for Corporate Actions *Networth including minority Previous years' figures have been regrouped wherever necessary

PERFORMANCE HIGHLIGHTS

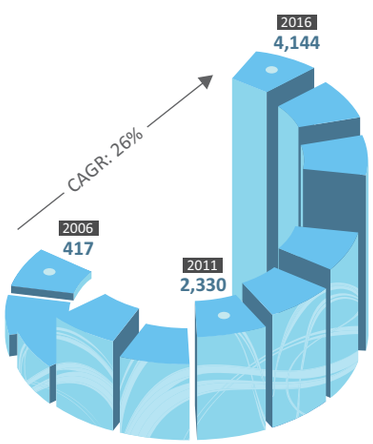
Total Income (₹ million)



Profit Before Tax (₹ million)

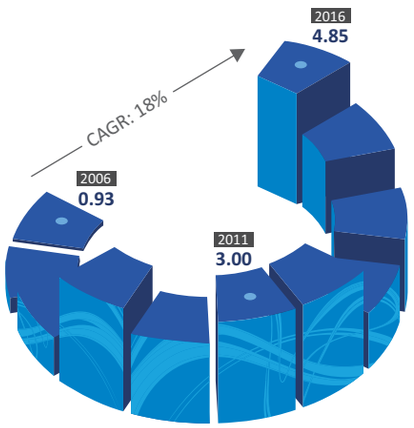


Profit After Tax (₹ million)

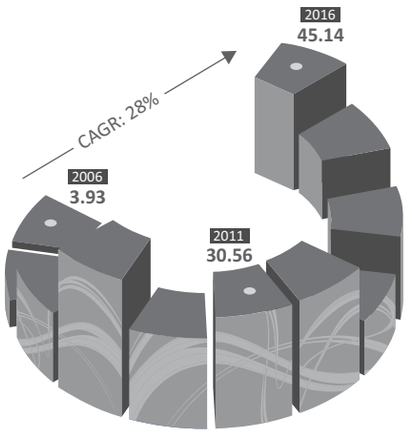


PERFORMANCE HIGHLIGHTS

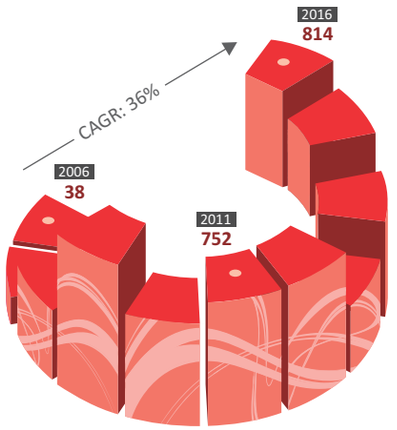
Diluted Earnings Per Share (₹) (FV ₹1)#



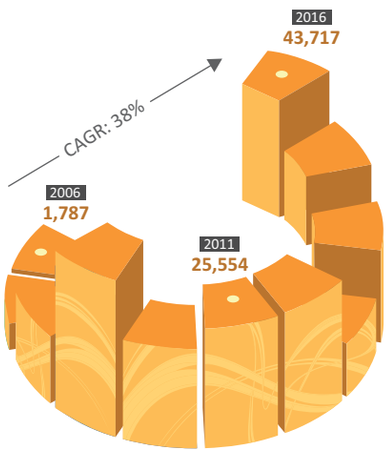
Book Value Per Share (₹) (FV ₹1)#



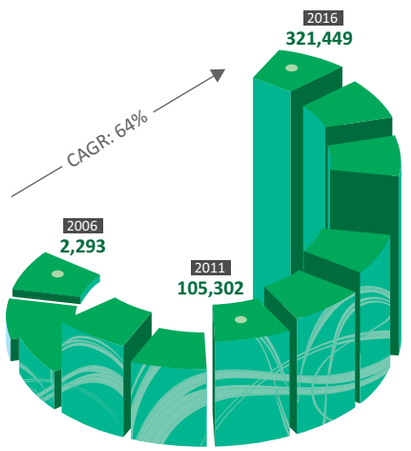
Paid up Equity Capital (₹ million)



Networth* (₹ million)



Balance Sheet Size (₹ million)



#Adjusted for Corporate Actions *Networth including minority Previous years' figures have been regrouped wherever necessary

FY16 Highlights (in ₹ million except per share data)

TOTAL INCOME
53,157

NET PROFIT (AFTER MINORITY)
4,144

NETWORTH*
43,717

BALANCE SHEET SIZE (TOTAL ASSETS)
321,449

ROE – EX - INSURANCE
18.60%

DILUTED EARNINGS PER SHARE (₹) (FV ₹1)
4.85

BOOK VALUE PER SHARE (₹) (FV ₹1)
45.14

TOTAL CREDIT BOOK
200,141

RETAIL CREDIT PORTFOLIO
57,350

GROSS NPLs
1.40%

NET NPLs
0.47%

PROVISION COVER (INCL. STD ASSET PROV.)
88%

*Networth including minority

Edelwe

The Edelweiss Story

MARCHING TO A DIFFERENT BEAT

It is not the path that is right or wrong. It is the choices we make that determine a successful journey.

While there's always a choice to follow precedents and walk down the well-trodden path, there's also a contrary option. To break new ground by marching forward to a different beat. To make the world stand up and take notice.

The Olympic Games are the epitome of countless moments documented and dedicated to standing tall in a crowd. And Edelweiss has taken this event, the world's largest celebration of sports, as another opportunity to stand out by becoming the official sponsors of the Indian contingent at the 2016 Rio Olympics. Much like the great Olympians who feature in the pages that follow and also analogous to the motto of the Olympics, *Citius – Altius – Fortius* words that stand for *Faster – Higher – Stronger*, Edelweiss has always challenged the norm and in a short span of 20 years created a world class Indian financial services conglomerate. A successful acknowledgement of the contrarian path we have followed since inception by charting new territories with the courage of our convictions. The foundation for the journey ahead is based on these enduring ideals and values, and on the trust our clients and stakeholders place in our ability to understand their needs and add value to their lives.

The 2016 Annual Report is all about how we've traversed the road less travelled in the functioning of our organisation. Inspiring us along the way are the stories of athletes who have dared to be different; who have stuck to their convictions; and who have proved to us the enduring belief - ***winners don't do different things, winners do things differently.***

Disclaimer: This document is a tribute to some of the all time greatest sport athletes and Olympians who have broken boundaries and carved out a singular niche that has broken records and performed in the highest spirit of sportsmanship. Any specific products, services, trade names, attributes, personalities and brands described in this document belong to the respective owners. References have been based on information generally available to the public. These are merely in the nature of illustrations and do not constitute or imply endorsement, fact, recommendation, or favouring of or by Edelweiss.

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Nadia Comaneci's Perfect 10

Behind all successful athletes, are the principles that define their careers. For Nadia, it was her principle of 'never settling for anything less than perfect' that shaped her career into that of a legend. She exemplified this when she moved away from her home and family to determinedly pursue her dream. The Romanian National Championships of 1968 where she finished 13th, served as a reminder to never settle for anything less than perfect. After initial failure she went on to become the first gymnast in history to achieve the hallowed Perfect 10. A success that Nadia was able to repeat multiple times, including at the 1976 Montreal Olympics where she bagged 3 golds and followed it up with another outstanding performance at the 1980 Moscow Olympics.

Edelweiss Group Guiding Principles

Nadia Comaneci personifies the fact that even contrarians need to stay within a framework of their own definition. Marching to a different beat brings about its own rules.

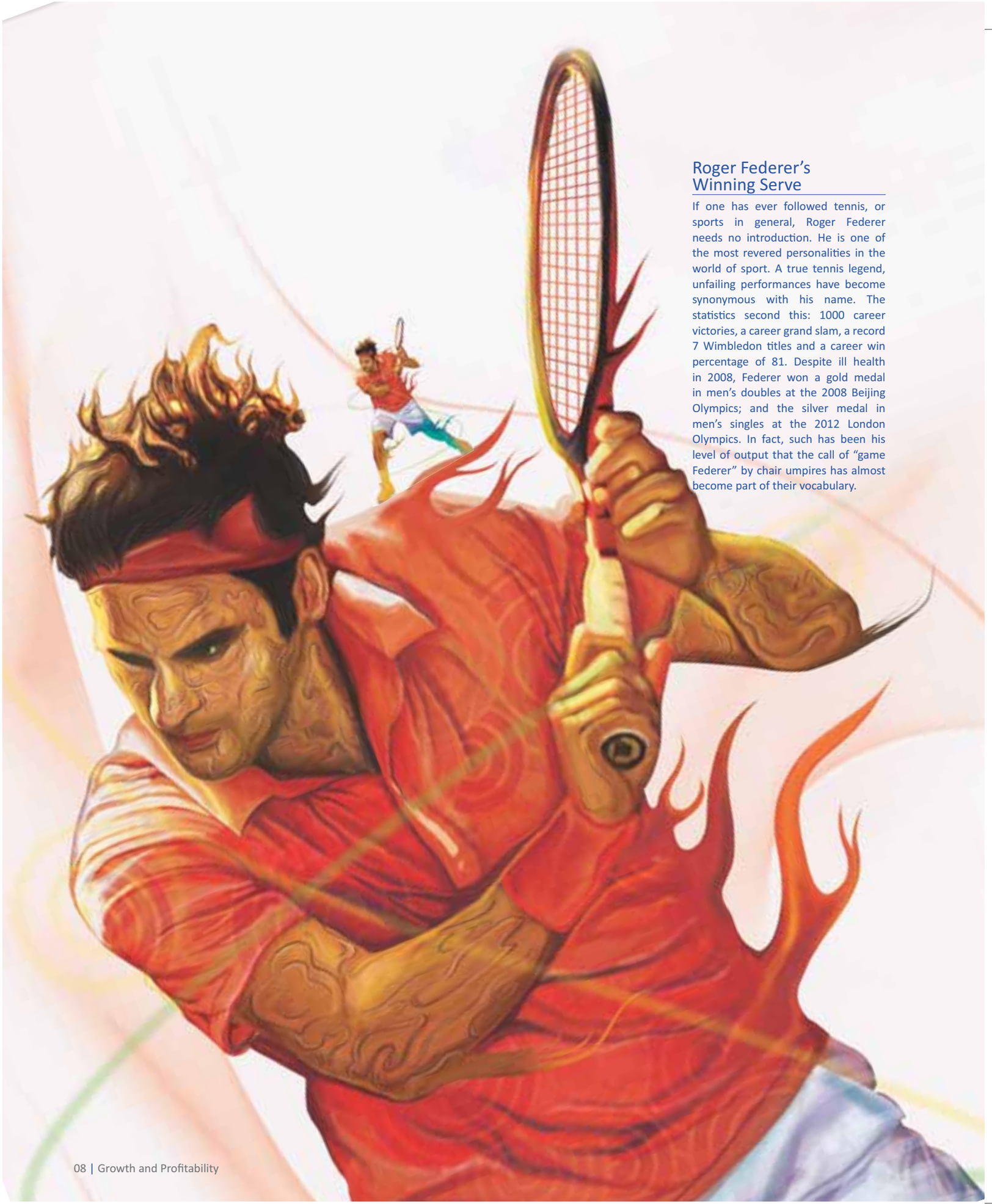
Over the last 20 years since inception, our Guiding Principles have been the principal authority that govern and drive us in the direction of creating value for all our stakeholders. They are a blend of our ideals, culture and business ethics that have clarified and eased decision-making, and have ensured that the company takes the right path, for the right reasons, without compromising on the long-term vision.

Edelweiss Group: Guiding Principles

1. We will be a **Thinking Organisation**. We will constantly bring 'thought' to everything we do. Our clients' and our own success depend on our ability to use greater ideation and more imagination in our approach
2. We will be **Fair** to our clients, our employees and all stakeholders
3. We will take care of our **People**. Our policies - in spirit and in letter - will ensure transparency and equal opportunity for all. We will go beyond the normal goals of attracting, recruiting, retaining and rewarding fine talent. We will ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential
4. We will operate as a **Partnership**, internally and externally. Though individuals are very often brilliant, we believe teamwork and collaboration will always ensure a better and more balanced organisation. We will also treat our clients as partners and show them the same respect and consideration that we would towards our internal team members
5. We will focus on the **Long-Term**. Though the world will change a lot in the coming years and our assumptions for the future may not hold up, we will reflect on the long-term implications of our actions. Even when making short-term decisions we will be aware of the long-term implications
6. We will focus on **Growth** for our clients, employees and shareholders
7. Our **Reputation and Image** is more important than any financial reward. Reputation is hard to build and even harder to rebuild. Reputation will be impacted by our ability to think for our clients, maintain confidentiality and by our adherence to our value system
8. We will **Obey and Comply** with the rules of the land. We will maintain the highest standard of integrity and honesty. When we are unclear we will seek clarifications
9. We will respect **Risk**. Our business is going to be a constant challenge of balancing risk and reward. Our ability to constantly keep one eye on risk will guide us through this fine balance
10. We will endeavour to grow, protect, and use our **Financial Capital** wisely

As we evolve to become more customer centric, so have our Guiding Principles evolved to now contain three new tenets which are pivotal to our business strategy. The new principles recognise that we are able to enhance our customers and stakeholders' experience by understanding their needs and acting in their best interests at all times. Now with the inclusion of these three new Guiding Principles, customer centricity is on its way to becoming an integral part of the Edelweiss culture.

11. We are defined by the **Experience** our customers have with us. We will strive to make it outstanding at all times
12. We will **Listen** to our customers. Listening is the start of the relationship wherein we understand their needs and fulfil these with the most appropriate products and solutions
13. We recognise that we need to satisfy the **Needs**, sometimes conflicting, of all stakeholders; shareholders who entrust us with their capital, employees who create the organisation, customers who are the reason we exist and society which has given us the resources and opportunity to create value



Roger Federer's Winning Serve

If one has ever followed tennis, or sports in general, Roger Federer needs no introduction. He is one of the most revered personalities in the world of sport. A true tennis legend, unfailing performances have become synonymous with his name. The statistics second this: 1000 career victories, a career grand slam, a record 7 Wimbledon titles and a career win percentage of 81. Despite ill health in 2008, Federer won a gold medal in men's doubles at the 2008 Beijing Olympics; and the silver medal in men's singles at the 2012 London Olympics. In fact, such has been his level of output that the call of "game Federer" by chair umpires has almost become part of their vocabulary.

Growth and Profitability

A strong mental make-up to overcome all challenges and deliver a consistent winning performance is synonymous with Roger Federer. A true legend, the statistics of his performance on the tennis court and his commercial success off it are a testimony to the above. His humility off court also reflects his attitude to the game.

Edelweiss Group, with a ₹320 billion asset base, is one of India's most promising brands and among the country's leading diversified financial services conglomerates. Over the past 20 years having pioneered a different path, the Group has been able to evolve from a Capital Markets Advisory firm to offering a diverse range of Credit, Non-Credit as well as Life Insurance businesses while keeping our client's needs central. Today our performance track record and financial scoreboard reflect a very successful growth strategy and a profit led business model that has worked across economic cycles.

In fact since the completion of the diversification phase in FY12, our total revenue and net profit both have grown at a four year CAGR of 34% till FY16.

Edelweiss Group: Growth Snapshot in FY16

- 36% growth in revenue at ₹53.16 billion (₹39.12 billion FY15)
- 26% growth in PAT at ₹4.14 billion (₹3.29 billion FY15)
- 36% growth in PAT ex-insurance at ₹5.19 billion (₹3.81 billion FY15)
- 18.6% Return on Equity (RoE) ex-insurance (15.6% FY15)
- 36% increase in Fund based income at ₹42.18 billion (₹31.00 billion in FY15)
- 62% growth in Net Interest Income at ₹12.22 billion (₹7.54 billion in FY15)
- 22% increase in Fee & Commission income at ₹6.97 billion (₹5.73 billion in FY15)

Business Facts: FY16

- 33% growth in Credit book to ₹200 billion (₹150.36 billion in FY15)
- 41% growth in Retail Credit book with 254,000 additional customers
- 33% growth to ₹271 billion in AuMs in the Asset Reconstruction business
- 40% growth in Global Asset Management business with a total of ₹320 billion under management
- 128% growth to ₹11.6 billion in the Multi-Strategy Hedge Funds business
- Edelweiss Tokio Life saw 61% growth in Gross premium of ₹3,100 million (₹1,930 million for FY15)

Usain Bolt's Lightning Run

Usain Bolt was born to win, trained to race and built to run. His cool demeanour is deceptive hiding underneath a restless engine raring to set the track ablaze. Through constant improvements, he has built rigour, stepped up his performance each time to shave off microseconds making him the fastest man alive. He is a multiple time gold medal winner at the 2008 and 2012 Olympics and is aptly called 'The Lightning Bolt'.

Productivity and Efficiency

Usain Bolt is an athlete who strives for performance excellence through a relentless focus on self improvement and continuous course correction.

Edelweiss's unwavering focus on the rigorous improvement in efficiency and productivity of its platform has led to improved performance. The steady counter cyclical investments made by seeding new businesses during every market 'low' period, while other firms were contracting, and at the same time strengthening our platform at each stage has enabled us to be future ready with a well capitalised balance sheet.

Edelweiss Group FY16

- Highest Short-term Credit Rating of CRISIL A1+, CARE A1+ & ICRA A1+; Long-term Rating of Brickwork AA+, CARE AA & ICRA AA
- Return on Equity (RoE) ex-insurance increased to 18.6% up from 7% in FY12
- Cost to Income ratio (C/I) ex-insurance improved to 60% from 69% in FY12
- Revenue/employee increased by 59%, while PAT/employee increased by 62% over FY12
- Made significant investments in technology and fintech to achieve enhanced service productivity
- Partnering with IBM for a five year strategic technology initiative across retail businesses
- Process transformation initiatives in various stages of implementation across Strategic Business Units (SBUs) to make them sharper, error free, faster and more customer focused

Some Business Facts: FY16

- Credit Business improved its Net Interest Margin (NIM) to 6.8%
- Edelweiss Tokio Life's Persistency ratio increased to 71%
- Retail Finance business launched two innovative products
  - A Retail Finance app for faster turnaround of customer service requests and improved turnaround time (TAT) on sanctions and disbursements
  - "E-Million" for our SME customers which requires minimal documentation and TAB based credit underwriting for small business loans; with key features like spot sanction letter issuance, automated approval communication and real time tracking of transaction status

Jesse Owens' Remarkable Stand

Jesse Owens is arguably the greatest athlete in Olympic history because of the sheer pressure under which he performed and to remarkable success. Owens took it upon himself to prove a point against racism and let his performance speak every time he took to the field. His finest hour came not once but twice. First at the Big Ten meet, where he set 3 world records and equalled the 4th, all within a span of 45 minutes. Second, at the 1936 Berlin Olympics, he debunked Hitler's myth of 'Aryan Supremacy' by notching 4 gold medals with an outstanding performance and won hearts with his humility.

Governance

Treading the lonely road comes with its share of risks. None better than Jesse Owens exemplifies this. He was an athlete at a time when racism was rampant. Despite the bias, Jesse had a clear vision of playing by the rules to be always at the top of his game.

Edelweiss adheres to best business practices by having a strong vision, led by ethics and understands the risk involved to remain committed and outperform even in challenging business environments. Keeping in mind our answerability to our stakeholders, Edelweiss Group follows a robust four tier Risk Management approach. An approach that has been tested over two downturns and has strengthened us internally and externally. This ensures our business model remains fit with steady profitable growth and is de-risked and fortified against volatile external conditions. Our strong Governance processes ensure that we move ahead with clarity and discipline for these are the stands on which our reputation has been built.

Edelweiss Group: Governance Overview

- Our 12 member Board of Directors as well as Audit, Compensation and Risk committees, among others, are all managed by a high-powered team of experienced external directors for maximum transparency
- The Board plays a key role in policy design, providing inputs for strategic initiatives and acting as an oversight body
- All the directors, as well as members of the senior management, abide by an Edelweiss Code of Conduct
- Edelweiss adheres to regulatory guidelines issued by financial regulators – Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), National Housing Bank (NHB)
- All the major subsidiaries in the Group also have independent directors for stronger oversight and transparency
- All the Strategic Business Units (SBUs) are guided by SBU Boards comprising of Management Committee members leading to cross-pollination of skill sets as well as strong business monitoring. In addition there are SBU level risk reviews conducted at periodic intervals
- The Group follows a robust four tier risk management approach comprising of a business risk team supplemented by a global risk team, a Global Risk Committee and Risk Management Committee of the Board

Edelweiss Group FY16

- The Compliance team achieved 100% completion of SHIELD and ACE, both online training modules designed to raise compliance awareness and enhance our governance framework among our 6000+ employees
- The much acclaimed Risk & Compliance Awards were held for the third year to felicitate employee governance Champions

Thiago Silva's Accomplished Stewardship

One of the highest rated defenders in world football and the quintessential captain. His strategic approach and ability to lead played a pivotal role in him being awarded the captain's armband by the then coach of Brazil, Mano Menezes, during the 2014 FIFA World Cup qualifying cycle. Silva lived up to the trust shown in him. He guided Brazil to a silver medal at the 2012 London Olympics and to victory in the 2013 Confederations Cup. His innate ability to marshal the troops into an award winning squad is an inspiration.

Leadership

Thiago Silva's role as the captain was the key to elevating the performance of the Brazilian football team.

Our belief is that a resilient business platform and a differentiated strategy, backed by high quality people, will propel us to the top in the world of Financial Services.

Each business segment of the Group is well established, with many in leadership positions. This is testament to the power of the Edelweiss platform as well as the high calibre talent which enables us to grow businesses via a collaborative approach.

Today, we have end to end capabilities across capital raising, advisory as well as financing spectrum that has helped us deepen relationships with our clients.

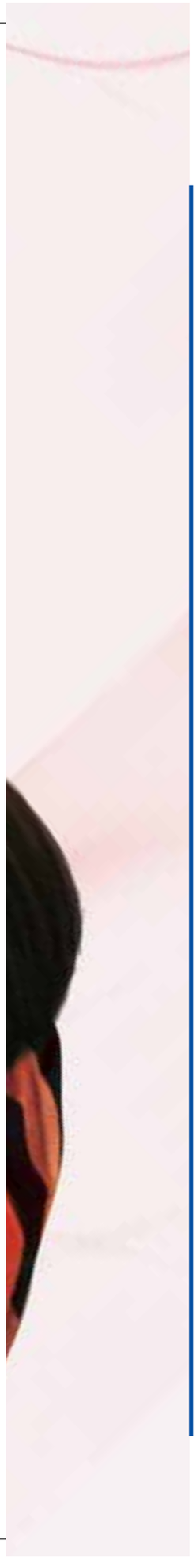
Edelweiss Group FY16

- Over 90% market share and ranked No.1 in public issuances of bonds*
- Arrangers to the National Highway Authority of India's (NHAI) ₹100 billion tax free bonds, the single largest public bond issue to date
- No.1 in IPO* distribution in Retail and HNI categories
- Institutional broking business is amongst the largest domestic brokerage houses
- Best Equity Capital Markets House and Best Broker Award at the FinanceAsia Country Awards 2016
- Ranked as #1 Best Brokerage House for Roadshows and Company Visits in the Asiamoney Brokers Poll 2015
- Most Edelweiss Tokio Ulip funds have consistently been rated top performers by Morningstar (as on March 31, 2016)
- Edelweiss Alternative Equity Scheme, a multi strategy Category III Alternative Investment fund, is one of the best performing and largest funds in its category
- Acquisition of JP Morgan AMC's schemes in India will help place Edelweiss into India's top 20 AMCs#
- Edelweiss Asset Reconstruction business is the largest asset reconstruction company in India by a wide margin
- Edelweiss Structured Products team awarded Best Private Banking Solution at the Asia-Pacific Structured Products and Derivatives Awards 2015
- Awarded Best Equity Broking House (mid-size) at the BSE – Dun & Bradstreet Equity Broking Awards 2015
- Edelweiss Arbitrage Fund continues to be No. 1 in performance in its segment

*Prime Database
#: subject to regulatory approvals

Sergey Bubka's Vault to Success

Sergey Bubka was amongst those rare class of athletes who dominated an entire era. He began his career in 1981 as a track and field athlete but made a name for himself when he moved to pole vault. He believed that raising the bar wasn't only about reaching a higher level but achieving an all-new level of performance altogether. His unique technique, known as the Petrov/Bubka technique, enabled him to become the first to surpass the 6m and 6.10m marks previously thought of as unbeatable. It's easy to see why his supremacy went unchallenged for a decade; he was so unstoppable that he set and broke world records an unbelievable 35 times.



Scalability

Sergey Bubka was able to scale new heights in pole vaulting with a differentiated and innovative technique.

By leveraging the existing Edelweiss platform and judicious investments in newer and adjacent business spaces, we have consistently raised the bar on our performance. With a bouquet of multi asset class financial products and services that go beyond commercial banking, the Edelweiss Group is today well positioned to address the evolving needs of a large and diverse customer base both in India and globally.

Our businesses are a proof of our success. Today we know we have a well established platform and a sound strategy, one that delivers and will continue to deliver in the future.

Our key lines of business are structured into Credit Business, Non-Credit Business and Life Insurance.

Credit Business (Wholesale Credit)

- Structured Collateralised Credit
- Distressed Assets Credit
- Real Estate Finance

Credit Business (Retail Credit)

- Housing Finance & Loan Against Property
- LAS and others
- SME Finance
- Agri Finance
- Rural Finance

Non-Credit Business

- Wealth Management
- Asset Management
- Capital Markets
- Warehousing Services

Life Insurance

- Life Insurance

Edelweiss Group: 4 year scalability perspective

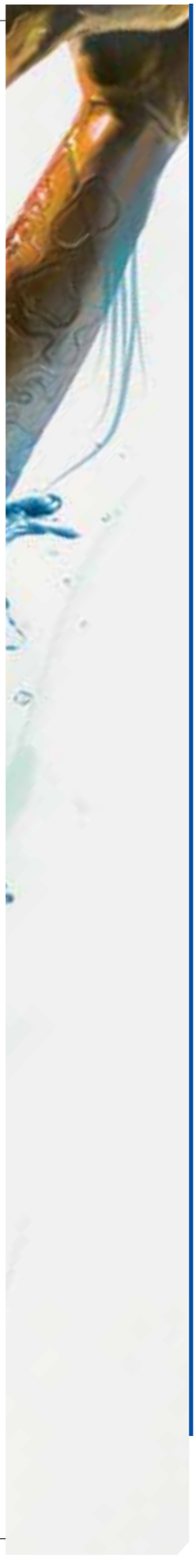
- 52% increase in Networth to ₹43.72 billion in FY16 from ₹28.75 billion in FY12
- 100% growth in customer base addressing over 887,000 clients
- 100% growth in employee strength to 6,227 employees, with operations spread across 122 cities – including 9 international offices across 4 continents

Business Facts: FY16

- Credit Business grew at CAGR of 63% since FY09
- Retail Credit is present today across Housing Finance, SME & Agri Financing, Loans against Shares and Rural Finance with a Credit book size of ₹60 billion, and is present across 45 cities and over 3,400 villages with a base of 304,000 clients
- The Global Asset Management business comprises of four verticals – Alternative Asset Management, Multi-Strategy Funds, Retail Asset Management and Asset Reconstruction
- The Global Wealth Management business has scaled up significantly with AuAs of over ₹295 billion
- Fixed Income Advisory business is a market leader. Only player mandated as lead arranger to all public tax free bond issuances in FY16
- Institutional Equities has a market share of 4-4.5% by revenue with a robust research desk that covers 225 stocks across 27 sectors representing 77% of total market cap
- Agri Services includes procurement services, warehousing and other services to help renew Rural India. The Business has 265 warehouses under management with storage capacity of over 11 lac metric tonnes
- During the year Edelweiss Tokio Life expanded its footprint with 12 new branches taking its presence across 71 branches in 61 major cities
    - 50% rise in the agents sales force to over 15,000 personal financial advisors

Michael Phelp's Victory Splash

Michael Phelps, the very name sends waves of excitement in the world of swimming. He broke Mark Spitz's record of the highest number of medals in a single Olympic – a feat that was considered impossible. He has entered the Guinness Book a record 39 times in his journey thus far; including 18 gold medals, 22 medals in 3 separate Olympics. He proved that age is not a barrier to winning when he came back from retirement in 2014 to announce his intention to compete in the 2016 Rio Olympics. Just goes to show you can take the game out of a champion but never a champion from the game.



Sustainability

Michael Phelps trained hard year after year to hone his skills and sustain his record in all forms of the game. His agility and adaptability enabled him to overcome competition from some of the other greats of his time, break records and emerge a winner.

Agile adaptation, drawing off the economies of scale that the Edelweiss platform brings has helped businesses leverage opportunities for clients even before they become the norm. Our customers are at the heart of all that we do and this is the thought which drives our philosophy of *Suno Samjho Suljhao*. Also the flexibility to revise and quickly correct course if required ensures we can have a strong defensive play in dynamic economic situations.

With a significant presence in almost all the important segments of the financial services – each of our businesses represents future growth and an opportunity to sustain multiple client relationships across adjacent synergistic business verticals.

Over FY16, all the businesses have grown and the multi line model of many product and business groups has helped build a growth momentum that Edelweiss feels is sustainable over the long-term. Increasingly our profits are being contributed by multiple businesses and we have reduced concentration risk in our efforts to make the profits more sustainable.

Edelweiss Group FY16

- Healthy balance sheet with diversified sources of borrowings; Debt market borrowings have reduced from 50% in FY11 to 34%
- Well matched Asset Liability Management (ALM) that ensures positive mismatches across time buckets, allows for sustainable balance sheet growth
- Consolidated Capital Adequacy Ratio for the Group is 18% as of 31 March, 2016
- A steady growth in net fund based income to ₹16.99 billion in FY16 vis a vis ₹5.09 billion in FY12, a 234% rise
- A consistent dividend paying company every year since listing

Business Facts: FY16

- The Credit business is strategically well diversified across products and client segments to minimise 'concentration' risk
- Large part of our Mutual Funds are in equity and related instruments that are stickier than debt and liquid funds
- The Distressed Assets business helps unlock value by devising appropriate turnaround strategies. It has already created a track record of cumulative resolution of assets of ₹120 billion by the end of FY16
- Strengthened distribution of financial products across online and offline channels
- Agri Services provide end to end business solutions aimed at sustaining market participants across the entire agri value chain
- Edelweiss Tokio Life
  - First year Premium (including Single Premium) grew by 50% to ₹1,836 million (₹1,224 million for FY15)
  - Individual APE CAGR of 59% since FY13
  - Tokio Marine infused an additional ₹5.27 billion into Edelweiss Tokio Life in FY16, taking its stake to 49% in the JV
  - Networth of ₹9.39 billion at the end of FY16

Karnam Malleswari's Class Act

Hailing from a small village of Srikakulam, Andhra Pradesh, Karnam Malleswari overcame the odds of being a woman in a largely male dominated sport to become a bright star in Indian women's weightlifting. She is a dual world champion, an Asian Games medalist and an Olympic medalist. Trained under a project by the Sports Authority of India, she was mentored by Leonid Taranenko, a record holder himself. The intense coaching and supervision inspired her to push limits, step up on the odds to become the first Indian woman to win an Olympic medal.

People, Diversity & Culture

The legendary Karnam Malleswari was empowered by her coach and with the right support from her family became an Olympian.

At Edelweiss our people are our 'human capital' rather than 'human resources' because their interests are at the apex of what we do. They help navigate and drive our business, hence investing in our people and building a unified Edelweiss culture is important to us.

Edelweiss is distinguished by a 'Collective Ownership and Individual Responsibility' paradigm, which fosters an environment that nurtures, encourages and empowers future leaders. Today the Edelweiss platform is designed to endure and learn from the challenges of time, powered by our people. It is an arena that encourages collaboration and entrepreneurship as well as innovation with an eye on the goal.

Edelweiss Group: A people centric organisation

- The Edelweiss Leadership Programme (ELP) across the Senior Leaders, Business Leaders and Emerging Leaders employee networks supports the Group's rapid expansion and aspiration to grow further by grooming future leaders of the organisation
- The launch of the Women Empowered (WE) initiative will help augment the Group's leadership pipeline by adding greater value to the gender mix; initiatives like the mentorship programme, and workshops to facilitate skills enhancement for women employees have been designed to this purpose
- Best practices in good governance continue to remain a key aspect of the Edelweiss culture, with new initiatives like creating a Center of Excellence (CoE) at Group Risk level. The new Culture CoE focuses on enhancing this aspect of the organisation through awareness campaigns like REAP (Risk Education and Awareness Programme), socialisation and training sessions
- People centric initiatives like Education Assistance Programme for employees' children, the new iLEAP programme for grooming leaders, fitness programmes and launch of hobby clubs by EdelHealth are helping create a great-place-to-work environment for employees
- Volunteerism continues to be encouraged across the organisation – by way of participation in employee engagement activities by EdelGive, our philanthropic arm. This culture of volunteerism has also helped create a common platform for cross company collaboration
- In line with our ethos of high performance, excellence and commitment and also to encourage our fitness quotient, the Group has appointed Saina Nehwal, Ace badminton player as brand ambassador. Given that Edelweiss has always been a sports evangelist, we have reinforced the belief by sponsoring the Indian Olympic Team to the 2016 Rio Olympics

Letter from the Chairman

Edelweiss began operations 20 years ago with modest roots and an aspiration to build a solid and robust business based on sustainable and long-lasting values and culture. Initially we provided investment banking and portfolio advisory services. Today, our aspiration is to be a respected, world-class, diversified financial services firm with a portfolio of high-quality, growth businesses. This has meant that during this 20-year journey, our focus has been to build a resilient platform that enabled a unique business model. This unique model has resulted in the creation of a diversified organisation that is akin to a bank but with several advantages – it is multi-platform, has a healthy mix of wholesale and retail businesses, is more scalable and stable in a volatile market environment, leading to reduced costs and improved cross-sales. This diversified model has helped Edelweiss grow faster versus peers even in tepid market conditions.

This letter provides the perfect opportunity to share our journey with you and put our successes as well as our failures in perspective. The learning along the way, coupled with Edelweiss' guiding principles, has not only helped us constantly evolve and improve, it has also shaped the company's growth path and helped it stay true to the Edelweiss vision. I hope, every year henceforth, to share my thoughts with you on the organisation's evolution and approach.

SOME MUSINGS ABOUT OUR EVOLUTION

The last 20 years have been an exciting journey for Edelweiss — we explored business opportunities, devised strategies to counter the evolving challenges and provoked each other to set new benchmarks for ourselves as well as the financial services industry. In these years, we have faced teething troubles, taken baby steps onto the path of our growth, experienced an exhilarating period of hyper-growth, followed by a phase of consolidation that was as enlightening as it was painful; and finally the current phase of balanced growth which has translated into the rewards of having braved the previous consolidation phase sensibly. The outcome of each of these phases has been equally important, equally challenging and equally rewarding.

Birth Pangs: 1996 – 2000

Amount in ₹ million	1996	2000	CAGR
Revenues	0.2	85	373%
Profit after Tax	0.03	39	514%
# Employees	4	12	32%
Book Value per Share*	0.1	0.4	50%
Diluted Earnings per Share*	0.0	0.2	366%

*Based on internal estimates

In 1996, as we set about putting together a fledgling organisation, we talked to several industry stalwarts seeking their advice. One suggestion we received, that has been the foundation of Edelweiss since inception, was to build a great organisation and not just a good business. To achieve this, we developed a set of Guiding Principles that defined what we stand for, what our core values and beliefs are, and they have determined our method of doing business.

GUIDING PRINCIPLES

1. We will be a Thinking Organisation.
2. We will be Fair to our clients, our employees and all stakeholders.
3. We will take care of our People.
4. We will operate as a Partnership, internally and externally.
5. We will focus on the Long-Term.
6. We will focus on Growth for our clients, employees and shareholders.
7. Our Reputation and Image is more important than any financial reward.
8. We will Obey and Comply with the rules of the land.
9. We will respect Risk.
10. We will endeavour to grow, protect and use our Financial Capital wisely.

Over the years, we have been gradually moving from a product-centric company to a customer-centric company. We felt that while in spirit and action, we have been successful in initiating the change at the ground level; we now believe that our client-focus is something that should be reflected in our guiding principles as well. We have, therefore, added three more principles around customer centricity, to our original 10. These are:

- We are defined by the Experience of our customers have with us.
- We will Listen to our customers.
- We recognise that we need to satisfy the Needs, sometimes conflicting, of all stakeholders.

Over the last 20 years, our guiding principles have undergone changes that have only helped them become crisper and clearer. They have guided us not only in our behaviour and approach to business but have also helped us reach for goals beyond

profits and market capitalisation to building a lasting institution with firm foundations. They have helped clarify what we truly stand for: Ideas Create, Values Protect.

These foundations have also helped build a culture of ownership, a common purpose and shared values within Edelweiss. We had started with a capital of ₹10 million, which was enough for us to obtain what was then a merchant banking license that allowed us to do everything but manage IPOs. The license amount, however, changed to ₹50 million just before we incorporated the company! It was our first exposure to regulatory upheaval and the first of the setbacks that we experienced in our journey. But we believed in finding opportunity amidst adversity and treating every setback as a hidden opportunity. So we started helping start-up companies raise funds via the non-IPO route, tapping VC and PE funds, which was a rarity in India at that time.

10 million rupees was what we thought we needed to cover our costs and a little over, the value of which we realised all too early as we had many advisory mandates but no closures. Markets had tanked, the Asian crisis soon followed, but by 1998, we finally had our first closure. Thereafter, our first few closures, mostly in technology (and one M&A closure!) resulted in us being greatly sought after. Our small office of 550 sq. ft. was soon far from sufficient and our tiny reception had to be turned into a conference room! This part of our journey, in hindsight, almost like the pre-warm-up part in marathon training, was exhilarating, chaotic and unstructured. More importantly, it was about a very small team of people and their ideas and creating a business that we did not have much experience in.

Baby Steps: 2000 – 2004

Amount in ₹ million	2000	2004	CAGR
Revenues	85	281	35%
Profit after Tax	39	78	19%
# Employees	12	95	68%
Book Value per Share*	0.4	0.9	21%
Diluted Earnings per Share*	0.2	0.2	10%

*Based on internal estimates

In 2000, as we had our first blockbuster year of financial performance, we had begun to experience some disquiet about the Internet boom. Valuations had become unreal and business plans had begun to be created with the sole purpose of fundraising. We had also begun to feel the need for some stability in earnings and to go back to looking seriously at "adjacent markets" (I have always considered Peter Drucker to be among the foremost management thinkers). We started considering a foray into the Broking business. There was some debate as to whether we were contaminating a high-quality business with a more "grubby" business – the broking industry had seen tremendous regulatory overhaul and significant industry-level changes since SEBI was established in 1992. However, we had done our homework and were confident in our ability to make the business work. In the same year, we also raised our first round of outside capital. We could now afford a Category I merchant banking license. And, we were pre-occupied with two areas – adding people as well as capital – and seriously evaluating making a broking acquisition.

As it happened, the markets and the economy sank and business slowed down in 2001. This was accompanied by the bursting of the Internet bubble. The broking business that we had acquired (Rooshnil Securities) also saw its revenues halving. But that didn't deter us from setting targets for ourselves which pushed us to take these challenges as a part and parcel of the business cycle. I remember, in 2002, at the year-end strategy exercise for the broking business, the team set their five-year gross revenue target at ₹30-40 million; I insisted on ₹100 million. We were doing ₹5 million in revenues at the time and we decided to invest ₹5 million into the business. Everybody thought I was being unreasonable. In 2008, we did ₹2.4 billion in the institutional broking business!

We stood by our rationale - "One should never waste a crisis". Bad times are actually great times to build a market. During a downturn, not only is it easier to find quality talent, investing during a down cycle also ensures that when the market cycle turns, we are ready with a tested platform, system and processes to benefit from the tailwinds. We set about making the optimum use of this downturn – we had made some great hires (we grew from 10 people in March 2000 to nearly 100 in March 2004); we had sufficient capital and we had a new office measuring 5,000 sq. ft.

Of these, the most important of our resources has been our human capital, where we have been lucky to have hired people who have defined Edelweiss as it stands today. Rujan Panjwani joined us in 2000 to run our Treasury business and today, runs not only our Agri-financing and Commodities business but

also oversees several key enterprise functions such as Global Risk and Compliance, as well as Human Resources. He also serves on our Board. Deepak Mittal has evolved from being part of our Investment Banking team in 2000 to running Treasury with Rujan, then briefly serving as our CFO during our IPO and after developing our thinking on Life Insurance, serves as CEO of Edelweiss Tokio Life. Nitin Jain joined us in 2004 in our Treasury team building it up to scale, then surprised us by offering to run our Global Wealth Management business and turning it around successfully. He now is also Co-Head of the Global Asset Management business with Venkat Ramaswamy. And I have several more examples to share.

During this phase, we also started exploring new, innovative business lines, which were in their nascent stages in the country. We dabbled in options and futures, the new "in-thing" and also began to invest in our research desk. By the end of 2003, we were convinced that recovery was around the corner.

Joyful Hypergrowth: 2004 – 2008

Amount in ₹ million	2004	2008	CAGR
Revenues	281	10,888	149%
Profit after Tax	78	2,732	143%
# Employees	95	1,621	103%
Book Value per Share	0.9	24.7	128%
Diluted Earnings per Share	0.2	4.0	103%

By 2006, we had witnessed two significant rounds of capital raises. The focus on people, capital and ideas continued and the pace of expansion was exhilarating. The Indian capital markets were doing really well and we were well-placed to gain significantly from this growth. That is why we like to call this phase of our evolution as a phase of "Joyful Hypergrowth". We were expanding rapidly, especially in terms of human capital. In fact, we kept running out of office space all the time! So much so that we graduated from one office in Nariman Point with 200 people to 12 offices with 1,800 people in four years!

This was also a phase of serious introspection within the organisation. We were fatigued and saturated by 2005 and were unclear about what our goals and aspirations now should be. We had set targets for ourselves and once we achieved those, we were plagued by the question — What next? We then conceived the 10x10 strategy, wherein we aimed to grow 10x times in 10 years. This introspection exercise made us realise that the manner in which we frame our future will determine our actions and growth. Hereon, our objective was to stretch, soar and test our limits and see where we land.

However, our high dependence on the capital markets was becoming apparent at this point of time. We had once said then that we would never handle credit and that we didn't understand it. But, the overt dependence on capital markets and the gradual convergence of capital and credit markets, over the years, made us realise the importance of business diversification. We began to actually explore evaluating the credit business, which culminated in setting up a leadership team in 2007. Realising the need for capital to drive this credit business, we strengthened our investor base by raising more capital. An IPO was a natural follow-up to this and we went public in 2007.

Painful Consolidation: 2008 – 2012

Amount in ₹ million	2008	2012	CAGR
Revenues	10,888	16,707	11%
Profit after Tax	2,732	1,277	-17%
# Employees	1,621	3,108	18%
Book Value per Share	24.7	34.8	9%
Diluted Earnings per Share	4.0	1.7	-20%

From 2008 onwards the dynamics were very different for Edelweiss due to a variety of factors:

- We were now a listed company
- The success of the good times resulted in carelessness and sloppiness - for example, we started a Private Client Group, as part of our Broking business, that underwent several "version" changes of people and strategy only because we did not define what we stood for in that business
- The reality of the global financial crisis had hit home hard. Our credit business was still nascent, our foray into retail capital markets was all too-new and our dependence on wholesale capital markets all too apparent
- Edelweiss' back-end was inadequate and its pace of expansion could not match the pace with which the businesses were expanding. We underestimated the importance of enterprise functions and suffered as a consequence.

While this stage of our journey was the most demanding and punishing phase of our journey, we truly laid the foundation of growth that was to follow. We also learnt one very important lesson — you are never as good as people make it out to be in the good days and you are never as bad as people make it out

to be in the bad days — the reality is somewhere in between. All our significant businesses today were seeded and nurtured then and right through 2012 and beyond. In addition to Credit, we became the 24th life insurance company in a joint venture with Tokio Marine. We launched our first few funds – a real estate and a special situations fund, commencing our foray into Asset Management. On the capital markets side, we began a Global Wealth practice. We also invested heavily in the technology and enterprise functions. We now had our own Business Solutions Group to provide cutting-edge technology solutions to our businesses; we built a strong risk and governance team; we formally set up our philanthropic foundation, EdelGive, in 2008, to channelise both financial and non-financial support (in terms of the time provided by Edelweiss employees) to selected non-profits. The challenges faced in this period helped us realise our core competence, as well as understand the importance of diversification. It was a period of painful consolidation, which has paid rich dividends for us.

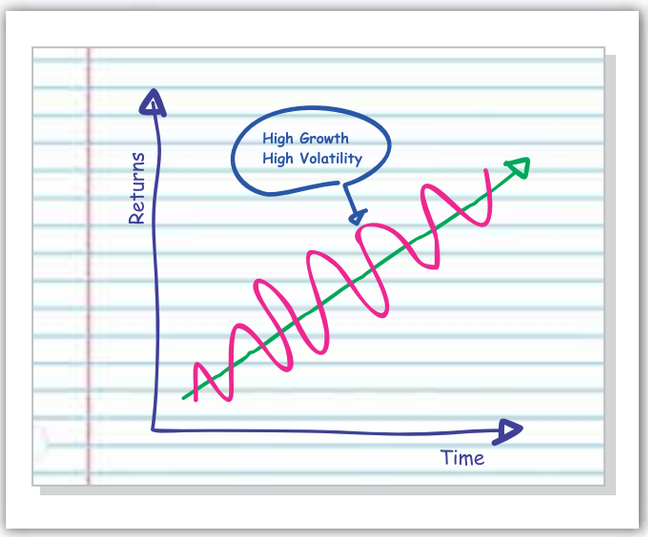
Mature and Balanced Growth: 2012 – 2016

Amount in ₹ million	2012	2016	CAGR
Revenues	16,707	53,157	34%
Profit after Tax	1,277	4,144	34%
# Employees	3,108	6,227	19%
Book Value per Share	34.8	45.1	7%
Diluted Earnings per Share	1.7	4.9	31%

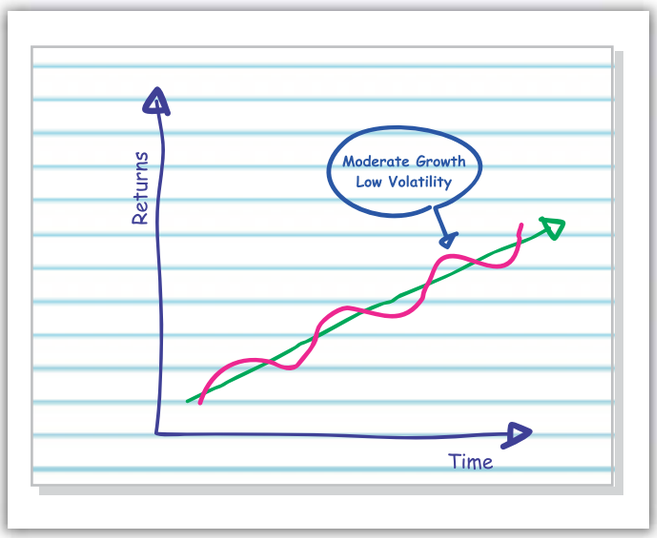
The synergistic diversification that we followed in this most recent phase has helped us to even out our earnings volatility. By broad-basing the business model, not only have we reduced our dependence on the capital markets, we have also created a strong and sustainable revenue line going forward, one which is relatively more stable and secure.

Between 2012 and 2016, we have focused on true diversification, horizontally and vertically, with the aim of achieving what we would like to call balanced growth. We have strengthened our businesses, simultaneously working to de-risk them to enhance sustainability. At the same time, we have decentralised our businesses whilst creating strong governance and risk management structures both at the Edelweiss level and at the business group level. Capital allocation (including liquidity and balance sheet management), global risk (including brand and reputation), key people and leadership and strong review mechanisms are areas on which I focus all my time. Our businesses are now freer to focus on growth and new ideas, human resources and customer value addition.

We think that the focused consolidation efforts made by us in the previous phase from 2008-2012 have borne tangible results in this period with profit having largely witnessed a steady uptick. Particularly, the focus on seeding new businesses and gradually scaling up the mature ones has helped us create a stream of businesses that are ready to take advantage of the India growth story that we believe is going to unfold over the coming decade.

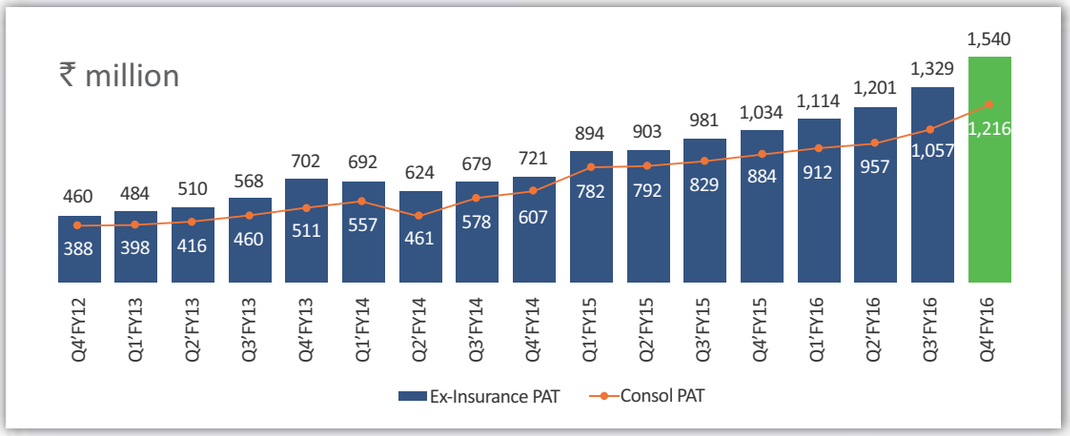


● *Old Edelweiss*



● *New Edelweiss*

PROFIT AFTER TAX

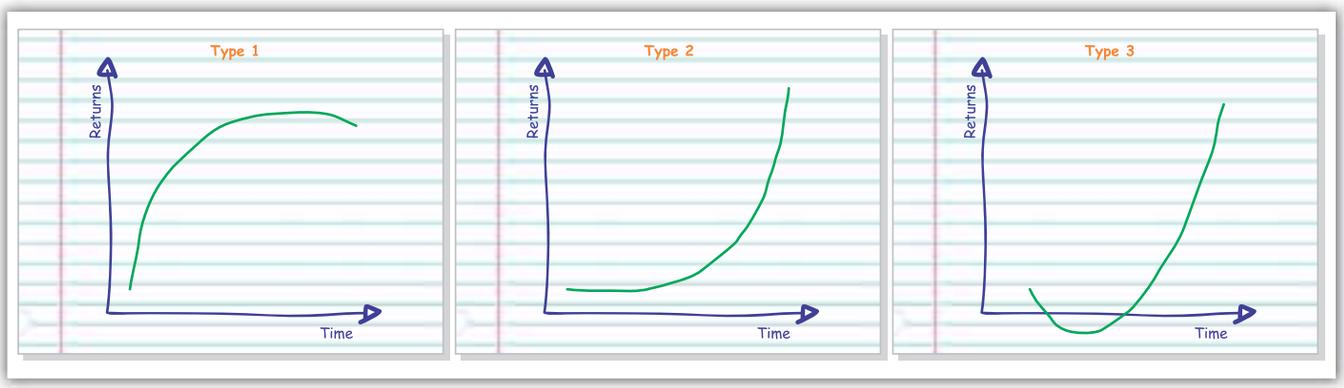


Our growth whirlpool has been a benchmark in establishing all our businesses. Each attribute creates a base for the next attribute, which helps us to finally create a growing and sustainable client base.

We also have a consistent philosophy that helps us decide the kind of businesses we want to be in. The graphs below espouse our philosophy to some extent.

While businesses like the first one (Type 1) are easy to understand and sell, they are usually rare. The businesses of the second kind (Type 2) are the ones we like! This is reflected in most of our businesses. While these might require financial capital as well as emotional capital, we feel that they provide long-term gains that justify the initial travails. The third kind (Type 3) usually require deep pockets and a long-term gestation period. This is the strategy that we are following in our insurance business.

So in these 20 years, have we made mis-steps? Our counter-cyclical approach and willingness to experiment has ensured we undertake many experiments but always by asking – is it worth it? And can we afford it? We take what, by our definition are "calculated risks". We will make small mistakes all the time. In following a counter-cyclical approach to business, we have invested in new businesses at a time that has appeared foolish to the rest of the world. We constantly look



for large opportunity spaces with high growth rates. Such businesses provide tailwinds and operating in them feels akin to running downhill in a marathon. We have the largest Asset Reconstruction Company (ARC) in the country today but are also investing in setting up a new business that will focus on devising and executing operational and structural turnaround strategies for portfolio companies in the ARC. Within Credit, in addition to Structured Collateralised Credit and Mortgages, we have developed a strong practice around Fixed Income, Real Estate Advisory and SME and Agri-financing. We have made strategic acquisitions in JP Morgan India mutual funds' schemes that will add more than ₹55 billion to our AUM and Edelweiss Multi-strategy Fund that has leveraged our platform to provide alternative investment strategies to our wealth customers. We have made significant investments in technology and digitisation – the latest being a strategic partnership with IBM to build efficiency and analytics in our product offerings. We have also made significant investment in managing risk through people and processes. This, I believe, has put us in a good position to take advantage of the growth opportunities we foresee as being available to us in the coming years.

(₹ billion)	End of Period (EoP) Networth	Profit After Tax	RoE%*
Credit Business	23	3	17.0%
Non-Credit	11	2	22.3%
Total Ex-Insurance	34	5	18.6%
Insurance	9	-1	-
Total	44	4	12.9%

Numbers are Management Estimates
*On Average Equity; adjusted for intangibles and minority interest; PAT of Insurance relates to Edelweiss share in losses

THE YEAR AT EDELWEISS

FY16 saw steady, all-round growth for Edelweiss despite the general economic slowdown in the country. We increased market share across businesses, led by strong credit business growth and expanded our footprint across geographies, particularly in the retail segment, which ensured another robust performance this year. Our total revenues were ₹53 billion, up 36% over FY15 and Profit After Tax (PAT) was up 26% to ₹4 billion. Our return on tangible equity ex-insurance for FY16 was 18.6%, up from 15.6% in FY15 with consolidated Return on Equity (RoE) improving to 12.9%.

We believe the right approach to measure our performance is to look at overall returns on an ex-insurance basis. Realistically, this is a measure of our 'normal' performance because we have always maintained that the life insurance business has a relatively longer gestation period and we are, currently, in the investment phase. The return on these investments will start giving results over a period of time. Until then, it makes sense to consider our ex-insurance returns as a more reliable proxy for our 'normal returns'.

Edelweiss has maintained consistent improvement in quarterly profits since FY12 with almost 18 straight quarters of growth coupled with efficiency and productivity. Today, we are one of the top five diversified financial services firms in India with a Balance Sheet size of over ₹320 billion, Assets under Management of ₹320 billion and Assets under Advice of ₹295 billion under our Global Wealth Management business, with over 6,227 employees spread across 237 offices and 4,500 client touch points.

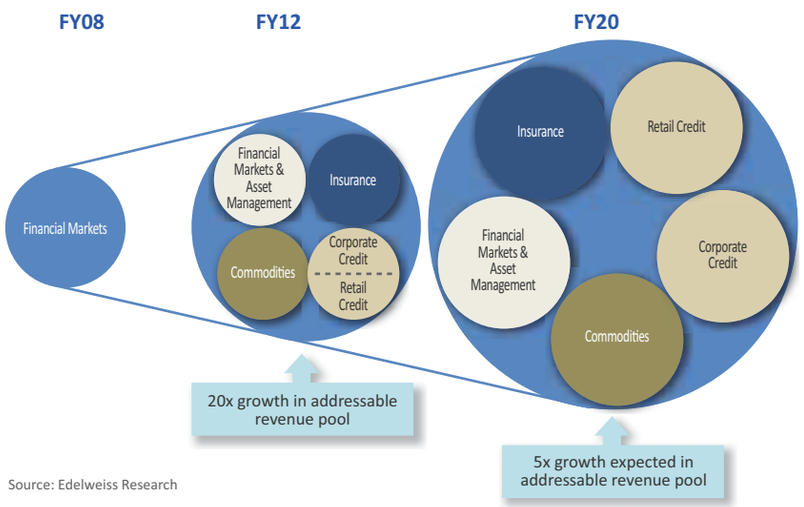
OUR BUSINESSES

Our businesses are a reflection of how we feel the India story is going to pan out over the coming decade. To truly understand our business strategy and philosophy, we first need to understand that our outlook on the "India of the coming decade" stems from a quiet confidence in the India growth story and our belief that households will drive this growth.

With a significant presence in almost all the important segments of the financial services and leadership positions in many – each of our businesses represents future growth and an opportunity to sustain multiple client relationships across adjacent synergistic business verticals. We build enduring relationships with our clients by offering solutions that are customised to their needs and are supported by smart execution.

On a broad level, we classify our businesses into the following three groups:

- Credit
- Non-credit
- Insurance



Source: Edelweiss Research

While the credit businesses have provided us the steady growth and scalability, our non-credit businesses drive the extra profitability that helps us stay ahead of competition. Many of these businesses also form a symbiotic complement to our credit businesses. We believe that a healthy mix of credit and non-credit businesses is the model for the future.

CREDIT

Our hypothesis about the strong India growth story provides us with a significant opportunity to exploit the potential growth in credit businesses in India. Our approach is to find credit verticals wherein we can build competitive advantage, ideally in a fast growing niche and which can give us a book size of ₹50-100 billion over four to five years. If we can enter into one new vertical every two to three years and build 8-10 such verticals over a period of time, we can have a credit book of ₹1,000 billon. This strategy is driven by the blurring boundaries between banks and non-banks, a trend which is only going to accelerate over the next 10 years.

Our existing credit business is spread across wholesale and retail segments with several verticals:

Credit Segment	Book Size (Mar 31, 2016)	
	₹ billion	USD million
Structured Collateralised Credit	68	1,019
Real Estate Finance	53	807
Distressed Assets Credit	19	286
Mortgages	26	399
SME & Agri Financing	14	217
LAS and Others	19	293
Total	**200**	**3,021**

Since we aim to build a multi-line business akin to a bank, we offer solutions that are customised to clients' specific needs across the corporate, SME and retail spectrum. We first envisaged launching the credit business in 2005 with an aim to build a good mix of credit and non-credit businesses. But first we needed capital to do that. So we went ahead and raised funds from Greater Pacific Capital. We launched the credit business in 2007 and 9 years hence, from zero credit assets, our credit book today stands at more than USD 3 billion. Despite the strong growth, our robust risk-management processes have ensured that we continue to maintain the asset quality of the overall credit book with our Gross NPLs at 1.4%.

Under Structured Collateralised Credit and Distressed Assets Credit, we offer bespoke/customised solutions to the corporate and the wholesale segments. This includes products spanning promoter financing as well as trade financing. Our real estate business caters to a wide range of residential developers. We also have a real estate fund and a real estate consulting practice under this business. The wholesale credit business, launched in 2007, today has a credit book of around ₹140 billion.

We started the Retail Credit operations in 2011. Today it comprises of mortgages, SME, Agri Financing, Loans against Shares and Rural Finance and has a credit book size of around ₹60 billion with operations across 45 cities and over 3,400 villages with a client base of 304,000. The mortgages business caters to retail home buyers and business owners. As part of this business, we provide a wide-variety of products including housing finance, small ticket housing loans, loan against property and real estate finance.

We consider SME & Agri Financing as one of the biggest untapped avenues in the India credit market. Agri Financing alone is a USD 10 billion unorganised market that is highly scalable and unoccupied by institutional players and we see this new line of business, as an integral part of our strategy, to occupy a larger part of the agri value chain spanning from the farmer to the dinner table. Our other offerings on the retail side include products like loan against security and micro finance solutions to clients in tier III/IV cities and rural areas.

NON-CREDIT

Non-Credit	FY2015	FY2016
Broking *Average Daily Volume (₹ billion)*	50	52
IB & Advisory *Number of deals*	114	100
Wealth Management *Assets under Advice (₹ billion)*	178	295
Asset Management *Assets under Management (₹ billion)*	230	321
Agri Services *No. of warehouses*	122	265

Our non-credit business comprises primarily of wealth management, asset management and capital markets. Our focus remains to actively drive the asset management and the wealth management businesses. These businesses, in particular, would benefit substantially from the huge wealth creation in our country in the coming decade.

Our wealth management business offers retail and HNI broking – both online and offline, wealth management advisory services to HNI clients and third-party financial products distribution, among others. We launched our wealth management business in 2008. However, it took us two years to realise that there is a huge difference between wealth management and product-selling. We had the eternal dilemma of deciding whether we were doctors or chemists. We found that there was no easy answer to this. But we have realised over time that we should see ourselves more as a custodian of investors' financial health and hence, we are technically doctors. We also re-engineered our products to make them more customer-oriented and need-based.

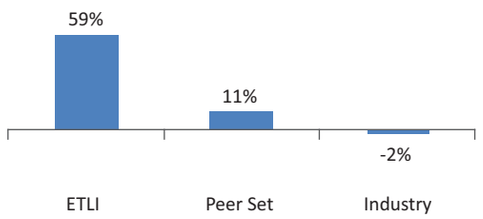
Our Asset Management business comprises four verticals – Credit Alternatives, Multi-Strategy Funds, Retail Asset Management and Asset Reconstruction. The Asset Management business has both equity focus across Mutual Fund, Portfolio Management Services (PMS) and Alternative Investment Funds (AIF) as well as a credit focus which includes Asset Reconstruction and Special Opportunities fund. The Total Assets under Management are more than ₹320 billion. Our Mutual Fund business has grown this year and along with the acquisition of the India schemes of JP Morgan Asset Management Company (subject to regulatory approval) is likely to scale up its AUM significantly.

We launched our distressed assets business in 2008 and obtained an ARC license from the RBI in 2009. The lack of sufficient business opportunities meant that by the end of 2012, the distressed assets business was itself in distress! However, we had a firm belief in our convictions and persisted with the business, trying to make it work via a combination of agility and adaptability. Our distressed assets business is today the leading ARC in the country and is continuing to scale up at a sturdy pace. It has also already created a solid track record of resolution of assets of ₹120 billion by the end of FY16 through multiple resolution strategies with revival and business turnaround being the foremost strategy.

Under the capital markets business, we offer the entire spectrum of corporate advisory services including fixed income advisory, mergers and acquisitions, equity capital markets and private equity syndication. We also pride ourselves in being leaders in the debt capital markets. We are also one of the largest institutional broking houses in India with a market share of around 4.5% by revenue. This has been built on the back of a strong research desk that has extensive coverage, providing comprehensive information on a multitude of sectors.

LIFE INSURANCE

With the rapidly increasing disposable income in the hands of the Indian consumer and the extremely low penetration of the life insurance market, we felt that the life insurance business provided a wonderful opportunity to expand our addressable retail markets. Edelweiss Tokio Life Insurance was, thus, launched in partnership with Tokio Marine of Japan in 2011 with the highest ever startup capital for a life insurance company, of ₹5.5 billion. Tokio Marine has infused ₹5.27 billion in FY16 for an additional 23% stake, taking its total holding in the JV to 49% with Edelweiss holding the remaining 51%. Edelweiss Tokio Life has been recognised as among the fastest growing life insurance companies in India in the last three years with rapid growth in individual APEs, far outstripping the industry growth. Our Life Insurance business has been growing rapidly, easily outstripping the industry growth rates.



● *Individual APE CAGR growth since FY13*

Being new to this business, our learning has been substantially experiential, whilst at the same time absorbing new ones from the experiences of our partner Tokio Marine. We have tried to amalgamate the world-class insurance practices of Tokio Marine and adjusted them to suit our Indian sensibilities. This cannot be better explained than by Vijaypath, meaning path to victory, a unique prioritised customer need based solution. We developed a customer-centric Net Promoter Score (NPS)-based approach where the focus was on identifying the needs of the customer across different buckets. Only after this was achieved did we determine the kind of products that the customer should be offered. Not only did this help us develop long-lasting customer relationships, it also helped us chart out a clear strategy path to building a sustainable, long-term customer-friendly business. This has been accentuated by our rapid expansion across the country, covering more than 60 cities in India. Our funds in the insurance business have also performed commendably, exemplified by the top performer rating by Morningstar.

The business has faced its own set of challenges like persistency levels that did not match the high standards we had set for ourselves. Several times over the past few years we have paused and taken

a moment to step back and take stock, identify the areas where we were lagging and worked on ways to improve. The results have been commendable and we continue to feel quietly confident about our insurance business with respect to its capability to ensure long-term value creation.

APPROACH, VALUES AND BUSINESS PRINCIPLES

Our approach, values and business principles are an amalgamation of what we feel about the strategic direction of the business and what we have learned over the last 20 years. Broadly we focus on:

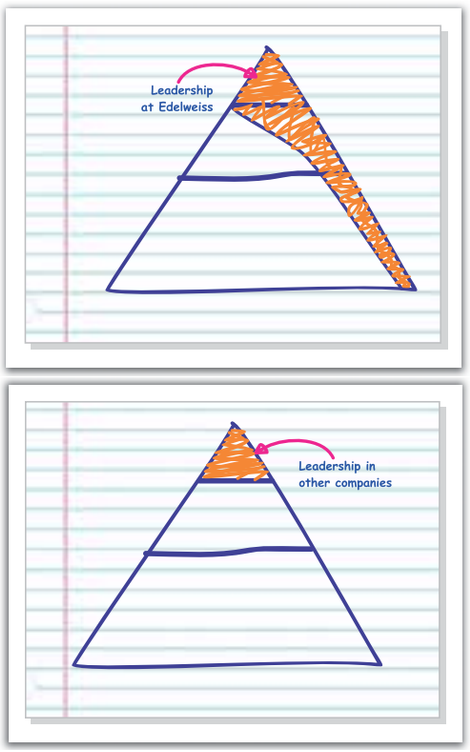
1. Diversification
2. Countercyclical investment with an eye on the long-term
3. Great businesses within great organisation. The importance of enterprise functions
4. People
5. Culture of ownership
6. Customer at the centre
7. How the world is becoming more B2C

DIVERSIFICATION AND COUNTER-CYCLICAL INVESTMENT

We have spoken about diversification and de-risking the model and how that has occupied a significant part of our thinking over the years. There has also been a sustained emphasis on the contrarian strategy. These counter-cyclical moves into adjacent business lines are consistent with our focus on "synergistic diversification" both via the organic as well as the inorganic route. We have made very successful investments into inorganic opportunities as part of our growth strategy through the acquisition of Rooshnil Securities, Anagram Capital and Forefront over the years. Our recent acquisition of JP Morgan India mutual funds' schemes in India is an extension of this. This has also meant a constant evaluation of the large opportunity spaces in adjacent markets or otherwise, largely born of the need to build capability and capacity to absorb the shocks of an evolving economy and regulatory structure.

PEOPLE

Our ability to seed, nurture and grow new businesses would not have happened if we had not built a great management team – one that combined learnability, business understanding and most importantly, had the intrinsic, rare and valuable ability to use the Edelweiss platform and provide the "values" glue. We have always focused on hiring great people and providing them with a platform to build great businesses.



Leadership Model

- I think we realised very early in our journey that the importance of quality human capital far outweighed any other asset
- A running theme, throughout our 20 years, has been our focus on hiring talented individuals and building up a talent pool
- We also pride ourselves in grooming leaders across the organisation through vertical leadership groups that span our entire organisation rather than only the senior management

CULTURE OF OWNERSHIP

Over the several phases of our journey, people have always been at the top and centre. Our aspiration has been to create a great platform for people to assume great responsibility. We like people who can push the boundary in their thinking, who embrace new ideas and are hungry for more, for the firm and for themselves. Our approach to leadership and development also embodies this predilection – identify great talent early and provide the enabling environment for success. Our ESOP philosophy has also worked to create a culture of ownership and one that promotes entrepreneurship and innovation without compromising on institutionalisation. Within Edelweiss, the focus has always been to create business owners rather than employees.

MAKING MISTAKES

At Edelweiss, we have always believed that making mistakes is the best way to learn. After all, if there were no mistakes, every match would end up 0-0! We consider every setback an opportunity to recalibrate and find out which new windows have opened up.

We have made several mistakes over the years, which have only helped us learn and grow stronger.

- Oftentimes, we have displayed a lack of patience in trying to scale up too many things too quickly
  - Early struggles around our retail foray are legendary – issues revolved around managing higher number of employees and offices
  - We underestimated integration issues during our acquisition of HT Nanavati and Anagram
- Looking at the short-term profit opportunity rather than the long-term business model
- Adding complexity for growth rather than simplicity for growth
- Mistakes in balancing long-term and short-term
- Being product-oriented rather than customer-oriented

The learning we have had from these has helped us grow as an organisation. During our acquisitions, we focused first on building a good team, imposing the highest risk and compliance standards and only then on product and service innovation. Our HR teams have learnt to embrace the different cultures and motivation levers in our retail businesses while keeping our core values uniform. Our experience has shown that by applying a thoughtful and differentiated approach, it is possible to build scalable and sustainable retail financial services businesses.

IMPORTANCE OF ENTERPRISE FUNCTIONS

For people and partnerships to succeed, they require support and back-up. They need a platform that is well equipped in many different ways. The platform should be an amalgam of all the small and big elements that will be required for people and partnerships to succeed. It should be like the self-sufficient aircraft carrier, which not only enables the aircraft to fly and soar, but also to come back safely and get prepared for the next flight. This has been achieved through a strong support system in the form of Enterprise functions.

Our strong Risk and Enterprise functions have been the backbone of our ability to diversify and build great businesses. There are four elements that have enabled us to build a great risk culture. First, as a function, a strong centralised risk team that works closely with each business risk team. This is further strengthened through technology enablement and robust review processes. Second, the orientation that each employee is a potential risk manager – one doesn't need to be a risk professional to recognise and flag off risks. And third, it makes great business sense to treat client risk as our own. Finally, we have an annual risk score card for each of our businesses that culminate in the Risk and Compliance awards, where high performers are felicitated by the Board.

Since 2009, we have focused on developing strong Enterprise functions – Compliance, Technology, Human Resources and Operations to support our businesses. Our Enterprise functions help navigate business and structure level complexity – especially choices made by businesses around products, geographies, clients and delivery models and the increasing need for customisation and automation. Thus, these teams operate as a great bulwark for both risk and business.

PARTNERSHIPS

Another key factor in our growth was the reliance we put on partnerships. Partnerships within the organisation, among leaders, among businesses, with stakeholders like our investors and shareholders as well as with customers themselves. We knew that we were co-creating. It was not just our dream, it was a collective dream. It was not just our journey, it was a collective journey. And it was not our game to win, all of our stakeholders – the Board, the employees, the clients - we were all in it together. Very early in our history, we were able to forge partnerships with investors who saw us worthy of partnering. Our key leaders have been with us for long and have often advised us on the way forward. They are the ones who found new opportunities of growth from time to time. And today, we learn a lot and correct ourselves by listening to our customers and seeking their advice. And in this concept of partnership, we wind up the balance between individual glory and common cause.

CUSTOMER AT THE CENTRE

Customers are at the heart of what we do and happy customers make us happy. In fact it has been our customers who have been the stars to help us navigate our way as we built this diverse financial services platform. I have already talked about how our approach has moved from being more product-centric to being more customer-centric. The success of our new approach has been evident in the success being enjoyed by our wealth management team as well as the high customer satisfaction levels we are witnessing in our life insurance business (Vijaypath!). Customers form the core focus of whatever decisions we now take – we ask ourselves the question – is this what our customer wants, does it help make his life easier, does

it provide him a reason, at the end of the day, to be grateful to Edelweiss? If the answer is yes, decision making becomes the easiest thing to undertake.

THE B2C WORLD

With rapidly improving technologies and increasingly discerning and conscious customers, the disintermediation in the world is increasing rapidly. We see more and more examples of businesses interacting directly with consumers through improved and efficient means. We have been increasingly conscious of this change and have invested in a wide variety of technologies to ensure that we are at the forefront of this evolution. At Edelweiss, we have always believed in being in sync with the changing curve, taking care not to be too far ahead and never falling behind the business evolution. This has enabled us to be in sync with the changing contours of the financial services world and provide our clients with best-in-class processes and technologies.

IN HINDSIGHT

We could summarise our approach as encompassing balance, people, partnerships and platforms. I feel our journey has been one of calibrated exploration. We have explored our own capabilities and we have explored opportunities to achieve our goals. And whenever a crisis or a roadblock arose, we used it to explore a new avenue of growth. Much like a marathoner, who calibrates his race strategy whenever conditions are tough. Or, the explorer, who finds a new route to reach his destination every time an existing route becomes untenable! But to succeed in any sport as in business, it is necessary to find the right talent, put hours and hours of preparation and practice to hone it and create an environment that motivates them to be fearless and desirous of success. And a culture that brings the balance between individual glory and common cause. A balance between idealism and pragmatism. This is the same balance conundrum that an Olympian faces between practicing and resting. In an ideal scenario, the sportsman should practice endlessly. However, this could lead to risks of burnout and possible injuries. Practice therefore has to be balanced by adequate rest to give the best possible performance when it matters.

Almost all organisations struggle to maintain a healthy balance between the two – become too pragmatic and risk losing the "soul" of their business – become too idealistic and one may find it difficult to survive in the real world. We faced a similar dilemma when we started out – the key is to follow a balanced approach. The only answer lies in finding constant balance. We can stand on one foot for some time but not for long. Be it inhaling and exhaling – two entirely opposite actions that sustain life, left or right, male or female, acceleration or braking – every aspect of the human life is based on balance between two equally powerful but opposing forces.

Our guiding principle of "Ideas create, values protect" espouses the same twin-force mechanism – ideas are our accelerator while values provide the requisite brakes to keep a check on exceeding our limits. These two pillars that define us also reflect – we firmly believe in the creation of a good leadership bench, which constitutes our ideas. At the same time, our robust risk management processes constitute our values that protect us.

As we look back, we find that we have been able to do this quite well through the interplay of what we like to call the three Ps – People, Partnerships and Platforms. We believed that the only way to realise our dreams was to bring in bright talent – people who were much smarter than us, shared our vision and were willing to join their own energies and aspirations to ours to render the vision larger and shared. We sought every opportunity to attract bright talented people. Often, when the chips were down and the economy was facing headwinds, we went out and searched for good talent. We hired people soon after the tech bubble burst and 9/11 and once again we recruited in the aftermath of the financial crisis of 2008. We are fortunate that some very smart people bought into our vision and joined us. As they came in, we grew, the platform grew. It is these people - many of them in leadership positions within the organisation today – who have defined our growth and acceleration. Today the Edelweiss family is more than 6,200 people strong.

We focused on creating a culture of mutual respect, trust and empowerment where people were encouraged to explore the boundaries of their capabilities and felt confident and secure in a supportive culture. We were among the few companies right from the beginning that provided stock options to a majority of staff, thus living our belief of empowering people and to make them stakeholders.

FUTURE OUTLOOK

We have always felt that the India growth story should be seen from an evolutionary perspective rather than from an "at-a-point-of-time" perspective. As we have often said, India is a great movie to watch but not a good picture to see. At any given point of time, while there may be a variety of "noise", the overall big picture continues to be healthy. This noise, in the form of volatility and uncertainty, will be no more than what we have seen and we truly believe that the next two decades will be a better, upgraded version of the previous two decades.

- India became a USD 1 trillion economy in 2007
- From there, it took nearly eight years to add another USD 1 trillion to the economy
- We estimate that the next trillion could be reached by 2020 – in fact, we believe that after USA, China and Japan, India could become only the fourth country in the world to touch the USD 5 trillion mark in 2025
- After 2025, we could actually be adding USD 1 trillion to the economy every 18 months!
- We firmly believe that the era of compounding for India has truly begun

The bottom line is that we remain extremely bullish about the India growth story – there would be distractions, of course, but the overall growth outlook remains extremely positive.

We also believe that a major chunk of this growth would be financed through the Indian households. There are four primary balance sheets funding India's growth. Of these, the Government would be hard-pressed to expand its balance sheet, Corporate balance sheets are to a large extent stretched and while overseas balance sheets are healthy and will aid GDP expansion, their scale would be much smaller. Households in India are currently highly unlevered with only a small portion of the bank debt coming from them. This provides ample scope for expansion in these balance sheets and forms the foundation of our expectations for India. With these thoughts in mind, we aim to base our business strategy to align ourselves to take maximum advantage of the India growth story.

Like any growing economy, India too will continue to consume financial services on an accelerated trajectory in the years to come. The demand for financial services will come from both wholesale and retail sectors. This will be further exacerbated by the low penetration of financial services in the country. The catching up process will add further impetus to demand for financial services. There is an overwhelming need for an all-encompassing financial services platform, right from "farmer to fork". At Edelweiss, we aim to grow in all these areas and become part of the solution to support India's growth aspirations and the aspirations of its people. We have a strategy that works. We will continue this focus. We may continue to make tough calls and at times make mistakes. But our platforms are robust – they are equipped to support our growth objectives and are also cost-efficient, technology efficient and risk efficient. We have the right people with us, we are constantly forging the right partnerships and our value system is well in place. At the same time, we need to be cognizant of not losing this insatiable hunger to succeed or allow any kind of complacency to creep in.

We firmly believe that our strategy of growing 10x in 10 years, 100x in 20 years and 1000x in 30 years provides us not only with a challenging yet achievable goal but also helps us constantly analyse each decision that we take from the context of its impact on our targets. Just like preparing for any sporting event, it demands endurance to battle the bruises coupled with the courage and gumption to still march ahead. At the same time, this has to be complemented with the drive to achieve excellence and consistently outdo ourselves. At Edelweiss, we foresee building a long-term organisation like preparing for the Olympics except that there is no end date and no binomial payoff. The basic tenets however remain the same – hard work, dedication, mental and physical strength and a firm belief in our own abilities.

It is a long-winding road and the challenges are many but we will continue to justify the faith you have reposed in us by consistently exceeding expectations and delivering results that truly make this organisation world-class.

Yours Sincerely,

Rashesh Shah
Chairman & CEO

EdelGive Foundation

Established in 2008, EdelGive Foundation provides strategic direction to the philanthropic initiatives of the Edelweiss Group.

We invest in non-profit organisations by way of financial grants and build organisational capacity to pave the way for sustainable systemic impact in the social sector. A research based approach is followed in sourcing credible non-profits. Investment decisions are based on thorough due diligence of target beneficiary needs, aspects of sustainability and programme impact analysis.

With the objective of mobilising additional resources and capacity into the social sector, EdelGive Foundation collaborates with other foundations, High Net worth Individuals (HNIs), corporates and other organisations, both in India and overseas. We work towards being an effective mediator between the for-profit and the not-for-profit world by providing assistance at zero-profit and helping the donor community to ensure their investments are compliant to laws and reach the right people. To enable our endeavours, we have a Corporate Social Responsibility (CSR) committee that provides governance, systematic and strategic support.

The foundation works on two major principles

1. To bridge the gap between the users and providers of philanthropic capital and knowledge

2. Bring the skills, resources and talents of the for-profit world to the not-for-profit arena

Vision

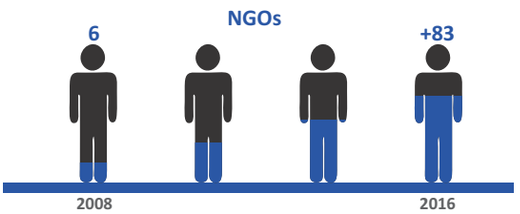
Our vision is to make a strong, efficient and high impact social sector for a better India.

Mission

Our mission is to leverage the capacity and capital of the for-profit world to equip and enable the social sector to achieve a greater impact on the lives of the marginalised communities living in India.

Growth over the years

We have grown many folds in the past eight years. We started our journey with six Non Government Organisation (NGO) partners and have worked with 83 NGOs till 2015-16. EdelGive has impacted more than 3,00,000 lives till date. We have also influenced commitments of more than ₹60 crore.



Edelweiss employees during a Mid Day Meal distribution drive at a school in Mumbai

Our Approach

EdelGive works in three domains; education, livelihoods and women empowerment.

Education: EdelGive's goal is to realise quality education to the most disadvantaged children, increasing student enrolment, building support systems to prevent drop outs and facilitating policy for educational equity. The portfolio is a blend of projects that are committed to create a child friendly environment for the disadvantaged children living in India. We are committed to bringing quality learning for the girl child.

Edelweiss employees celebrating Joy of Giving Week with Children from Aseema Charitable Trust at Edelweiss House

Livelihoods: Our approach is to reduce social and economic vulnerability by enhancing employability, skills and vocational guidance to help increasing incomes of the poor. We work for raising awareness for government entitlement through rights and advocacy. Our focus is on increasing rural incomes through the use of improved and sustainable agricultural practices with a strong integration of interventions for watershed management.

Women Empowerment: The portfolio of women empowerment is dedicated towards prevention of violence against women, to promote a gender just society and socio-economic leadership of women in communities. We also support partners working for girl child education, promotion of right to choice and decision making and empowering women as leaders at grassroots communities. Additionally, the Foundation is promoting women athletes for Olympic Games through Olympic Gold Quest.

Kutch Mahila Vikas Sangathan providing safety training to women

EdelGive Employee Engagement Highlights

EdelGive has a structured Engagement Programme which has allowed us to engage with over 50% of our employees this year. The employees have contributed over 14,000 hours of pro-bono support since inception.

Edelweiss employees running for EdelGive Foundation at the Mumbai Marathon 2016

The Giving Platform allows us to raise funds internally through various campaigns, events and the Systematic Donation Plans (SDP). This year we have raised over ₹50 lakh through employees. Apart from this, we celebrate all the festivities at Edelweiss with social causes associated to it.

We have partnered with ToolBox India to bring volunteers from the corporate world and bridge the gap in terms of managerial skills to social enterprises. ToolBox collaborates with non-profits, helping them magnify the impact of their programmes through greater efficiency. Edelweiss senior employees volunteer to mentor the not-for-profit organisations and support them in their strategic growth path.

Training of teacher entrepreneurs for English skills by LeapForWord

Capacity Building Case study

Mentorship to Founder Pranil Naik of LeapForWord (LFW)

LFW works towards enhancing English language skills of children and youth from under-served communities. It achieves this through a self-developed model to comprehend English in 18 months.

Sachin Jain, EVP, Prime Brokerage Services, Edelweiss, specialises in scaling of products and strategies. He became a mentor to Pranil and through structured and target driven regular one-on-one sessions is helping Pranil to strategise the growth and develop plans on making the product available on a national scale for the organisation.

Key Highlights

- **Empowering Rural Women: Hisaab, Himmat, Hunar**
  In collaboration with Mann Deshi Foundation, EdelGive has propelled over 1,000 women entrepreneurs to become financially independent through 'Doorstep Cash Credit' programme.

Vidya Shah in dialogue with the rural women beneficiaries from the Mann Deshi Foundation who have benefited from the Doorstep Cash Credit programme. EdelGive has piloted Doorstep Cash Credit Programme with Mann Deshi

- **An Evening With The Champions**
  EdelGive had organised 'An Evening with the Champions'. The event was attended by Mary Kom and P V Sindhu. Viren Rasquinha, CEO, OGQ, and Geet Sethi, Director, OGQ also marked their presence. "More than the financial and infrastructural help, athletes require emotional support which is often neglected. EdelGive has been like a family for Olympic Gold Quest in fulfilling the objective of providing all round support to athletes," said Viren Rasquinha.
- **@ The Same Table: An EdelGive initiative**
  A platform for donors and philanthropists to come together for an open discussion on issues that concern us as a society. It is also an opportunity for organisations to deliberate on their role of going beyond the cheque book.
- **EDGE (EdelGive Engage)**
  A journey of collaborative philanthropy, EDGE involves participation from exceptional grassroots organisations, corporates, philanthropists and social development experts. The engagement facilitates discussions and insights, sharing in the true spirit of collaboration.

- *Vidya Shah at an event with EdelGive supported women athletes MC Mary Kom and PV Sindhu*

The theme of EDGE 2015 was leadership and networking. It brought together our partners from the funding community and NGOs and helped initiate discussions on the current scenarios in the CSR sphere and how the funding community can come together and eliminate the hitches in the process of grant making.

Partnerships

EdelGive Foundation serves as a facilitator for smooth sharing of information within the donor-community and the social sector as a whole.

- *NGO partners and EdelGive team at EDGE*

We are proud to have launched our Philanthropic Advisory Services. It's a zero profit collaborative philanthropy platform, available to our corporate partners. We are keen to share our newly built expertise – free of charge for our corporate partners. Our experienced team is able to advise on the right social investment strategy and help in managing CSR projects effectively. The entire financial assistance is directed to the projects. Alternately, the Foundation can guide corporates to high impact projects and NGOs in line with their CSR policies.

An Aggregator	An Advisor	Reference Partner
We invest collectively from HNIs and the corporates, in high impact and credible NGOs.	As advisors, we work towards systematic goals and plans for individual donors and corporates and also assist them in designing an effective strategy for financial and non-financial giving.	We refer effectively working NGOs to interested donors after thoroughly understanding their philanthropic mandate.

Board of Directors

Mr. Rashesh Shah
Chairman & CEO

Mr. Rashesh Shah, co-founder of the Company has over 25 years of diverse experience in the financial markets sector. He has been instrumental in building Edelweiss into one of India's leading diversified financial services conglomerates. He has previously been on the Executive Committee of the National Stock Exchange and also on the SEBI (Securities and Exchange Board of India) committee to review Insider Trading Regulations. He has recently been appointed as Vice President of FICCI and also serves as the Chairman of Maharashtra State Council of FICCI. His qualifications include an MBA from IIM, Ahmedabad and a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.

Mr. Venkat Ramaswamy
Executive Director

Mr. Venkat Ramaswamy is an MBA from the University of Pittsburgh, United States of America and a Bachelor's Degree holder in Electronics Engineering. He is widely recognised as one of India's finest deal makers. Amongst his responsibilities at Edelweiss, he also Co-Heads two of the Group's most strategic businesses – Distress Assets & Resolution business and Global Asset Management, while continuing to play a mentorship role with the Edelweiss Investment Banking business. After having worked in ICICI Ltd. and as a fund manager with Spartek Fund – one of India's early PE fund – Venkat co-founded Edelweiss Financial Services Limited.

Mr. Himanshu Kaji
Executive Director

Mr. Himanshu Kaji, Group Chief Operating Officer, is responsible for the overall functioning of Corporate Planning, Operations, Technology, Business Solutions, Governance, Compliance, Finance, Stakeholder Relations, Global Risk, Resources, Legal, Administration, Digital Initiatives, Information Security and Corporate Controls functions of the Group. He brings vital expertise and is involved in strategy development and implementation. Before joining Edelweiss in 2009, he served as corporate advisor to various large organisations in the financial services sector. He was Honorary Treasurer & Spokesman and Director of Bombay Stock Exchange (BSE) from 1999 to 2002. Presently, he is a member of the Secondary Market Advisory Committee of SEBI. Himanshu is a qualified Chartered Accountant with a Post-graduate Diploma in Securities Law.

Mr. Rujan Panjwani
Executive Director

Mr. Rujan Panjwani, Executive Director, Edelweiss Financial Services Limited has almost three decades of experience in the financial services industry across all asset classes. Over the last 16 years at Edelweiss, he has played a key role in setting up several businesses and functions for the Group including Asset Management, Credit, Group Treasury and the Balance Sheet unit. Rujan also plays a key role in several strategic initiatives for the Group including driving its Human Resources, Strategy and Business development. He is a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee, the highest decision making body in Edelweiss on Risk-related issues. Besides being on the Board of Directors of Edelweiss Financial Services, he is Executive Director of Edelweiss Commodities Service Limited and also on the Board of Edelweiss Asset Management Company.

Ms. Vidya Shah
Non Executive Director

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

Mr. P. N. Venkatachalam
Independent Director

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

Mr. Berjis Desai

Independent Director

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

Mr. Sanjiv Misra

Independent Director

Mr. Sanjiv Misra is the Chairman of the Asia Pacific Advisory Board of Apollo Management. He is also President of Phoenix Advisers Pte, a consulting and principal investing firm. He spent his career at Goldman Sachs and Citigroup. Mr. Misra holds a Bachelor of Arts Degree in Economics from St Stephen's College, Delhi University, an MBA from IIM, Ahmedabad and a Master of Management Degree from the J. L. Kellogg Graduate School of Management.

Mr. Sunil Mitra

Independent Director

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

Mr. Navtej S. Nandra

Independent Director

Mr. Navtej S. Nandra is a Distinguished Visiting Fellow at the National University of Singapore. He also serves on the Boards of the Centre for Governance, Institutions and Organisations, and the Centre for Asset Management Research & Investments. Recently, he was the President of E*TRADE Financial Corporation. Prior to that, Mr. Nandra was CEO of Morgan Stanley Investment Management Ltd., and also served on the Boards of Morgan Stanley Huaxin Fund Management Company, Morgan Stanley International Ltd., and Morgan Stanley & Co. International plc. Mr. Nandra's career includes senior roles at DTZ Holdings, Merrill Lynch Global Wealth Management, Merrill Lynch Global Investment Banking, The Cambridge Group Inc., and BoozAllen and Hamilton Inc. He has also served on the Board of Nuveen Investments, Inc., Edelweiss Tokio Life Insurance Co., and Merrill Lynch India Technology Services. Mr. Nandra holds an MBA from IIM, Ahmedabad, and a Bachelor's Degree in Commerce (Honors) from the University of Delhi.

Mr. Kunnasagaran Chinniah

Independent Director

Mr. Kunnasagaran Chinniah retired in 2013 as the Managing Director/Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments (GIC SI), the Private Equity arm of the Government of Singapore Investment Corporation (GIC). He joined GIC in 1989 and had held various positions with the Special Investments Department of GIC in their North American, European and Asian regions. Mr. Kunnasagaran Chinniah serves on the Boards of various companies. Mr. Chinniah is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

Mr. Biswamohan Mahapatra

Independent Director

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

Company Information

Board of Directors

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

Chief Financial Officer

S. Ranganathan

Company Secretary

B. Renganathan

Statutory Auditors

B S R & Associates LLP

Registered Office

Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai - 400 098.
CIN: L99999MH1995PLC094641
Tel: 022 - 4009 4400 | Fax: 022 - 4086 3759
Email: efsl.shareholders@edelweissfin.com
Website: www.edelweissfin.com

Registrar & Share Transfer Agent

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

Debenture Trustee

AXIS Trustee Services Limited
Axis House, 2nd Floor,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025.
Tel: +91 22 2425 5225/5226
Fax: +91 22 2425 4200
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

Bankers

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

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001, Maharashtra, India.
Tel: +91 22 6631 1771/2/3
Fax: +91 22 6631 1776
Email: itsl@idbitrustee.co.in
Website: www.idbitrustee.co.in

SBICAP Trustee Company Limited
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road, Churchgate,
Mumbai - 400 020.
Tel: +91 22 4302 5530
Fax: +91 22 4302 5500
Email: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com

Edelweiss Presence

237 own offices across 122 cities
Covering ~ 887,000 clients

MAJOR CITIES:

Domestic

- Agra
- Ahmedabad
- Ajmer
- Allahabad
- Amritsar
- Aurangabad
- Bengaluru
- Bhavnagar
- Bhilai
- Bhopal
- Bhubaneswar
- Chandigarh
- Chennai
- Coimbatore
- Cuttack
- Dehradun
- Ghaziabad
- Gurgaon
- Guwahati
- Hyderabad
- Indore
- Jaipur
- Jalandhar
- Jamnagar
- Jamshedpur
- Jodhpur
- Kanpur
- Kochi
- Kolkata
- Kota
- Lucknow
- Ludhiana
- Madurai
- Mangalore
- Meerut
- Mumbai
- Mysore
- Nagpur
- Nashik
- Navi Mumbai
- New Delhi
- Noida
- Panaji
- Patiala
- Patna
- Pondicherry
- Pune
- Raipur
- Rajkot
- Ranchi
- Secunderabad
- Shimla
- Siliguri
- Surat
- Thiruvananthapuram
- Udaipur
- Vadodara
- Vapi
- Varanasi
- Vijayawada
- Visakhapatnam

International

- Canada
- Chad
- Dubai
- Hong Kong
- Mauritius
- New York
- Nigeria
- Singapore
- Turkey

Board's Report

To the Members of Edelweiss Financial Services Limited,

The Directors hereby present their 21st Annual Report on the business, operations and state of affairs of the Company together with the audited financial statement for the year ended March 31, 2016:

FINANCIAL HIGHLIGHTS

I. Consolidated Financial Performance:

(₹ in million)

	2015-16	2014-15
Total Income	**53,157.35**	39,121.95
Total Expenditure	**46,969.18**	33,841.53
Profit before tax	**6,188.17**	5,280.42
Provision for tax	**2,353.78**	2,016.99
Profit after tax	**3,834.39**	3,263.43
Add: Share of Minority Interest	**309.44**	23.70
Profit for the year after Minority Interest	**4,143.83**	3,287.13
Add: Surplus brought forward from previous year	**10,833.72**	9,834.22
Add/(Less): Effect of changes in Group's interest	**429.87**	(2.76)
Add: Profit on buy back of shares	**11.96**	-
Add/(Less): Adjustment on account of depreciation net of tax	**-**	(20.31)
Profit available for appropriation:	**15,419.38**	13,098.28
Less: Appropriations		
Interim Dividend on Equity Shares	**1,019.26**	630.98
Proposed Dividend on Equity Shares	**-**	159.64
Dividend on Preference Shares	**84.09**	84.47
Transfer to Reserves	**2,919.92**	1,219.20
Dividend Distribution Tax	**217.03**	170.27
Surplus carried to the Balance Sheet	**11,179.08**	10,833.72
Earnings per equity share (Face Value – ₹1/-)		
Basic (₹)	**5.01**	4.09
Diluted (₹)	**4.85**	3.88

II. Standalone Financial Performance of Edelweiss Financial Services Limited:

(₹ in million)

	2015-16	2014-15
Total Income	**3,383.41**	2,481.60
Total Expenditure	**1,533.45**	1,112.07
Profit before tax	**1,849.96**	1,369.53
Provision for tax	**294.02**	254.72
Profit after tax	**1,555.94**	1,114.81
Add: Surplus brought forward from previous year	**481.25**	326.20
Less: Adjustment on account of depreciation net of tax	**-**	1.41
Profit available for appropriation	**2,037.19**	1,439.60
Less: Appropriations		
Interim Dividend	**1,019.26**	630.98
Proposed Dividend	**-**	159.64
Transfer to Reserves	**-**	111.48
Dividend Distribution Tax	**35.32**	56.25
Surplus carried to the Balance Sheet	**982.61**	481.25
Earnings per equity share (Face Value – ₹1/-)		
Basic (₹)	**1.93**	1.43
Diluted (₹)	**1.87**	1.36

DIVIDEND

During the year under review, interim dividends were paid twice - 1st of ₹1 per share and the 2nd of ₹0.25 per share on the face value of ₹1 per share. The total outlay on account of interim dividends (including Dividend Distribution Tax) was ₹1054.58 million.

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of Section 136 of the Companies Act, 2013, abridged financial statements as at March 31, 2016, and the Auditors' Report on the abridged Financial Statement forms part of the Annual Report. Full version of the Annual Report will be available on the Company's website: http://edelweissfin.com/Home/AboutUs AnnualReports.aspx and will also be made available to the members of the Company on request.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

Information on the operational and financial performance, among others, is given in the Management Discussion & Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

SHARE CAPITAL

During the year under review, 22,284,011 Equity Shares of ₹1 each were allotted on exercise of the Options granted to the employees under various Employee Stock Option Schemes of the Company. Consequently, as at March 31, 2016, the paid-up share capital of the Company was ₹814 million divided into 814,036,630 equity shares of ₹1 each.

The disclosures with regard to the stock options as required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, are provided on the Company's website: http://edelweissfin.com/Home/AboutUs/ AnnualReports.aspx.

FINANCE

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

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

SUBSIDIARIES

During the year ended March 31, 2016, the following companies became the subsidiaries of your Company:

- Edelweiss General Insurance Company Limited
- Edelweiss Holdings Limited
- EFSL International Limited
- Edelweiss Financial Services (UK) Limited
- Edelweiss Tarim Urunleri Anonim Sirketi

The performance and financial position of the subsidiaries and associates as required under the Companies Act, 2013 is provided in Annexure I to the consolidated financial statement. The financial statements of the subsidiary companies will be placed on the website of the Company, www.edelweissfin.com. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the Registered Office of the Company.

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

RELATED PARTY TRANSACTIONS

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

In accordance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transactions Policy (the Policy). The Policy is uploaded on the Company's website at the link: http://edelweissfin.com/portals/0/documents/ miscellaneous/ RelatedPartyTransationsPolicy.pdf.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Independent Directors

During the year under review, Mr. Narendra Jhaveri resigned as a Director of the Company with effect from May 20, 2015. The Board places on record its sincere appreciation for the services rendered by Mr. Jhaveri during his tenure as a Director of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ii. Retirement by Rotation of the Directors

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

iii. Key Managerial Personnel

There was no change in the KMPs during the year under review. The KMPs of the Company are also the KMPs of the subsidiaries and some draw remuneration from there also.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2016, the Board met five times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

REMUNERATION POLICY

The Company has framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is provided in Annexure II to this Report.

EVALUATION OF THE PERFORMANCE OF THE BOARD

The Board has formulated an Evaluation Policy (the Policy) for evaluating the performance of the Board, its Committees, Chairman, Managing Director, Executive Directors, Independent Directors and Non-executive Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2016. A meeting of the Independent Directors was held during the year under review.

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

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts, the applicable accounting standards have been followed

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the financial year ended on that date

iii. Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

iv. The annual accounts have been prepared on a going concern basis

v. Internal financial controls have been laid down and the same are adequate and were operating effectively

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

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

Mr. P. N. Venkatachalam - Chairman

Mr. Berjis Desai

Mr. Sanjiv Misra

Mr. Sunil Mitra

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Mr. Venkat Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

Mr. P. N. Venkatachalam - Independent Director

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

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

AUDITORS

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

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

SECRETARIAL AUDIT

The Board had appointed BNP & Associates, Practicing Company Secretaries, as the Secretarial Auditor, to conduct the secretarial audit for the financial year ended March 31, 2016. The Report of the Secretarial Auditor is provided as Annexure IV to this Report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on prevention of Sexual Harassment at Workplace. During the year under review, a case was reported under the Policy, which was outstanding as at March 31, 2016.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

A. Conservation of energy

i. The steps taken or impact on conservation of energy – The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy

ii. The steps taken by the Company for utilising alternate sources of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises

iii. The capital investment on energy conservation equipments – Nil

B. Technology absorption

i. The efforts made towards technology absorption – The minimum technology required for the business has been absorbed

ii. The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

   (a) The details of technology imported

   (b) The year of import

   (c) Whether the technology has been fully absorbed

   (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iv. The expenditure incurred on Research and Development – Not Applicable

C. Foreign exchange earnings and outgo

Foreign exchange earnings and outgo (including dividend) during the year under review were ₹174.60 million (previous year ₹128.26 million) and ₹39.47 million (previous year ₹30.41 million) respectively.

OTHERS DISCLOSURES

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013 as the company has not accepted any deposits. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future.

EXTRACT OF THE ANNUAL RETURN

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

RISK MANAGEMENT

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance together with the certificate issued by BNP & Associates, Practicing Company Secretaries, on compliance in this regard forms part of this Annual Report.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Edelweiss Financial Services Limited

Rashesh Shah

Chairman & CEO

DIN No.: 00008322

May 13, 2016

SUSTAINABILITY

Our philanthropic arm, EdelGive Foundation is based on bridging the gap between the for-profit world and the not-for-profit world, and inculcating a habit of giving back. EdelGive has influenced commitments of ₹600 million to work in education, livelihoods and women empowerment sectors.

FUTURE OUTLOOK

We at Edelweiss, see our future joined with our employees. The Edelweiss Leadership Programme is committed to provide an opportunity to all who can contribute at a leadership level.

INTEGRATED REPORTING

At Edelweiss, we realise that the true value of any organisation is based on tangible and intangible aspects. Some like financial performance are tangible, but others, like intellectual capital, brand equity, etc., are harder to quantify. Our philosophy on quality and humanity is intertwined with who we are, what we do and how we create value, adopt strategy, exploit opportunities and control risks. Here is a holistic view of us as an organisation through our performance, business model and strategy.

STRATEGIC OBJECTIVES AND STRATEGIES

Whether wholesale or retail businesses, customer centricity is our key differentiator. Customer centricity goes to the heart of how we think, manage our businesses, build our platform, design our products and service our customers.

ORGANISATIONAL OVERVIEW OF BUSINESS MODEL

Taking a conscious choice to constantly pursue innovation and invest in new ideas and businesses. The core thought behind each decision is to provide long-term value creation by building sustainable businesses.

OPERATING RISKS AND OPPORTUNITIES

Low rainfall or slower than expected recovery of macro-economy, domestically as well as globally remain threats for our overall growth. However, a greater diversification of asset classes in investments, recent Government initiatives like Digital India will provide access to a whole set of new clients.

PERFORMANCE

Our strategy of diversified businesses has continued to build sustainability in our performance. The trend of our quarterly profits improving consistently since FY12, (18 straight quarters) coupled with efficiency and productivity improvement continues.

GOVERNANCE

Aside from our internal controls and Risk structures, we also have in place a set of various crucial policies such as the Prevention of Insider Trading, Conflicts of Interest Policy and a strong Whistleblower Policy.

Management Discussion & Analysis

MACRO ECONOMY: REVIEW AND OUTLOOK

The year FY16, did not pan out as envisaged last year primarily due to a deterioration in global situation leading to exports slowdown and the second straight year of poor monsoon. Government did reorient the fiscal spending towards infrastructure in gradual economic recovery. Reserve Bank of India (RBI) also resumed monetary easing in FY16. However, due to stretched bank balance sheets, less than half of RBI cuts got transmitted.

Going into FY17, we expect the situation to improve because - first, a normal monsoon (IMD's forecast) should provide relief to rural economy. Second, the benefits of RBI rate cuts will finally flow into the domestic economy through better transmission and lastly, Government's infra push and reforms should start improving the domestic economy.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

The growth of Indian banking sector moderated further during FY16 (non-food credit at sub 12% levels) following slower than anticipated macro recovery which led to cash flows of borrowers coming under stress. As a result, the asset quality of banks continued to worsen. In addition, the asset quality review of banks by RBI exacerbated the pain. Hence, the profitability of PSU banks continued to be under strain and will recover only gradually.

NBFC Industry

The NBFC sector has been steadily gaining systemic importance with increase in assets from less than 11% of banking assets in FY09 to over 14% now. NBFCs have been growing at a faster rate due to a smaller base and also due to their ability to structure transactions to satisfy specific customer needs. NBFCs could also control the asset quality, though it has worsened, due to their agility and availability of a higher and quality collateral cover. NBFCs continue to be an important source of capital for borrowers, supplementing the efforts of the banks.

Retail Finance

NBFCs and HFCs have continued to scale up their portfolio focusing on housing finance, LAP, SME finance and consumer finance. Monoline NBFCs and MFIs focus exclusively on vehicle finance, gold loans, micro finance, etc. Within these sectors, housing finance market continues to grow significantly on the back of a young Indian demographic profile. Further, the SME segment continues to be under-banked and NBFCs are increasingly turning towards this sector. Thus, the potential for NBFCs and HFCs to scale up their business remains significant.

Capital Markets

FY16 was a roller coaster year for equity markets primarily due to significant global headwinds and poor earnings momentum. However, going ahead, sentiments should be better with gradual improvement in economy and corporate earnings. With greater interest in equities and other asset classes, the wealth management industry is also on the cusp of significant growth going forward.

After a stellar showing in FY15, debt capital markets faltered in FY16 due to global volatility and the US Fed rate hike. Though RBI resumed accommodative stance, the rate cuts failed to have the desired effect on bond market yields as transmission was poor. However, Union Budget and other policy actions by

- Indian banking sector moderated in FY16
- NBFC sector gaining importance with increase in assets
- Housing finance and Life insurance to grow owing to a younger demographics
- Global headwinds and poor earning momentum leave equity markets wobbly
- Asset Management industry faces competition and regulatory changes

the Government and RBI are now paving way for efficient monetary transmission. Thus, we expect a much more vibrant FY17 for the debt markets.

Asset Management

The asset management industry in India consists of a vibrant and rapidly growing mutual funds sector, alternative investment funds (AIFs) and asset reconstruction. In recent times, MF & AIF sectors have seen a wide range of regulatory changes that have brought about increased competition and enhanced consumer protection.

Mutual Funds' average AuMs were ₹13.53 trillion during the fourth quarter of FY16, up 14% YoY, giving fresh impetus to the industry. Alternative assets funds in the structured credit and distressed assets space ended FY16 with AuMs of ~US$ 20 billion with inflows of ~US$ 4 billion during the year.

As the financial savings of Indian investors shift from hard assets (gold and real estate) to financial instruments, the asset management industry should expect exciting opportunities ahead.

Asset Reconstruction Industry continues to offer an alternative for the banks for speedier resolution of assets. ARCs grew their AuMs in FY16 despite facing funding/capital constraints. With the expected amendments to SARFEASI Act & other reforms, ARC industry will see significant prospects for growth.

Life Insurance

Life insurance sector in India suffers from low level of penetration at 3.3% of GDP and per capita insurance density of only ₹3,498 while global insurance penetration stands at 6.2% with density of ₹42,103 (source Swiss Re report). Given the young demographics in India, rising life expectancy and absence of state social security, insurance is expected to grow significantly offering exciting opportunities.

EDELWEISS OVERVIEW

A FULLY DIVERSIFIED FINANCIAL SERVICES GROUP

Edelweiss was founded in November 1995 as a niche boutique investment banking firm and quickly focused on an aspiration to become India's first and largest diversified financial services groups. From taking a baby step into providing advisory and investment banking services, Edelweiss has grown by strategically focusing on synergistic diversification in adjacent spaces in businesses, client segments, asset classes and geographies. This strong focus has helped the group grow from being an advisory house into a Credit and Financial Services Institution.

EDELWEISS STRATEGY

Edelweiss has come a long way since its inception and knowledge, research and innovation have been the key drivers for the company's growth. It is by conscious choice that the group constantly pursues innovation and also adjacent avenues and invests in new ideas and businesses. The core thought that underlines each business decision is to provide long-term value creation by building sustainable businesses while focusing on risk.

Over the years, Edelweiss has also demonstrated its ability to reinvent itself at the turn of each economic and business cycle. This element of adaptability and flexibility ensures that businesses spot opportunities, deal with dynamic economic situations and are ready to leverage knowledge, experience and professionalism in dealing with 'new new' prospects. With these business tenets, Edelweiss aspires to become a respected financial services firm with a portfolio of high quality growth businesses.

FINANCIAL PERFORMANCE HIGHLIGHTS

The year FY16 has been a rewarding year for Edelweiss as the strategy of diversification of businesses continued to build sustainability in our performance. We maintained the trend of our quarterly profits improving consistently since FY12 – 18 straight quarters of consistent growth coupled with efficiency and productivity improvement resulting in our net profit for FY16 recording a growth of 26% over FY15. One heartening feature of our profitability growth is that increasingly our profits are being contributed by a diverse set of businesses eliminating volatility in our performance.

Since inception in 1996, our total revenue has grown at a CAGR of 88% and net profit has increased at a CAGR of 81% upto FY16. In more recent times since the completion of our diversification phase in FY12, our total revenue and net profit both have grown at a four year CAGR of 34% upto FY16.

Edelweiss has come a long way since inception and knowledge, research and innovation have been the key drivers of the company's growth.

CONSOLIDATED RESULT - FY16

A summary of our consolidated FY16 financial performance is as under:

Total Revenue ₹53,157 million (₹39,119 million for FY15), up 36%

Profit after Tax ₹4,144 million (₹3,287 million for FY15), up 26%

Profit after Tax ex-insurance ₹5,188 million (₹3,813 million for FY15), up 36%

Return on Tangible Equity ex-insurance 18.6% (15.6% for FY15)

Diluted EPS ₹4.85 (₹3.88 for FY15) (FV ₹1)

Two Interim Dividends paid during FY16 aggregating to ₹1.25 per share (FV ₹1)

FINANCIAL HIGHLIGHTS

INCOME

Our Fund-based revenue predominantly comes from interest on loans which accounts for ~42% of total revenue for FY16, reflecting the scale up in credit book. Similarly, our Net Interest Income for FY16 was ₹12,223 million (₹7,536 million for FY15), up 62%.

Agency fee & commission revenue was ₹6,966 million for FY16 (₹5,727 million in FY15), up 22%.

After deducting the finance cost, Net Revenue for FY16 was ₹26,956 million (₹20,804 million in FY15), up 30%.

Life insurance business recorded a Gross premium of the business was ₹3,100 million in FY16 compared to ₹1,930 million in the previous year, a growth of 61%.

EFSL entity on a standalone basis earned a revenue of ₹3,383 million in FY16 compared to ₹2,482 million in FY15, up 36%, and its Profit after Tax was ₹1,556 million in FY16 compared to ₹1,115 million in FY15, up 40%.

Our diversified revenue streams ensure our constant growth across cycles despite volatile environment.

EXPENSES

Total costs for FY16 was ₹46,969 million (₹33,839 million in FY15), up by 39%. Within our total costs, operating expenses grew by 34% in FY16 as we continued to invest in scaling up our younger retail businesses.

Employee expenses grew by 24% in FY16 as we continued hiring to be ready for future growth. As the size of our operations grew and as we became a ₹320 billion asset company, it was also imperative to strengthen the organisation and we have added people at all levels, including over 80 senior professionals. We added about 670 employees during FY16 taking the total head count to 6,227 by the year end.

Interest expense grew by 43% in FY16 as our borrowings at the end of FY16 were higher at ₹277.73 billion supporting the scale up in credit book.

PROFIT AFTER TAX

Our Profit after Tax and Minority for FY16 was ₹4,144 million compared to ₹3,287 million for FY15, a growth of 26%, which was mainly due to a 62% increase in Net Interest Income partly offset by a 34% growth in Non-Interest Expenses.

We have demonstrated consistent QoQ growth in profitability since FY12 despite the macro environment being challenging in most parts of this period. This has been possible as a result of our long-term strategy of synergistic diversification across businesses, asset classes and client segments.

Profitability ex-insurance

Our life insurance business is relatively young and given the long gestation period of life insurance companies, it is still recording losses. Since our proportionate share of its losses passes through our consolidated P&L, it tends to depress our reported earnings. Excluding the impact of life insurance business, our net profit for FY16 would have been around ₹5,188 million compared to ₹3,813 million in FY15, a growth of 36%. With our tangible equity ex-insurance at ₹28,644 million, the return on tangible equity ex-insurance comes to around 18.6% for FY16 compared to 15.6% for FY15.

We have demonstrated consistent QoQ growth in profitability since FY12 despite the macro environment being challenging in most parts of this period.

Business-wise Analysis of Profitability

Operations of Edelweiss are organised around three **broad business groups** – **Credit businesses** including **Wholesale** and **Retail Credit, Non-Credit businesses** including **Capital Markets, Wealth Management, Asset Management, Balance Management Unit** and others, and **Life Insurance.**

The business-wise financial data based on Management's estimates for FY16/as on March 31, 2016 is as under:

(₹ in billion)	Net Revenue	Profit After Tax	EoP Networth	RoE*
Credit Business	12.00	3.37	23.21	17.0%
Non-Credit Business	11.07	1.82	11.12	22.3%
Total – Ex-Insurance	23.07	5.19	34.33	18.6%
Insurance Business	3.88	(1.05)	9.39	-
Total	26.95	4.14	43.72	12.9%

** On Average Equity adjusted for intangibles and minority interest*

Notes: Numbers are Management's Estimates

Balance Sheet

The effective Balance Sheet size at the end of FY16 was ₹321.45 billion compared to ₹270.72 billion at the end of FY15, a growth of 19%. The asset side of the balance sheet includes credit book assets ₹200.14 billion besides liquid assets like FDs and cash balances ₹31.16 billion and Government Bonds ₹48.66 billion.

On the liability side, our total networth was ₹43.72 billion as on March 31, 2016 compared to ₹35.31 billion as on March 31, 2015. Debt as on March 31, 2016 was ₹277.73 billion (₹235.40 billion as on March 31, 2015). However, as a part of our liquidity management, we hold liquid assets as mentioned above and excluding such liquid assets, our Net Gearing Ratio stands at 4.95 times as on March 31, 2016. The Capital Adequacy Ratio on consolidated basis stands at 18% at the end of FY16.

BUSINESS SEGMENT-WISE PERFORMANCE

Brief highlights of our business segment-wise performance in FY16 are as under:

CREDIT BUSINESS

Credit business of Edelweiss offers **Structured Collateralised Credit** to corporates where we provide customised solutions, **Real Estate Finance** and **Distressed Assets Credit** under wholesale segment. The retail credit segment offers **Mortgages** including Home Finance and Loan against Property, **SME** and **Agri Finance, Loan against Securities** and **Rural Finance**.

Total credit book of the group stands at ₹200.14 billion at the end of this year compared to ₹150.36 billion at the end of the previous year, a growth of 33%. The book has grown at a CAGR of 63% since FY09. Credit business improved its NIM in FY16 to 6.8% compared to 6.7% in FY15.

The **asset quality** of the overall credit book continued to remain under control with Gross NPLs at 1.40% and Net NPLs at 0.47%. The Provision Coverage Ratio (PCR) on NPLs was 67% at the end of FY16. Including the general loan loss provision that we make on our standard assets, the PCR was 88%. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

Retail Finance Business

As a part of our long-term strategy of synergistic diversification of asset classes and customer segments, Edelweiss has launched **Housing Finance, Loans against Property** (LAP) and **Loans to Small and Medium Enterprises** (SME) as a part of Retail Finance business during the past five years. We have also subsequently added **Small Ticket Housing Loans** and **Rural Finance** to our portfolio as a part of our conscious strategy to serve all sections of society.

This business operates in 45 cities and over 3,400 villages with a client base of 281,000 at the end of FY16 which is significantly higher compared to 41,000 at the end of FY15 as a result of determined push in Rural Finance.

The Retail Finance business had built a book of ₹42.74 billion at the end of FY16 compared to ₹29.00 billion at the end of FY15, up 47%. The book included Housing Loans and LAP of ₹26.41 billion and SME loans ₹11.18 billion at the end of FY16. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level of ~50% with an average tenor of ~15 years.

Including Agri finance and loans against securities to retail clients, our total retail credit portfolio stands at ₹57.35 billion at the end of FY16, up 41% over FY15. It now accounts for 29% of the total credit book catering to 304,800 clients.

NON-CREDIT BUSINESSES

Our **Non-Credit businesses** include **Capital Markets, Wealth Management, Asset Management, Balance Sheet Management Unit** and others.

CAPITAL MARKETS

Edelweiss began its journey in 1996 with focus on Investment Banking and later diversified into Institutional Equities, Retail Broking and Fixed Income advisory.

Edelweiss continues to be a leader in Investment Banking and Fixed Income Advisory and executed 100 transactions in FY16 including 14 transactions under Investment Banking. Our Equity Capital Markets business was among the top five arrangers for IPOs in FY16 with a market share of over 30% of the issue amount (Source: Prime Database).

We maintained our leadership in Tax-free bonds issuances as we were the only player to be mandated as lead arranger to all public tax-free bond issuances in FY16 raising ₹311 billion across 8 issues. We maintained top ranking in the overall public issuance with a market share of nearly 95% in FY16, as arranger. In the short-term commercial paper segment too, we retained the number one position with a market share of over 15%. (Source: Prime Database).

We maintained top ranking in the overall public issuance league table of NCDS with a market share of nearly 95% in FY16.

Institutional Equities business provides equity and equity-derivatives sales and trading services to a large base of FIIs and DIIs. We continued to be among the largest Indian domestic Institutional Broking Houses with a market share of 4 to 4.5% by revenue.

Retail Broking business includes the organically built online broking format through our Internet portal www.edelweiss.in and offline broking format through acquisition of Anagram in FY11.

WEALTH MANAGEMENT

The Wealth Management business offers Wealth Management advisory and investment services to HNI clients with an emphasis on research and analytics. This business ended the year FY16 with AuAs of over ₹295 billion compared to ₹176 billion at the end of the previous year demonstrating the significant scale up achieved in this business.

Retail Capital Markets and **Wealth Management** businesses together had over 494,000 clients at the end of FY16 compared to around 455,000 clients at the end of FY15.

ASSET MANAGEMENT

Asset Management business comprises of four businesses – **Alternative Asset Management, Alternatives – Liquids, Liquid – Traditional (Retail Asset Management) and Asset Reconstruction**.

Alternative Asset Management

The Alternative Asset Management business focuses on mobilising subscriptions from offshore and domestic institutions and HNIs through funds structures to invest in alternative asset classes. Our objective is to offer innovative and differentiated products to clients which we achieve by combining Edelweiss platform with investment capabilities to create a superior investment performance. This business had AuMs of ~₹22 billion equivalent spread over four funds at the end of FY16.

Alternatives – Liquids

Our Multi Strategy funds under the AIF platform offer **Liquid Alternative** strategies to HNI clients. This offering has further strengthened and diversified our presence in the asset management business. This business had AuMs of around ₹11.6 billion by the end of FY16 compared to ₹5 billion at the end of FY15, a growth of 128%.

Liquid – Traditional (Retail Asset Management)

Edelweiss Mutual Fund managed 12 funds across Equity, Debt and Liquid schemes with an average AuM of around ₹16.6 billion during the fourth quarter of FY16. Around 96% of its AuMs was in equity schemes making it a unique business proposition. It had an active base of over 28,900 investors (18,300 at the end of FY15) and a distributor base of over 3,750 at the end of FY16. Focus of this business continues to be on building investment capabilities and creating a track record while offering differentiated solutions.

During the year, Edelweiss has signed an agreement to acquire schemes of JP Morgan's Mutual Fund business

in India subject to regulatory approvals. This acquisition aligns with our continuous efforts to actively seek synergistic opportunities that add value to our clients and provide impetus to our growth aspirations.

Asset Reconstruction Business

Edelweiss Asset Reconstruction Company (EARC) continued to scale up its business with assets of ₹271 billion at the end of FY16 compared to ₹203 billion at the end of FY15, a growth of 33%. EARC is now the leading ARC in the country. It has already created a track record of resolution of assets of ~₹120 billion by the end of FY16 through multiple resolution strategies with revival and business turnaround being the foremost business strategy. It targets investment into potentially viable companies and has assisted companies to completely turnaround operations achieving superior returns.

ARCs present a viable alternative for the banks for asset resolution as they allow them to direct resources for more productive purposes. At the same time, ARCs aim to plough back productive assets into the country's economy.

WAREHOUSING SERVICES

As a part of our strategy of diversifying asset classes, Edelweiss aims to offer end-to-end services to meet a new emerging need by bridging the physical with the financial needs of the agri commodities market. We are working towards creating a comprehensive setup that offers services ranging from procurement of commodities, warehousing, quality assaying and certification, collateral management, credit, distribution to other allied activities.

As a part of our endeavour, at the end of FY16 we had around 265 leased warehouses under our management with a storage capacity of around 11 lakh MT.

LIFE INSURANCE

Edelweiss expanded its addressable retail markets by launching Edelweiss Tokio Life Insurance Company (ETLI) in 2011 in partnership with Tokio Marine of Japan. Edelweiss Tokio Life was launched with a capital of ₹5.5 billion – among the highest start-up capital for any Indian life insurer. The commitment of the JV partners to the business was further demonstrated in FY16 when Tokio Marine infused fresh capital of ₹5.3 billion taking it's share to 49% in the company. Currently, Edelweiss holds 51% equity in this JV with Tokio Marine holding the rest. Its networth at the end of FY16 was ₹9.39 billion.

Edelweiss Tokio Life is one of the fastest growing life insurance companies in India in the last three years. Winner of Rising Star Insurer Award in 2013, it continues to scale up its business with a focus on enhancing quality of business with a focus on the customer. Gross premium of the business was ₹3,100 million in FY16 compared to ₹1,930 million in the previous year, a growth of 61%. First year Premium (including Single Premium) grew by 50% to ₹1,836 million (₹1,224 million for FY15)

Edelweiss Tokio Life continues to expand its distribution footprint across agency, partnership and direct channels. It has a network of 71 branches across 61 major cities in India. The agency channel force has also scaled up with the total number of Personal Financial Advisors crossing 15,400 by the end of this financial year compared to around 10,000 a year ago.

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

Edelweiss Tokio Life offers 26 individual products with 8 rider options, designed to meet various needs of customers. It also offers 4 group products.

Edelweiss Tokio Life's Ulip funds have been rated top performers by Morningstar as on March 31, 2016 with 4 of the 6 funds rated as 5-star.

"Yamraj Road Safety Campaign", Edelweiss Tokio Life's safety awareness campaign won **Gold** at the Asia Pacific Customer Engagement Forum Awards 2015 under the category **'BTL-Successful use of CSR activity'**.

BALANCE SHEET MANAGEMENT UNIT (BMU)

Balance Sheet Management

The BMU manages our group's liquidity in a way similar to that of the Treasury of a commercial bank. As a part of this process, we have developed a set of **Balance Sheet Management Rules** to measure, monitor and change key metrics and positions to ensure a healthy Balance Sheet and these are benchmarked to best international practices.

Asset Liability Management Committee (ALCO)

Edelweiss ALCO primarily manages **allocation of capital** among businesses along with **Asset Liability Management.** It also oversees implementation of an effective process for managing the group's **interest rate & liquidity risks** among a host of other crucial functions.

Overnight Liquidity Cushion

BMU ensures that an adequate liquidity cushion is maintained to take care of immediate requirements while continuing to honour our commitments as a going concern. During the year FY16, we enhanced our overnight liquidity cushion to ₹29 billion.

Edelweiss continued to maintain a liquid balance sheet and in the last five years has embarked on a strategy of increasing long-term liabilities to bring down dependence on short-term market borrowings.

Our efforts towards enhancing the Edelweiss Brand Equity have also borne fruit with Edelweiss Financial Services having been identified amongst the '100 Most Valuable Brands of India' in 2015.

Changing Liabilities Profile in Sync with Lengthening Asset Profile

Edelweiss has not only continued to maintain a liquid balance sheet, but over the last five years has embarked on a strategy of reducing dependence on market borrowings and increasing liabilities in the six months to five years bucket thereby bringing down dependence on short-term borrowings. During FY16, we contracted over ₹27 billion of medium to long-term NCDs. We also tapped long-term bank facilities and our total sanctioned bank lines of credit at the end of FY16 were ₹105 billion compared to ₹73 billion a year ago.

Diversification of Sources of Funding

We have also diversified sources of borrowings by tapping newer sources like life and general insurance companies, Pension and Provident Funds during FY16.

EDELWEISS TO BE PRINCIPAL SPONSOR FOR INDIAN OLYMPIC TEAM

We are happy to share that Edelweiss will be a Principal Sponsor of the Indian Olympic team for the Rio Olympics, 2016. As a part of this association, Edelweiss Tokio Life will also provide life insurance cover of ₹10 million to each of the athletes of the Indian Olympic team. We have always been keen to promote sports in India and have supported some of India's best known sports persons like PV Sindhu, Ayonika Paul and MC Mary Kom in the past.

The Olympic Games are a true meritocracy and are about excellence, about achievement, about hard work. These are the values we cherish at Edelweiss and we constantly work towards imbibing these in our daily lives.

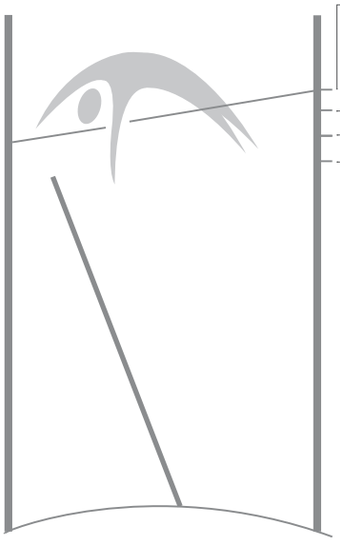
EDELWEISS BRAND

During the year, we appointed Saina Nehwal, the ace badminton player, as our brand ambassador to support outstanding sports persons and enhance our brand image. Saina is known for her commitment to the game – the unwavering focus, sheer hard work and mental discipline, qualities that we as an organisation strongly identify with when we speak of adding and delivering value to all our customers' needs. Like her, we need to continually remain energised, disciplined, tenacious and committed to our game.

Our efforts towards enhancing the Edelweiss Brand Equity have also borne fruit with Edelweiss Financial Services having been identified amongst the **'100 Most Valuable Brands of India'** in 2015 through a research study carried out by World Consulting & Research Corporation (WCRC). Edelweiss was also recently chosen as one of The Economic Times' **"Most Promising Brands of India in 2015"**.

OPPORTUNITIES

We believe that despite the current headwinds, the long-term India growth story is intact and the recent improvement in the macro-economic indicators bodes well for a diversified financial services firm like Edelweiss. We see immense opportunities coming our way in FY17 and beyond as under:



- India is already recording the fastest rate of growth within the large economies in the world and various projections for FY17 by the World Bank or IMF etc., indicate that India will continue to occupy the top position. With this, we see large opportunities for us to grow our various diversified businesses.
- Indian savers have been predominantly opting for hard assets or bank deposits among investments. Going forward, we see a greater diversification of asset classes among them which will throw up newer opportunities.
- Social, Mobility, Analytics and Cloud Computing (SMAC) is the emerging trends in technology. The recent Government initiatives in respect of Digital India will also open up access to a whole set of new clients and this will surely lead to a change in the manner financial services are delivered or consumed.
- We believe the policy liberalisation and forward-looking regulatory changes will help markets grow in size, thus making available wider opportunities for providers of financial services.

THREATS

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

- Slower than expected recovery of macro-economy, domestically as well as globally, or inability of Government to push through major economic reforms can delay the return of growth.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon for the third year in a row will accentuate the already precarious situation of drought across the country impacting the rural purchasing power significantly.

OUTLOOK & STRATEGY

Despite the sluggish GDP growth rate, which is still higher than that of most large economies in the world, the long-term outlook on India remains upbeat. With a stable government, which is committed to policy reforms, ease of doing business and encouraging foreign investments, in place, India is expected to resume its journey to higher growth sooner than later.

The financial services sector is expected to grow once the conditions start improving, early signs of which are already visible. Meanwhile, the debt markets hold exciting opportunities as they will become the more dominant source of capital for corporates in future. While the commercial banks are grappling with asset quality issues, the NBFCs are expected to continue to be an effective channel for credit dispensation.

In this backdrop, we believe our strategic approach whose cornerstones are profitability, scalability, constant focus on risk and growth in adjacent markets, building leadership and maintaining culture, will continue to manifest in constant growth for us.

RISK MANAGEMENT

Edelweiss' business activities in multiple geographies and products make it susceptible to various kinds of risks. Certain risks are inherent to the products or services that are offered by Edelweiss and other risks arise due to the external environment. Risk is the cornerstone of our business philosophy and it is one of our Guiding Principles, ***"We will respect risk".*** Edelweiss has adopted best in class risk monitoring tools to monitor risks in various products or services.

Edelweiss has an in-house eight risk framework coupled with a four tiered risk governance structure which protects Edelweiss and ensures that risk is contained. The business risk team is responsible for implementation of risk measures at the business level. The enterprise unit, Global Risk Group, is responsible for policy formulation and consolidation of risks at an aggregate level. The Board of Directors oversees the risk management process at Edelweiss by way of the Risk Management Committee.

We continue to focus on pro-active and dynamic management of our risks such as Credit Risk, Market Risk, Operational Risk or Technology Risk, etc., through elaborate risk assessment framework. Our paranoia about risk management helps us to steer through environmental stress without a major impact.

Additionally, the asset liability mismatch is regularly assessed and necessary care is taken to maintain an adequate liquidity cushion for maturing liabilities and unforeseen requirements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Controls

As per the Companies Act, 2013, the companies need to ensure that they have laid down internal financial controls and that such controls are adequate and were operating effectively. Towards this end, we at Edelweiss have always adopted a risk balancing approach. We have accordingly followed the Risk and Control Self Assessment (RCSA) approach and have put in place systems and procedures for the purpose together with an independent review by an external agency.

Internal Control Procedures

The Internal Control Procedures of Edelweiss include monitoring compliance with relevant matters covered under the Companies Act 2013, delegation of powers, segregation of duties, third party confirmations, periodic reconciliations, RCSA, physical verification and checks on accuracy and all related matters.

Internal Control Policies

Edelweiss has institutionalised a strong compliance culture across the group recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We have a Global Compliance Group and Business Compliance Group that ensure compliance with all the applicable laws.

We have in place a set of various crucial policies such as the **Prevention of Insider Trading, Conflicts of Interest Policy** and a strong **Whistleblower Policy.**

Our strategic approach whose cornerstones are profitability, scalability, constant focus on risk and growth in adjacent markets, building leadership and maintaining culture, will continue to manifest in constant growth for us.

TECHNOLOGY

Technology is disrupting the status quo of almost all industries and at the same time throwing open unprecedented opportunities and threats.

Edelweiss's long-term commitment to technology continues to enable it to grow and unlock competitive advantage for our diversified businesses. Our robust and advanced technology back-end and infrastructure is a key differentiator for us and runs on a multi award winning private cloud.

During the year we embarked on several path-breaking and strategic initiatives as under:

- Data is considered a new asset class. We have invested in developing Big Data Analytics infrastructure and are leveraging it to develop cognitive applications to enhance business.
- A comprehensive Cyber Security Risk Management strategy roadmap and information architecture has been formulated to adequately protect sensitive data.
- We have forged a strategic partnership with one of the best known global technology companies for next five years to achieve business technology transformation in respect to two of our large retail businesses.

- In order to leverage the pervasive impact of mobility, Edelweiss Mobile Trader application has been upgraded with a new design and industry-first features. This has resulted in a 50% growth in user base and revenue, making it the second most popular retail trading app in India.
- We are certified with ISO/IEC 27001:2013 standard. The Business Continuity Plan (BCP) setup is at an off-site facility and has been tested during the year with successful results.

We believe that our people have always been the drivers of innovation, efficiency and productivity leading to our phenomenal track record of growth.

HUMAN RESOURCES

The Edelweiss philosophy on people is deep rooted in building and nurturing talent and leadership within the organisation. We believe that our people have always been the drivers of innovation, efficiency and productivity leading to our consistent track record of growth. Throughout FY16, we have continued to deepen our philosophy through a series of well designed measures, some of which are summarised below:

- At Edelweiss, we have always valued our gender mix and are happy that 19% of our employees are women. In addition, mentoring for women employees is a formal programme under aegis of Women Empowered platform.
- As a part of Edelweiss' ongoing efforts to strengthen the compliance culture, Achieving Compliance Excellence (ACE), a Compliance Learning Programme with 28 e-modules covering approximately 25 hours of e-learning was launched.
- Edelweiss has been spreading its campus footprint wider than ever with over 150 hires from across premier campuses like the top ranked IIMs, IITs and law colleges.

Building Leadership for Future

The Edelweiss Leadership Programme has been created in the backdrop of Edelweiss' rapid expansion and diversification of businesses coupled with the aspiration to grow further. This programme nurtures and develops potential leaders to seamlessly execute the organisation's growth target over the next eight to ten years with the help of the three - tiered Edelweiss Leadership Structure comprising of Senior Leaders (SL), Advancing Leaders (AL) and Emerging Leaders (EL). We are committed to providing an opportunity to all who can contribute at a leadership level.

We ended FY16 with a total headcount of 6,227 (5,555 as at the end of the previous year) spread across 237 offices in 122 cities worldwide. EFSL entity on a standalone basis had 110 employees at the end of FY16.

CUSTOMER CENTRICITY

The diversification strategy followed by Edelweiss in the past few years has seen addition of a large number of retail clients with the result that by now we service over 887,000 clients across Institutional, HNI and Retail client segments. Whether wholesale or retail businesses, we believe that customer centricity will be the key differentiator. Customer centricity goes to the heart of how we think and manage our businesses and our relationships with the clients. It is about how we design our products, how we sell and finally how we service our customers. Customer Centricity at Edelweiss imbibes all these essential tenets to build long-term relationship with clients based on trust and fair play.

Whether wholesale or retail businesses, customer centricity will be the key differentiator.

Cautionary Statement

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

Annexures to Board's Report *(Continued)*

Annexure II

Remuneration Policy

Objective

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

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

The objective of this Policy is to ensure that:

i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to the Directors, KMPs and senior management comprises a balance of fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors and Non-executive Directors

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

Remuneration of the Managing Director & Executive Directors

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

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

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

Policy Review

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

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

May 13, 2016

Annexure III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

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

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India. The CSR Policy of the Company is uploaded on the website of the Company at http://edelweissfin.com/portals/0/documents/miscellaneous/CSRPolicy.pdf.	
2.	The Composition of the CSR Committee is as under:	
	Mr. Venkat Ramaswamy	- Executive Director
	Mr. Himanshu Kaji	- Executive Director
	Mr. Rujan Panjwani	- Executive Director
	Mr. P. N. Venkatachalam	- Independent Director
3.	Average net profit of the Company for last three financial years: ₹ 869.45 million	
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 17.39 million	
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year: ₹ 17.50 million	
	(b) Amount unspent, if any: Nil	

Annexures to Board's Report *(Continued)*

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in million)

1	2	3	4	5	6		7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2)The State and district where projects or programs was undertakn	Amount outlay (budget) project or programs	Amount spent on the projects or programs 1) Direct expenditure on projects or programs	(2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
i.	Agastya International Foundation	Education	Alibaug, Maharashtra	1.14	-	1.14	1.14	Implementing Agency - Edelgive Foundation
ii.	Agastya International Foundation	Education	Alibaug, Maharashtra	1.15	0.80	0.35	1.15	Implementing Agency - Edelgive Foundation
iii.	Mann Deshi Foundation	Women Empowerment	Maswad, Maharashtra	2.17	1.69	0.48	2.17	Implementing Agency - Edelgive Foundation
iv.	Manitham Charitable Trust	Education	Manamadurai, Tamil Nadu	1.28	1.09	0.19	1.28	Implementing Agency - Edelgive Foundation
v.	Samaritan help Mission	Education	Kolkata, West Bengal	2.72	2.46	0.26	2.72	Implementing Agency - Edelgive Foundation
vi.	Schools and Teachers India Innovating for Results	Education	Delhi, New Delhi	2.00	1.84	0.16	2.00	Implementing Agency - Edelgive Foundation
vii.	Mentor Together	Education	Bengaluru, Karnataka	2.29	2.29	-	2.29	Implementing Agency - Edelgive Foundation
viii.	Centre for Civil Society	Education	Delhi, New Delhi	0.57	0.57	-	0.57	Implementing Agency - Edelgive Foundation
ix.	Sshrishti	Education	Delhi, New Delhi	0.68	0.35	0.33	0.68	Implementing Agency - Edelgive Foundation
x.	Indian Institute of Management, Ahmedabad	Education	Ahmedabad, Gujarat	3.00	3.00	-	3.00	Direct
xi.	Forum for Art Beyond Borders	Art	Delhi, New Delhi	0.50	0.50	-	0.50	Direct
		TOTAL		**17.50**	**14.59**	**2.91**	**17.50**	

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

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

7. A responsibility statement of the CSR Committee –
The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Himanshu Kaji
Executive Director
DIN No. 00009438
May 13, 2016

Venkat Ramaswamy
(Chairman of the CSR Committee)
DIN No. 00008509

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Edelweiss Financial Services Limited

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

Kalina, Mumbai – 400098.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Edelweiss Financial Services Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :

  (a) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexures to Board's Report *(Continued)*

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes;

(ii) Listing Agreements entered into by the Company with the Stock Exchanges.

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

During the period under review, the Adjudicating Officer of the Securities and Exchange Board of India, vide an Order dated March 31, 2016 in the matter of Initial Public Offer (IPO) of Electrosteel Steels Limited, has imposed a penalty of Rs.1 crore on the Company and other Merchant Bankers connected with the IPO, who are liable to pay the penalty jointly and severally. The Company along with other Merchant Bankers to the IPO have filed an appeal before Securities Appellate Tribunal (SAT) against the aforesaid adjudication order.

During the period under review, provisions of the following Act / Regulations were not applicable to the Company:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998.

We further report that -

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

Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that–

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

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

(a) Obtained approval of members by way of special resolution to authorize the Board of Directors to issue, offer and allot Non-Convertible Debentures aggregating to Rs. 2500 crores on a private placement basis.

(b) Issued 387 Secured Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000/- each at par aggregating to Rs. 38,70,00,000 on private placement basis.

For BNP & Associates
Company Secretaries

Place: Mumbai
Date: May 13, 2016

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2016

To,

The Members,

Edelweiss Financial Services Limited

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

For BNP & Associates
Company Secretaries

Place: Mumbai
Date: May 13, 2016

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

Annexures to Board's Report *(Continued)*

Annexure V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

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

Attachment – A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service[#]	% to total turnover of the Company[$]
1.	Investment Banking and Advisory Services	649	52.58
2.	Holding Activities/investments (dividend income from subsidiaries)	642	47.42

[#] As per National Industrial Classification – Ministry of Statistics and Programme Implementation

[$] On the basis of Gross Income.

Attachment – B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
1.	Edel Finance Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65920MH1989PLC053909	Subsidiary	100	2(87)(ii)
2.	Edelweiss Securities Limited Address : 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67110AP1993PLC052266	Subsidiary	100	2(87)(ii)
3.	Edelweiss Finance & Investments Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67120AP1994PLC052372	Subsidiary	100	2(87)(ii)
4.	Edelweiss Comtrade Limited Address: Unit No.801-804, Eighth Floor, Abhishree Avenue, Nehru Nagar, Ambawadi Ahmedabad – 380 015	U66990GJ1995PLC025267	Subsidiary	100	2(87)(ii)
5.	Edelweiss Retail Finance Limited Address: 2A & 2B, Savitri Tower, 3A, Dr. Martin Luther King Sarani, (Formerly Upper Wood Street), Kolkata – 700 017	U67120WB1997PLC082953	Subsidiary	100	2(87)(ii)
6.	Edelweiss Insurance Brokers Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U72200MH2000PLC124096	Subsidiary	100	2(87)(ii)
7.	Edelweiss Web Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65990MH2005PLC154276	Subsidiary	100	2(87)(ii)
8.	ECL Finance Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65990MH2005PLC154854	Subsidiary	92.20	2(87)(ii)

Annexures to Board's Report *(Continued)*

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
9.	Edelweiss Trustee Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2005PLC155191	Subsidiary	100	2(87)(ii)
10	Arum Investments Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65993MH2006PTC164007	Subsidiary	100	2(87)(ii)
11.	Edelweiss Commodities Services Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034.	U45201AP2006PLC078157	Subsidiary	100	2(87)(ii)
12.	Edelweiss Asset Management Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098.	U65991MH2007PLC173409	Subsidiary	100	2(87)(ii)
13.	Edelweiss Trusteeship Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC173779	Subsidiary	100	2(87)(ii)
14.	Edelweiss Global Wealth Management Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC174819	Subsidiary	100	2(87)(ii)
15.	ECap Equities Limited Address: 2nd Floor, M.B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2008PLC057122	Subsidiary	100	2(87)(ii)
16.	Edelcap Securities Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67120AP2008PLC057145	Subsidiary	100	2(87)(ii)
17.	Edelweiss Broking Limited Address: Unit No.801-804, Eighth Floor, Abhishree Avenue, Nehru Nagar, Ambawadi Ahmedabad -380 015	U65100GJ2008PLC077462	Subsidiary	100	2(87)(ii)
18.	Edelweiss Alternative Asset Advisors Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67190MH2008PLC182205	Subsidiary	95	2(87)(ii)
19.	EdelGive Foundation Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2008NPL182809	Subsidiary	100	2(87)(ii)
20.	Edelweiss Housing Finance Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65922MH2008PLC182906	Subsidiary	100	2(87)(ii)
21.	Edelweiss Investment Adviser Ltd. Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74140MH2008PLC182920	Subsidiary	100	2(87)(ii)
22.	EC Commodity Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51109AP2008PLC065146	Subsidiary	100	2(87)(ii)

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
23.	Edel Commodities Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51900AP2008PLC065549	Subsidiary	100	2(87)(ii)
24.	Edel Land Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034.	U74900TG2008PLC084221	Subsidiary	100	2(87)(ii)
25.	Edelweiss Custodial Services Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U51109MH2008PLC187594	Subsidiary	100	2(87)(ii)
26.	Forefront Capital Management Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67120MH2009PTC194273	Subsidiary	100	2(87)(ii)
27.	Edel Investments Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65923MH2009PLC197268	Subsidiary	100	2(87)(ii)
28.	Edelweiss Tokio Life Insurance Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098.	U66010MH2009PLC197336	Subsidiary	51	2(87)(ii)
29.	Edelweiss Capital Markets Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2010PLC208738	Subsidiary	100	2(87)(ii)
30.	EFSL Commodities Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U51900TG2011PLC077654	Subsidiary	100	2(87)(ii)
31.	EFSL Comtrade Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2011PLC077784	Subsidiary	100	2(87)(ii)
32.	Edel Commodities Trading Limited Address: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2011PLC077783	Subsidiary	100	2(87)(ii)
33.	Edelweiss Metals Limited Address: Plot No.35p,36p, 37p,38 & 40B, Phase – 3, Naroda, G.I.D.C, Ahmedabad – 382 330	U27109GJ2012PLC069162	Subsidiary	100	2(87)(ii)
34.	Edelweiss Agri Value Chain Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U63090MH2014PLC256473	Subsidiary	100	2(87)(ii)
35.	Eternity Business Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259027	Subsidiary	100	2(87)(ii)
36.	Olive Business Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259032	Subsidiary	100	2(87)(ii)

Annexures to Board's Report *(Continued)*

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
37.	Burlington Business Solutions Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259023	Subsidiary	100	2(87)(ii)
38.	Auris Corporate Centre Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74999MH2014PLC259034	Subsidiary	100	2(87)(ii)
39.	Serenity Business Park Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U74120MH2014PLC259073	Subsidiary	100	2(87)(ii)
40.	EC Global Limited Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
41.	Edelweiss Capital (Singapore) Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
42.	Edelweiss Investment Advisors Private Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
43.	EC International Limited Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
44.	Aster Commodities DMCC Address: 46-J, Almas Tower, Jumeirah Lake Towers, Dubai, U.A.E, P. O. Box No. 113741	N.A.	Subsidiary	100	2(87)(ii)
45.	EAAA LLC Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius.	N.A.	Subsidiary	100	2(87)(ii)
46.	Edelweiss International (Singapore) Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
47.	Edelweiss Alternative Asset Advisors Pte. Limited Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
48.	EW Special Opportunities Advisors LLC Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	67	2(87)(ii)
49.	EW India Special Assets Advisors LLC Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	90	2(87)(ii)
50.	EW SBI Crossover Advisors LLC Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 CyberCity Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
51.	Edelweiss Securities (Hong Kong) Private Limited Address: Unit 1001, 10/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong	N.A.	Subsidiary	100	2(87)(ii)
52.	Edelweiss India Capital Management Address: c/o CIM Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
53.	Edelweiss Financial Services Inc. Address: 266-12 72nd Road, Floral Park, NY-11004, USA	N.A.	Subsidiary	100	2(87)(ii)
54.	Edelweiss Commodities Pte. Ltd. Address: 6 Raffles Quay, #24-04, Singapore 048580	N.A.	Subsidiary	100	2(87)(ii)
55.	Edelweiss Commodities Nigeria Limited Address: 29, Little Road, Yaba, Lagos.	N.A.	Subsidiary	100	2(87)(ii)
56.	Edelweiss Commodities (Chad) SARL Address: AV. Mubutu, N'djamena, Chad P.O. Box 621	N.A.	Subsidiary	100	2(87)(ii)
57.	EFSL International Limited Address: c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 Cyber City Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
58.	Edelweiss Financial Services (UK)Limited Address: The Old Police Station, Spratt Hall Road,Wanstead, England E11 2RQ Wanstead, England E11 2RQ	N.A.	Subsidiary	100	2(87)(ii)
59.	Edelweiss Holdings Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65923MH2015PLC270791	Subsidiary	100	2(87)(ii)
60.	Edelweiss General Insurance Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U66000MH2016PLC273758	Subsidiary	100	2(87)(ii)
61.	Edelweiss Tarim Urunleri Anonim Sirketi Address: Piri Reis MAH. 1112 SK.2/22 YENİŞEHİR/MERSİN, Turkey - 33110	N.A.	Subsidiary	100	2(87)(ii)
62.	Edelweiss Fund Advisors Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U70200MH2005PTC155545	Associate	40	2(6)
63.	Edelweiss Asset Reconstruction Company Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67100MH2007PLC174759	Associate	47.41	2(6)
64.	Allium Finance Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U67120MH2008PTC180229	Associate	46.13	2(6)

Annexures to Board's Report *(Continued)*

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
65.	Magnolia Commodities Services Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65993MH2009PTC195495	Associate	50	2(6)
66.	Dahlia Commodities Services Private Limited Address: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098	U65999MH2009PTC195730	Associate	50	2(6)
67	Aeon Credit Service India Private Limited Address: Unit 702, 7th Floor, C&B Square Building, Andheri Kurla Road, Chakala, Andheri (East), Mumbai-400 059	U65929MH2011FTC214516	Associate	25	2(6)

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

Attachment – C

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2015				No. of Shares held at the end of the year as on March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	24,16,89,490	-	24,16,89,490	30.53	25,03,59,490	-	25,03,59,490	30.76	0.23
b) Central Govt	-	-	-	-	-	-	-		-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	24,16,89,490	-	24,16,89,490	30.53	25,03,59,490	-	25,03,59,490	30.76	0.23
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	24,16,89,490	-	24,16,89,490	30.53	25,03,59,490	-	25,03,59,490	30.76	0.23
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	55,10,311	-	55,10,311	0.70	1,05,44,574		1,05,44,574	1.30	0.60
b) Banks / FI	3,26,997	-	3,26,997	0.04	3,58,492		3,58,492	0.04	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs / FPI	2,07,430,478	-	2,07,430,478	26.20	23,59,71,538		23,59,71,538	28.99	2.79
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**21,32,67,786**	**-**	**21,32,67,786**	**26.94**	**24,68,74,604**	**-**	**24,68,74,604**	**30.33**	**3.39**

Annexures to Board's Report *(Continued)*

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2015				No. of Shares held at the end of the year as on March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions			-						
a) Bodies Corporate									
i) Indian	5,75,87,883	-	5,75,87,883	7.27	5,81,57,037	-	5,81,57,037	7.14	(0.13)
ii) Overseas	4,79,11,313	1,56,000	4,80,67,313	6.07	1,60,58,530	1,56,000	1,62,14,530	1.99	(4.08)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,12,75,847	1,06,670	4,13,82,517	5.23	4,11,83,052	73,170	4,12,56,222	5.07	(0.16)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,66,54,979	–	11,66,54,979	14.73	12,86,34,923	–	12,86,34,923	15.80	1.07
c) Others:									
Clearing Member	19,13,728	–	19,13,728	0.24	6,78,223	–	6,78,223	0.08	(0.16)
Non Resident Indians	1,65,64,531	5,55,000	1,71,19,531	2.16	1,67,06,758	5,55,000	1,72,61,758	2.12	(0.04)
Non Resident Indians (Non Repatriable)	9,43,531	–	9,43,531	0.12	10,83,722	–	10,83,722	0.13	0.01
Independent Directors	81,27,180	–	81,27,180	1.03	80,81,680	–	80,81,680	0.99	(0.04)
Trusts	4,49,98,681	–	4,49,98,681	5.68	4,54,34,441	–	4,54,34,441	5.58	(0.10)
Sub-total (B)(2):-	**33,59,77,673**	**8,17,670**	**33,67,95,343**	**42.53**	**31,60,18,366**	**7,84,170**	**31,68,02,536**	**38.91**	**(3.62)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**54,92,45,459**	**8,17,670**	**55,00,63,129**	**69.47**	**56,28,92,970**	**7,84,170**	**56,36,77,140**	**69.24**	**(0.23)**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**79,09,34,949**	**8,17,670**	**79,17,52,619**	**100**	**81,32,52,460**	**7,84,170**	**81,40,36,630**	**100**	

Attachment – D

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2015			Shareholding at the end of the Year as on March 31, 2016			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Rashesh Chandrakant Shah *	14,43,01,730	18.23	11.37	14,53,01,730	17.85	11.06	(0.38)
2.	Mr. Venkat Ramaswamy	5,60,26,560	7.08	4.55	5,80,26,560	7.13	4.42	0.05
3.	Ms. Vidya Shah	2,93,61,200	3.71	2.93	3,50,31,200	4.30	1.31	0.59
4.	Ms. Aparna T. C.*	1,20,00,000	1.52	-	1,20,00,000	1.47	-	(0.05)
	Total	**24,16,89,490**	**30.53**	**18.85**	**25,03,59,490**	**30.76**	**16.79**	**0.23**

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

Attachment – E

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars		Shareholding at the beginning of the year as on April 1, 2015		Cumulative Shareholding during theYear	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year		24,16,89,490	30.53	24,16,89,490	30.53
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):					
1	Mr. Rashesh Shah	Purchased on July 24, 2015	10,00,000	0.13	24,26,89,490	30.15
2	Mr. Venkat Ramaswamy	Purchased on July 24, 2015	20,00,000	0.25	24,46,89,490	30.38
3	Ms. Vidya Shah	Purchased on July 24, 2015	56,70,000	0.70	25,03,59,490	31.09
4	Ms. Aparna T. C.	-	-	-	-	-
	At the End of the year		**25,03,59,490**	**31.60**	**25,03,59,490**	**30.76**

Annexures to Board's Report *(Continued)*

Attachment - F

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

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2015		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Reason		No. of shares	% of total shares of the Company
1	First Carlyle Ventures Mauritius*	6,80,48,557	8.59%	-	-	-	-	6,80,48,557	8.36%
2	Edelweiss Employee Welfare Trust*	3,75,95,270	4.75%	-	-	-	-	3,75,95,270	4.62%
3	PRIVAT Bank IHAG ZURICH AG	3,17,07,830	4.00%	2,08,938	-	Transfer	05.06.2015	3,19,16,768	4.00%
				41,062	-	Transfer	12.06.2015	3,19,57,830	4.01%
				7,761	-	Transfer	03.07.2015	3,19,65,591	3.98%
				-	2,55,210	Transfer	21.08.2015	3,17,10,381	3.92%
				2,42,239	-	Transfer	28.08.2015	3,19,52,620	3.93%
4	Saif Advisors Mauritius Limited	2,56,33,505	3.24%	-	-	-	-	2,56,33,505	3.15%
5	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	-	-	1,94,239	-	Transfer	14.08.2015	1,94,239	0.02%
				8,13,715	-	Transfer	21.08.2015	10,07,954	0.12%
				93,81,290	-	Transfer	28.08.2015	1,03,89,244	1.28%
				51,42,956	-	Transfer	04.09.2015	1,55,32,200	1.92%
				2,78,858	-	Transfer	11.09.2015	1,58,11,058	1.96%
				73,761	-	Transfer	18.09.2015	1,58,84,819	1.96%
				3,76,573	-	Transfer	25.09.2015	1,62,61,392	2.00%
				1,29,082	-	Transfer	30.09.2015	1,63,90,474	2.02%
				8,152	-	Transfer	09.10.2015	1,63,98,626	2.02%
				48,498	-	Transfer	16.10.2015	1,64,47,124	2.03%
				6,50,683	-	Transfer	23.10.2015	1,70,97,807	2.11%
				4,92,665	-	Transfer	30.10.2015	1,75,90,472	2.17%
				87,845	-	Transfer	06.11.2015	1,76,78,317	2.18%
				41,991	-	Transfer	13.11.2015	1,77,20,308	2.18%
				86,911	-	Transfer	20.11.2015	1,78,07,219	2.19%
				1,27,094	-	Transfer	27.11.2015	1,79,34,313	2.21%
				12,087	-	Transfer	11.12.2015	1,79,46,400	2.21%
				18,904	-	Transfer	22.01.2016	1,79,65,304	2.21%
				7,755	-	Transfer	12.02.2016	1,79,73,059	2.21%
6	BIH,SA	1,40,43,180	1.77%	-	-	-	-	1,40,43,180	1.73%
7	FIL Investments (Mauritius) Ltd	1,41,90,821	1.79%		16,68,187	Transfer	18.03.2016	1,25,22,634	1.54%
8	Naresh Lakshmansingh Kothari	1,21,06,220	1.53%	-	-	-	-	1,21,06,220	1.49%
9	Amansa Holdings Private Limited	1,19,00,000	1.50%	-	-	-	-	1,19,00,000	1.46%
10	Priya Khubchandani	1,07,75,142	1.36%	-	14,083	Transfer	10.04.2015	1,07,61,059	1.36%
					37,917	Transfer	17.04.2015	1,07,23,142	1.35%
					10,000	Transfer	06.11.2015	1,07,13,142	1.32%

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

Attachment - G

(v) Shareholding of Directors and Key Managerial Personnel:

Directors

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2015		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A)	**Directors**							
1)	Mr. Rashesh Shah	14,43,01,730	18.23	24.07.2015	10,00,000	Market Purchase	14,53,01,730	18.05
2)	Mr. Venkat Ramaswamy	5,60,26,560	7.08	24.07.2015	20,00,000	Market Purchase	5,80,26,560	7.21
3)	Mr. Himanshu Kaji	3,87,500	0.05	25.05 2015	1,87,500	Allotment of Shares on exercise of the Stock Options	5,75,000	0.07
				12.08.2015	62,500	Allotment of Shares on exercise of the Stock Options	6,37,500	0.08
				16.11.2015	3,00,000	Allotment of Shares on exercise of the Stock Options	9,37,500	0.12
4)	Mr. Rujan Panjwani	11,691,380	1.48	18.06 2015	5,50,000	Allotment of Shares on exercise of the Stock Options	1,22,41,380	1.53
				13.07.2015	75,000	Allotment of Shares on exercise of the Stock Options	1,23,16,380	1.53
5)	Ms. Vidya Shah	2,93,61,200	3.71	24.07.2015	56,70,000	Market Purchase	3,50,31,200	4.35
6)	Mr. P. N. Venkatachalam	47,500	0.01	25.05.2015	72,500	Allotment of Shares on exercise of the Stock Options	1,20,000	0.02

Annexures to Board's Report *(Continued)*

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2015		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7)	Mr. Berjis Desai	-	-	12.08.2015	12,500	Allotment of Shares on exercise of the Stock Options	12,500	-
8)	Mr. Sanjiv Misra	-	-	25.05.2015	12,500	Allotment of Shares on exercise of the Stock Options	12,500	-
9)	Mr. Sunil Mitra	-	-	-	-	-	-	-
10)	Mr. Kunnasagaran Chinniah	-	-	-	-	-	-	-
11)	Mr. Navtej S. Nandra	79,24,180	1.00	15.09.2015	12,500	Allotment of Shares on exercise of the Stock Options	79,36,680	0.98
12)	Mr. Biswamohan Mahapatra	-	-	-	-	-	-	-
	Key Managerial Personnel							
1)	Mr. S. Ranganathan	2,25,000	0.03	-	-	-	2,25,000	0.03
2)	Mr. B. Renganathan	1,937	-	25.05.2015	5,000	Allotment of Shares on exercise of the Stock Options	6,937	-

Attachment – H

V. INDEBTEDNESS

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

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,632.17	45,034.28	–	48,666.45
ii) Interest due but not paid	–	0.33	–	0.33
iii) Interest accrued but not due	277.89	–	–	277.89
Total (i+ii+iii)	**3,910.06**	**45,034.61**	–	**48,944.67**
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	(683.27)	(39,368.70)	–	(40,051.97)
Net Change	**(683.27)**	**(39,368.70)**	–	**(40,051.97)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,762.75	5,646.75	–	8,409.50
ii) Interest due but not paid	-	19.16	–	19.16
iii) Interest accrued but not due	464.04	–	–	464.04
Total (i+ii+iii)	**3,226.79**	**5,665.91**	–	**8,892.70**

Attachment – I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in million)

	Particulars of Remuneration	Mr. Rashesh Shah	Mr. Venkat Ramaswamy	Mr. Himanshu Kaji	Mr. Rujan Panjwani	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	10.58	1.20	10.41	1.20	23.39
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.04	–	0.04	0.04	0.12
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–	–
2.	Stock Option (perquisite value)	–	–	8.42	14.67	23.08
3.	Sweat Equity	–	–	–	–	–
4.	Commission	–	–	–	–	–
	- as % of profit					
	- others					
5.	Others: Bonus	30.00	–	1.00	12.50	43.50
	Total (A)	**40.62**	**1.20**	**19.87**	**28.41**	**90.09**
	Ceiling as per the Act					*

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

Attachment J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other Directors:

(₹ in million)

Particulars of Remuneration	1. Mr. Narendra Jhaveri#	2. Mr. P N Venkatachalam	3. Mr. Berjis Desai	4. Mr. Sunil Mitra	5. Mr. Sanjiv Misra	6. Mr. Navtej S. Nandra	7. Mr. Kunnasagaran Chinniah	8. Mr. Biswamohan Mahapatra$	9. Ms. Vidya Shah	Total
	Independent Directors								Non-executive, Non-Independent	
1. Independent Directors										
• Fee for attending board/committee of meetings	0.10	0.44	0.38	0.18	0.18	0.12	0.24	0.16	–	1.80
• Commission	1.30	1.30	1.30	1.30	1.30	1.30	1.30	–	–	9.10
• Others	–	–	–	–	–	–	–	–	–	–
Total (1)	**1.40**	**1.74**	**1.68**	**1.48**	**1.48**	**1.42**	**1.54**	0.16		**10.90**
2. Other Non-executive Directors										
• Fee for attending board/committee of meetings	–	–	–	–	–	–	–	–	–	–
• Commission	–	–	–	–	–	–	–	–	–	–
• Others	–	–	–	–	–	–	–	–	–	–
Total (2)	–	–	–	–	–	–	–	–	–	–
Total B = (1+2)	**1.40**	**1.74**	**1.68**	**1.48**	**1.48**	**1.42**	**1.54**	0.16		**10.90**
Total Managerial Remuneration (A+B)										**100.99**
Overall Ceilling as per the Act										*

***** The total managerial remuneration is within the ceilings prescribed.

[#] resigned with effect from May 20, 2015.

[$] appointed with effect from March 26, 2015.

Attachment – K

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

(₹ in million)

	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.28	7.40	16.68
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.04	0.03	0.07
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option (perquisite value)	-	0.13	0.13
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others			
5.	Others: Bonus	15.00	3.80	18.80
	Total	**24.32**	**11.36**	**35.68**

Attachment – L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

May 13, 2016

Annexures to Board's Report *(Continued)*

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

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

Sr. No.	Disclosure Requirement	Disclosure Details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	**Directors**	**Title**	**Ratio**
		Mr. Rashesh Shah	Chairman, Managing Director & CEO	54.86
		Mr. Venkat Ramaswamy	Executive Director	1.62
		Mr. Himanshu Kaji	Executive Director	15.46
		Mr. Rujan Panjwani	Executive Director	18.56
		During the year Mr. Narendra Jhaveri, Mr. P. N. Venkatachalam, Mr. Berjis Desai, Mr. Navtej S. Nandra, Mr. Sanjiv Misra, Mr. Sunil Mitra, Mr. Kunnasagaran Chinniah were paid commission of ₹ 1.3 million each, representing the ratio of 1.76 X each.		
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors/KMP's**	**Title**	**% increase in remuneration**
		Mr. Rashesh Shah	Chairman, Managing Director & CEO	88
		Mr. Venkat Ramaswamy	Executive Director	-
		Mr. Himanshu Kaji	Executive Director	(40)
		Mr. Rujan Panjwani	Executive Director	964
		Mr. S Ranganathan	Chief Financial Officer	52
		Mr. B Renganathan	Company Secretary	18
3.	Percentage increase in the median remuneration of employees in the financial year	129%. (The employees who joined the Company in the financial year 2015-16 are not considered for this purpose)		
4.	Number of permanent employees on the rolls of Company at the end of the year	111 permanent employees were on the rolls of the Company as on March 31, 2016.		
5.	Explanation on the relationship between average increase in remuneration and Company's performance	The Profit Before Tax (standalone) for the financial year ended March 31, 2016, increased by 35.08% and median increase in the remuneration was 53.21%, which is in line with the performance of the Company and the market trend in the financial services sector.		
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The total remuneration of the Key Managerial Personnel during the financial year 2015-16, increased by 49.22% from ₹ 68.73 million to ₹ 102.56 million. During the financial year 2015-16, the profit before tax (standalone) increased by 35.08% from ₹ 1,369.53 million to ₹ 1,849.96 million.		

Sr. No.	Disclosure Requirement	Disclosure Details
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalisation of the Company as on March 31, 2016 was ₹ 45,871 million compared to ₹ 50,593 million as on March 31, 2015, on NSE. The price earning ratio of the Company as on March 31, 2016 was 30.13 compared to 46.99 as on March 31, 2015 based on diluted EPS. The market quotation of the shares as on March 31, 2016 was ₹ 56.35 per share compared to ₹ 63.90 per share as on March 31, 2015 (face value ₹ 1 per share) on NSE. The market quotation of the Company as on March 31, 2016 was 31.70% lower (22.55% as on March 31, 2015) than the rate at which the Company came out with the initial public offer in 2007 which was at ₹ 82.50 per share (adjusted for corporate actions such as bonus and the sub-division).
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase for employees other than the managerial personnel who were in the employment during the financial year 2014-15 and 2015-16 the average increase is 54.23%. The average increase for managerial personnel is 49.22%.
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	(₹ in million)

	Mr. Rashesh Shah	Mr. Venkat Ramaswamy	Mr. Himanshu Kaji	Mr. Rujan Panjwani	Mr. S. Ranganathan	Mr. B. Renganathan
Remuneration in the financial year 2015-16	40.62	1.20	11.45	13.74	24.32	11.23
Revenue (standalone)	3,383.41					
Remuneration as % of revenue	1.20	0.04	0.34	0.41	0.72	0.33
Profit Before Tax (PBT) (standalone)	1,849.96					
Remuneration as % of PBT	2.20	0.06	0.62	0.74	1.31	0.61
Remuneration other than ESOPs						

10.	Key parameters for any variable component of remuneration availed by the Directors	The key parameters for variable component of the remuneration availed by the Directors are as per the recommendations of the Nomination and Remuneration Committee which is in accordance with the Remuneration Policy of the Company.
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	As on March 31, 2016, there was no employee who received remuneration in excess of the highest paid Director during the year.
12.	Affirmations that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

May 13, 2016

Corporate Governance Report

Company's philosophy on Corporate Governance

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

Board of Directors

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

Composition

The Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors and is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2016 are as under:

Name and DIN No. of the Directors	Category	No. of Board Meetings		Attendance at the last AGM held on July 21, 2015	No. of directorships in other public limited companies[1]	Committee Position[2]	
		Held	Attended			Member	Chairman
Mr. Rashesh Shah [Chairman, Managing Director & CEO] (DIN No. 00008322)	Executive (Promoter)	5	5	Yes	3	-	-
Mr. Venkat Ramaswamy (DIN No. 00008509)	Executive (Promoter)	5	5	Yes	4	-	-
Mr. Himanshu Kaji (DIN No. 00009438)	Executive	5	5	Yes	5	2	-
Mr. Rujan Panjwani (DIN No. 00237366)	Executive	5	4	Yes	5	1	-
Ms. Vidya Shah (DIN No. 00274831)	Non-Executive, Non-Independent (Promoter)	5	5	Yes	4	2	-
Mr. P. N. Venkatachalam (DIN No. 00499442)	Independent	5	5	Yes	9	3	3
Mr. Berjis Desai (DIN No. 00153675)	Independent	5	5	Yes	9	3	3
Mr. Sanjiv Misra (DIN No. 03511635)	Independent	5	3	Yes	-	-	-
Mr. Sunil Mitra (DIN No. 00113473)	Independent	5	4	Yes	8	4	1
Mr. Navtej S. Nandra (DIN No. 02282617)	Independent	5	2	No	-	-	-
Mr. Kunnasagaran Chinniah (DIN No. 01590108)	Independent	5	4	Yes	2	2	-
Mr. Biswamohan Mahapatra (DIN No. 06990345)	Independent	5	5	Yes	2	2	-
Mr. Narendra Jhaveri (DIN No. 00198912)[3]	Independent	1	1	-	-	-	-

[1] Only Directorships of public limited companies incorporated in India have been considered.
[2] Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee positions.
[3] resigned as a Director of the Company with effect from May 20, 2015.

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

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

Board Meetings

The Board met five times on the following dates during the financial year 2015-16: May 15, 2015; July 21, 2015; October 16, 2015; January 20, 2016 and March 9, 2016.

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

Committees of the Board:

A) Audit Committee

Composition as at March 31, 2016:-

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

Mr. Narendra Jhaveri ceased to be a member of the Committee, consequent to his resignation as a Director of the Company.

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

Brief Description of the Terms of Reference

The terms of the Audit Committee inter alia include:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

4) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

5) Evaluation of internal financial controls and risk management systems;

6) Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems;

7) Discussion with internal auditors of any significant findings and follow up there on;

8) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

Corporate Governance Report *(Continued)*

9) To review the functioning of the Whistle Blower/Vigil mechanism; and

10) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings held

During the financial year 2015-16, four meetings of the Committee were held on May 15, 2015; July 21, 2015; October 16, 2015 and January 20, 2016.

Attendance:

Name of the Member	No. of meetings	
	Held	Attended
Mr. P. N. Venkatachalam	4	4
Mr. Berjis Desai	4	4
Mr. Sanjiv Misra	4	3
Mr. Sunil Mitra	4	4
Mr. Narendra Jhaveri [1]	1	1

[1] ceased to be a member of the Committee with effect from May 20, 2015, consequent to his resignation as a Director of the Company.

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

Mr. P. N Venkatachalam, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on July 21, 2015.

B) Nomination and Remuneration Committee

Composition as at March 31, 2016 and attendance at the meeting held on May 15, 2015:

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

All the members of the Committee are Independent Directors. The meetings are normally chaired by Mr. Berjis Desai.

Brief Description of the Terms of Reference

The terms of reference inter alia includes:

i) Identifying the persons who can become Directors;

ii) Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director; and

iii) Recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel.

Remuneration Policy

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

Board Evaluation

The Board has framed a Evaluation Policy (the Policy) for evaluating the performance of the Board, its Committees, Chairman, Managing Director/Executive Directors, Independent Directors and the Non-executive Directors. Based on the same, the performances evaluation was carried out for the financial year ended March 31, 2016.

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

Familiarization Programme:

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

Remuneration of Directors

Non-executive Directors

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

The details of sitting fees and the commission paid to the Independent Directors during the year ended March 31, 2016 are as under:

(₹ in million)

Name of the Director	Sitting fees	Commission (for the financial year 2014-15)
Mr. P. N. Venkatachalam	0.44	1.30
Mr. Berjis Desai	0.38	1.30
Mr. Sunil Mitra	0.18	1.30
Mr. Sanjiv Misra	0.18	1.30
Mr. Navtej S. Nandra	0.12	1.30
Mr. Kunnasagaran Chinniah	0.24	1.30
Mr. Biswamohan Mahapatra[1]	0.16	–
Mr. Narendra Jhaveri	0.10	1.30

[1] Appointed on March 26, 2015.

During the year, the Company has paid fees of ₹ 1.91 million to J. Sagar Associates, in which Mr. Berjis Desai is a partner.

Corporate Governance Report *(Continued)*

Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year ended March 31, 2016 are as under:

(₹ in million)

Particulars	Mr. Rashesh Shah, Chairman, MD & CEO	Mr. Venkat Ramaswamy, Executive Director	Mr. Himanshu Kaji, Executive Director	Mr. Rujan Panjwani, Executive Director
Salary	10.58	1.20	10.41	1.20
Perquisites	0.04	-	8.46	14.71
Bonus	30.00	-	1.00	12.50
Total	40.62	1.20	19.87	28.41
Service Contract	April 1, 2015 to March 31, 2017	April 1, 2015 to March 31, 2017	November 1, 2014 to October 31, 2019	June 24, 2013 to June 23, 2016
No. of Stock options granted	-	-	3,50,000	2,00,000
Notice Period	N.A	N.A	N.A	N.A
Severance Fee	N.A	N.A	N.A	N.A

The Stock Options are granted under 'Edelweiss Employees Stock Incentive Plan 2011. The Vesting of Options and the Exercise Period are as per the said Plan. None of the options are granted at a discount.

The shareholding of the Directors in the Company as on March 31, 2016 is as under:

Sr. No.	Name of the Directors	No. of Equity Shares*	% of the paid up capital
1.	Mr. Rashesh Shah	14,53,01,730	17.85
2.	Mr. Venkat Ramaswamy	5,80,26,560	7.13
3.	Mr. Himanshu Kaji	9,37,500	0.12
4.	Mr. Rujan Panjwani	1,23,16,380	1.51
5.	Ms. Vidya Shah	3,50,31,200	4.30
6.	Mr. P. N. Venkatachalam	1,20,000	0.01
7.	Mr. Berjis Desai	12,500	-
8.	Mr. Navtej S. Nandra	79,36,680	0.97
9.	Mr. Sanjiv Misra	12,500	-
10.	Mr. Sunil Mitra	-	-
11.	Mr. Kunnasagaran Chinniah	-	-
12.	Mr. Biswamohan Mahapatra	-	-

*Shares held singly or as the first shareholder are only considered

C) Stakeholders' Relationship Committee

The composition of the Committee as at March 31, 2016 and attendance at the meetings are as under:-

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

During the financial year 2015-16, two meetings of the Committee were held on May 15, 2015 and January 20, 2016. The meetings are normally chaired by Mr. Berjis Desai.

Mr. B. Renganathan, the Company Secretary is the Compliance Officer.

Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company received 28 requests/complaints during the year ended March 31, 2016 which were satisfactorily resolved/replied to. As on March 31, 2016 there were no pending requests/complaints.

Risk Management

The Risk Management Committee of the Board of Directors of the Company has framed and implemented a Risk Management Policy, which also covers foreign exchange activities. The composition of the Committee is in compliance with the Listing Regulations.

General Body Meetings

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

Financial Year	Date	Time	Venue	No. of special resolutions passed
2014-2015	July 21, 2015	3.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098.	14
2013-2014	July 25, 2014	3.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098.	2
2012-2013	July 26, 2013	3.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098.	5

Postal Ballot

The Company was not required to pass any resolution through postal ballot during the year 2015-2016. Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

Other Disclosures

i. The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the Notes to accounts.

ii. The financial statements (both standalone and consolidated) have been prepared in accordance with the applicable accounting standards and policies generally accepted in India and are unqualified.

iii. There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority, during the last three years, except:

a) SEBI has passed an adjudication order dated November 28, 2014 in the matter of Initial Public Offer ("IPO") of CARE Limited imposing a penalty of ₹ 10 million which the Merchant Bankers to the IPO are liable to pay jointly and severally. The Company along with other Merchant Bankers to the IPO have filed an appeal before Securities Appellate Tribunal (SAT) against the aforesaid adjudication order.

b) SEBI has passed an adjudication order dated March 31, 2016, in the matter of Initial Public Offer ("IPO") of Elecctrosteel Steels Limited imposing a penalty of ₹ 10 million which the Merchant Bankers to the IPO are liable to pay jointly and severally. The Company along with other Merchant Bankers to the IPO have filed an appeal before Securities Appellate Tribunal (SAT) against the aforesaid adjudication order.

Corporate Governance Report *(Continued)*

iv. The Company has a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to the Audit Committee.

v. The Policy for Determining Material Subsidiaries and the Policy on Related Party Transactions are available at: http://www.edelweissfin.com/Home/InvestorRelations/CorporateGovernance.aspx

vi. The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and para C, D and Schedule V of Chapter IV of the Listing Regulations.

vii. CEO / CFO Certification

The CEO and the CFO have certified to the Board, the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with regard to the financial statements.

viii. Compliance Certificate

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from BNP & Associates, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

Means of Communication

i. The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in an English daily and a Marathi daily. The quarterly/annual results, press releases and the presentations made to the Institutional Investors/Analysts are also uploaded on the website of the Company www.edelweissfin.com.

ii. General Shareholder Information

i.	AGM : Date, time and venue	:	Tuesday, August 9, 2016 at 3:00 p.m. at the Registered Office of the Company at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098
ii.	Financial Year	:	April 1, 2015 to March 31, 2016
iii.	Book Closure dates	:	August 1, 2016 to August 8, 2016

iii. Listing of Equity Shares on Stock Exchanges:

The Equity Shares of the Company are listed on:-

	Name	Address	Stock Codes (Equity Share): Trading Symbol
i)	BSE Limited (BSE)	P J Towers, Dalal Street, Fort, Mumbai – 400 001.	BSE - 532922
ii)	National Stock Exchange of India Limited (NSE).	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	NSE - EDELWEISS

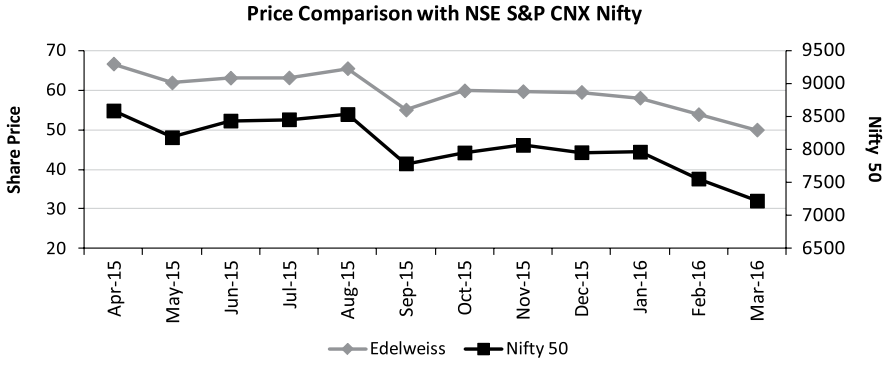
The Company has paid the listing fees, to the Stock Exchanges for the financial year 2016-2017.

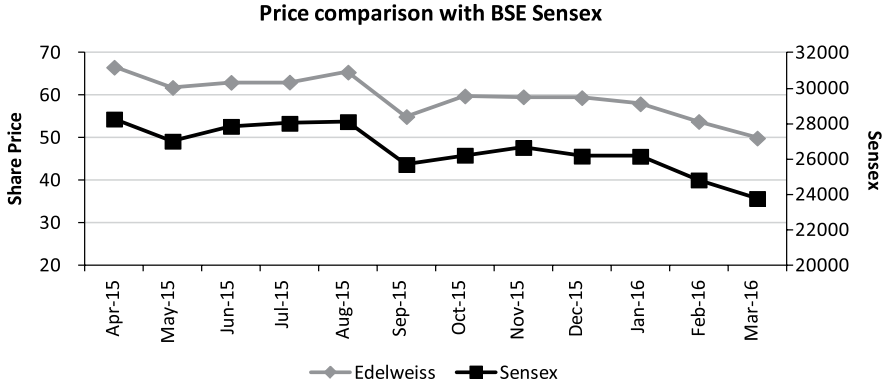
ISIN with NSDL and CDSL - INE532F01054

iv. **Market Price Data:** Stock Market price data for the financial year 2015-2016. High/ Low of daily closing market price of the Company's shares traded at BSE and NSE during each month in the financial year ended March 31, 2016 are as under:

	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-15	72.55	60.00	28,50,971	72.50	59.80	1,25,10,253
May-15	65.90	56.55	50,16,160	66.00	56.55	2,38,23,569
Jun-15	65.00	57.75	22,11,539	65.20	57.70	94,36,592
Jul-15	69.00	60.00	3,82,77,421	68.80	60.05	2,00,55,184
Aug-15	67.50	52.25	44,66,982	67.90	52.25	2,95,84,149
Sep-15	60.00	51.95	10,13,896	59.50	52.00	71,81,660
Oct-15	61.00	56.50	25,50,695	60.95	56.40	1,42,99,879
Nov-15	59.95	55.35	23,42,410	60.20	55.05	47,83,556
Dec-15	60.00	56.10	12,16,724	60.00	56.10	85,33,131
Jan-16	58.85	49.50	17,50,927	58.95	49.30	57,46,163
Feb-16	54.25	44.40	26,25,668	54.30	44.35	52,82,863
Mar-16	61.75	48.00	51,50,601	61.75	48.00	1,63,63,652

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





Corporate Governance Report *(Continued)*

vi. **Registrar and Share Transfer Agent:** Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent acknowledges and executes the transfer of shares and arranges for issue of dividend warrants and also undertakes the dematerialization/rematerialisation of Equity Shares. The Registrar and Share Transfer Agent also accepts, deals with and resolves complaints of the shareholders.

vii. **Share Transfer System:** The Company's shares are traded on the Stock Exchanges in compulsory demat mode. The transfer of Physical shares are processed and returned to the shareholders within a period of 15 days. With a view to expediting the process of share transfers, transmissions etc., the Managing Director, the Executive Director and the Company Secretary, have been severally empowered to approve the same.

viii. **Distribution of shareholding as on March 31, 2016:**

No. of Equity Shares	No. of Shareholders	% of Share holder	Total no. of shares held	% of Shares held
1 - 500	1,12,670	91.92	1,20,64,739	1.48
501 - 1000	4,517	3.68	37,25,472	0.46
1001 - 2000	2,197	1.79	34,09,400	0.42
2001 - 3000	845	0.69	21,87,023	0.27
3001 - 4000	395	0.32	14,28,281	0.18
4001 - 5000	432	0.35	20,80,022	0.25
5001 - 10000	622	0.51	46,89,588	0.58
10001 and above	902	0.74	78,44,52,105	96.36
Total	**1,22,580**	**100.00**	**81,40,36,630**	**100.00**

SHAREHOLDING PATTERN AS ON MARCH 31, 2016

Sr. No.	Category	No. of Shares	% of Holding
1.	Promoters and Promoters Group	30,73,85,690	37.76
2.	Mutual Funds/FIs/Banks/Insurance Companies	1,09,03,066	1.34
3.	FII's/QFI's/ FPI's	23,59,71,538	28.99
4.	NRIs/Foreign Nationals/Foreign Bodies Corporate	3,35,60,010	4.12
5.	Public	18,13,19,546	22.27
6	General Employee Welfare Trusts	4,48,96,780	5.52
	Total	**81,40,366,30**	**100.00**

ix. **Dematerialisation of shares:** As on March 31, 2016, 81,32,52,460 Equity Shares representing 99.90% of the issued share capital of the Company were held in dematerialised form and 7,84,170 Equity Shares representing 0.10% of the issued share capital were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practising Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form.

x. **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

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

.

xi. Details of shares lying in the suspense account (pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015):

Sr. No.	Particulars	Details	
		No. of Shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	107	8,570
2	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	1	80
3	Number of shareholders to whom shares were transferred from the suspense account during the year	1	80
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	106	8,490

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

xii. Plant locations – Not Applicable

xiii. Address for correspondence: For any assistance, request or instruction regarding transfer or transmission of shares and debentures, dematerialisation of shares, change of address, non receipt of annual report, dividend warrant and any other query relating to the shares and debentures of the Company, the investors may please write to the following address:

Link Intime India Private Limited Unit: Edelweiss Financial Services Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078. Tel: +91 22 2594 6970 Fax: +91 22 2594 6969 e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	The Company Secretary Edelweiss Financial Services Limited Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel: +91 022 – 4009 4400 Fax: +91 022 – 4086 3759 E-mail: efsl.shareholders@edelweissfin.com

Corporate Governance Report *(Continued)*

Declaration by the CEO under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Edelweiss Code of Conduct

In accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm that for the financial year ended March 31, 2016 the Directors and Senior Management Personnel of the Company have affirmed compliance with the Edelweiss Code of Conduct.

For **Edelweiss Financial Services Limited**

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

May 13, 2016

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Edelweiss Financial Services Limited

We have examined the compliance of conditions of corporate governance by Edelweiss Financial Services Limited ('the Company') for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from 1st April 2015 to 30th November 2015; and as prescribed in regulations 17 to 27, 46 (2) (b) to (i) and para C , D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from 1st December 2015 to 31st March 2016. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For BNP & Associates
Company Secretaries

Place: Mumbai
Date: May 13, 2016

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

Abridged Consolidated Financial Statements

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Independent Auditors' Report on Abridged Consolidated Financial Statements

To The Members of,
Edelweiss Financial Services Limited

Report on the abridged consolidated financial statements

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at 31 March 2016, the abridged consolidated statement of profit and loss, and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Edelweiss Financial Services Limited ('the Company') and its subsidiaries, partnership firms and alternative investment fund (collectively referred to as 'the Group'), and its associates. We expressed an unmodified audit opinion on those financial statements in our report dated 13 May 2016.

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

Management's responsibility for abridged consolidated financial statements

The Company's Board of Directors are responsible for the preparation of abridged consolidated financial statements in accordance with first proviso to sub-section (1) of section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 which is derived from the audited consolidated financial statements of the Group for the year ended 31 March 2016, prepared in accordance with accounting principles generally accepted in India including, the Accounting Standards under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditors' responsibility

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

Opinion

In our opinion, the abridged consolidated financial statements, prepared in accordance with first proviso to sub-section (1) of section 136 of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the audited consolidated financial statements of the Group for the year ended 31 March 2016 and are a fair summary of those consolidated financial statements.

Other matters

We did not audit the financial statements of 46 subsidiaries and 2 partnership firms whose financial statements reflects total assets of Rs. 93,519 million as at 31 March 2016, total revenues of Rs. 13,180 million and net cash outflow of Rs. 160 million for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 88 million for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, partnership firms and associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, partnership firms and associates is based solely on the reports of the other auditors. Our opinion on the abridged consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

Other matters *(Continued)*

The Consolidated Financial Statements also include the Group's share of net loss of Rs. 14 million for the year ended March 31, 2016, in respect of 3 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanation given to us by management, these financial statements / financial information are not material to the Group.

The auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLICL) a subsidiary of the Holding Company, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by ETLICL's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the life insurance subsidiary that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of ETLICL have relied upon Appointed Actuary's certificate in this regard.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Independent Auditors' Report

To the Members of
Edelweiss Financial Services Limited

Report on the consolidated financial statements

We have audited the accompanying Consolidated Financial Statements of Edelweiss Financial Services Limited (the "Holding Company") and its subsidiaries, partnership firms and alternative investment fund (the Holding Company and its subsidiaries, partnership firms and alternative investment trust together referred to as the "Group"), its associates, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies, partners of the partnership firm and trustees of alternative investment fund included in the Group and the respective Board of Directors of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

Independent Auditors' Report *(Continued)*

Auditor's responsibility *(Continued)*

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 consolidated state of affairs of the Group and its associates as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements of 46 subsidiaries and 2 partnership firms whose financial statements reflects total assets of Rs. 93,519 million as at 31 March 2016, total revenues of Rs. 13,180 million and net cash outflow of Rs. 160 million for the year ended on that date as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 88 million for the year ended 31 March 2016, as considered in the Consolidated Financial Statements, in respect of 5 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, partnership firms and associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, partnership firms and associates, is based solely on the reports of the other auditors.

The Consolidated Financial Statements also include the Group's share of net loss of Rs. 14 million for the year ended March 31, 2016, in respect of 3 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanation given to us by management, these financial statements / financial information are not material to the Group.

The auditors of Edelweiss Tokio Life Insurance Company Limited ('ETLICL) a subsidiary of the Holding Company, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by ETLICL's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities for the life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2016 has been duly certified by the Appointed Actuary. The Appointed Actuary has certified to the life insurance subsidiary that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with IRDA. The statutory auditors of ETLICL have relied upon Appointed Actuary's certificate in this regard.

Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Independent Auditors' Report *(Continued)*

Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – refer note 2.40 to the Consolidated Financial Statements;

   ii. The Group and its associates has made provision as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 2.59 to the Consolidated Financial Statements; and

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group and its associate incorporated in India.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Annexure A to the Independent Auditors' Report - 31 March 2016

Annexure - A to the Independent Auditor's Report of even date on the consolidated financial statements of Edelweiss Financial Services Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Edelweiss Financial Services Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associates which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of

Meaning of internal financial controls over financial reporting *(Continued)*

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 26 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Abridged Consolidated Balance Sheet as at 31 March 2016

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

(Currency: Indian rupees in millions)

		As at 31 March 2016	As at 31 March 2015
I	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
(a)	Share capital		
	Equity	**814.04**	791.75
(b)	Reserves and surplus		
(i)	Capital reserves	**7,136.60**	4,151.83
(ii)	Securities premuim account	**13,127.06**	12,487.54
(iii)	Statutory reserves	**3,554.44**	2,381.57
(iv)	General reserves	**916.82**	916.82
(v)	Surplus in statement of profit and loss	**11,179.08**	10,833.72
		36,728.04	31,563.23
2	**Minority interest**	**6,968.70**	3,708.77
3	**Share application money pending allotment (Refer note 2.4)**	**20.58**	42.41
4	**Non-current liabilities**		
(a)	Long-term borrowings	**101,036.43**	80,978.03
(b)	Other long term liabilities	**2,217.80**	421.97
(c)	Long-term provisions	**5,759.40**	2,986.17
		109,013.63	84,386.17
5	**Current liabilities**		
(a)	Short-term borrowings	**138,612.20**	135,829.98
(b)	Trade payables	**16,507.27**	13,147.85
(c)	Other current liabilities	**58,325.36**	33,100.54
(d)	Short-term provisions	**3,669.96**	3,030.43
		217,114.79	185,108.80
	TOTAL - EQUITY AND LIABILITIES (1+2+3+4+5)	**369,845.74**	304,809.38
II	**ASSETS**		
6	**Non- current assets**		
(a)	Fixed assets		
(i)	Tangible assets (original cost less depreciation)	**6,288.74**	5,242.51
(ii)	Intangible assets (original cost less depreciation/amortisation)	**352.89**	351.54
(iii)	Capital work-in-progress	**229.26**	1,011.26
(iv)	Intangible assets under development	**73.56**	53.17
(b)	Non-current investments (Refer note 2.16)	**20,009.11**	16,026.55
(c)	Deferred tax assets (net)	**1,795.93**	974.03
(d)	Long-term loans and advances	**77,200.62**	67,345.55
(e)	Other non-current assets	**13,137.78**	10,230.24
		119,087.89	101,234.85
7	**Current assets**		
(a)	Current investments (Refer note 2.16)	**6,955.19**	11,896.21
(b)	Stock-in-trade	**115,119.12**	87,087.43
(c)	Trade receivables	**5,185.99**	4,347.22
(d)	Cash and bank balances	**19,340.05**	23,652.55
(e)	Short-term loans and advances	**90,601.92**	67,363.80
(f)	Other current assets	**13,555.58**	9,227.32
		250,757.85	203,574.53
	TOTAL ASSETS (6+7)	**369,845.74**	304,809.38

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

Compiled from the audited consolidated financial statements of the Company referred to in our report dated 13 May 2016.

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

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Abridged Consolidated Statement of Profit and Loss for the year ended 31 March 2016

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

(Currency: Indian rupees in millions)

		For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Income**		
	Revenue from operations		
	(a) Fee and commission income	**6,966.06**	5,727.16
	(b) Income from treasury	**3,279.88**	4,968.59
	(c) Interest income	**38,423.68**	25,851.41
	(d) Premium from life insurance business	**3,001.81**	1,865.75
	(e) Other operating revenue	**867.91**	385.09
	Net Revenue from operations	**52,539.34**	38,798.00
II	**Other income**	**141.47**	142.54
III	**Total income (I+II)**	**52,680.81**	38,940.54
IV	**Expenditure**		
	(a) Employee benefits expense	**8,821.27**	7,086.30
	(b) Finance costs	**26,200.89**	18,315.48
	(c) Depreciation and amortisation expenses	**902.33**	716.41
	(d) Change in life insurance policy liability	**2,554.86**	1,394.88
	(e) Other expenses	**8,489.83**	6,328.46
	Total expenditure	**46,969.18**	33,841.53
V	**Profit before tax (III-IV)**	**5,711.63**	5,099.01
VI	**Tax expense**		
	(a) Current tax	**3,440.36**	2,463.40
	(b) Minimum alternate tax	**(270.08)**	-
	(c) Deferred tax	**(816.50)**	(446.41)
VII	**Profit for the year (V-VI)**	**3,357.85**	3,082.02
VIII	**Share of associates in profit for the year**	**476.54**	181.41
IX	**Share of minority interest**	**(309.44)**	(23.70)
X	**Profit for the year after minority interest (VII+VIII-IX)**	**4,143.83**	3,287.13
XI	**Earnings per share (₹) (Face value ₹ 1 each) (Refer note 2.3)**		
	(a) Basic	**5.01**	4.09
	(b) Diluted	**4.85**	3.88

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

Compiled from the audited consolidated financial statements of the Company referred to in our report dated 13 May 2016.

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Abridged Consolidated Cash Flow Statement for the year ended 31 March 2016

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

(Currency: Indian rupees in millions)

		For the year ended 31 March 2016	For the year ended 31 March 2015
I	Cash used in operating activities	**(37,620.77)**	(91,831.97)
II	Cash used in investing activities	**(481.07)**	(8,625.48)
III	Cash generated from financing activities	**37,879.21**	100,142.95
IV	Net decrease in cash and cash equivalents (I + II + III)	**(222.63)**	(314.50)
V	Cash and cash equivalents at the beginning of the year	**7,802.01**	8,116.51
VI	Cash and cash equivalents at the end of the year (Refer note 2.15)	**7,579.38**	7,802.01

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

Compiled from the audited consolidated financial statements of the Company referred to in our report dated 13 May 2016.

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Notes to the abridged consolidated financial statements for the year ended 31 March 2016

1 Significant accounting policies

1.1 Basis of preparation of abridged consolidated financial statements

The accompanying abridged consolidated financial statements are prepared pursuant to first proviso to sub section (1) of Section 136 of the Act and Rule 10 of Companies (Accounts) Rules, 2014 and are based on the annual accounts for the year ended 31 March 2016. The abridged consolidated financial statements are presented in Indian Rupees in millions.

1.2 Principles of consolidation

a) The consolidated financial statements relate to Edelweiss Financial Services Limited ('the Company') and its subsidiaries and associates (together 'the Group'). The consolidated financial statements have been prepared on the following basis:

- In respect of subsidiary enterprises, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements.
- In case of Associate Enterprises, the financial statements have been consolidated as per Accounting Standard 23 - Accounting for Investment in Associates.
- Investments in subsidiaries where control is intended to be temporary or where the objective of control over the subsidiary is not to obtain economic benefits there from, have not been consolidated.
- The financial statements of all subsidiaries incorporated outside India which are in the nature of non-integral foreign operations are converted on the following basis : (a) Income and expenses are converted at the average rate of exchange applicable for the year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".
- The excess of cost over the Company's share in equity and reserves of the subsidiaries is recognised in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
- The share of minority interest in the net profit / loss of subsidiaries for the year is identified and adjusted against the income of the Group to arrive at the net income attributable to the Group.
- The share of minority interest in net assets of subsidiaries is identified and presented in the consolidated financial statements separate from liabilities and the equity of the Group.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 - Accounting for Investments.

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.2 Principles of consolidation *(Continued)*

c) The subsidiaries and associates considered in the consolidated financial statements:

Sr. No.	Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2016
	Subsidiaries		
1	Edelweiss Securities Limited	India	100.00%
2	Edelweiss Finance & Investments Limited	India	100.00%
3	ECL Finance Limited	India	92.20%
4	Edelweiss Global Wealth Management Limited	India	100.00%
5	EC Global Limited [2]	Mauritius	100.00%
6	Edelweiss Insurance Brokers Limited	India	100.00%
7	Edelweiss Trustee Services Limited	India	100.00%
8	Edelweiss Web Services Limited [3]	India	100.00%
9	Edelcap Securities Limited [4]	India	100.00%
10	Edelweiss Asset Management Limited	India	100.00%
11	ECap Equities Limited	India	100.00%
12	Edelweiss Broking Limited	India	100.00%
13	Edelweiss Trusteeship Company Limited	India	100.00%
14	Edelweiss Alternative Asset Advisors Limited	India	95.00%
15	Edelweiss Housing Finance Limited [5]	India	100.00%
16	Edelweiss Investment Adviser Limited	India	100.00%
17	EC Commodity Limited	India	100.00%
18	Edel Commodities Limited [5]	India	100.00%
19	Edel Land Limited	India	100.00%
20	Edelweiss Custodial Services Limited [1]	India	100.00%
21	EC International Limited	Mauritius	100.00%
22	Edelweiss Capital (Singapore) Pte. Limited	Singapore	100.00%
23	Edelweiss Alternative Asset Advisors Pte. Limited [6]	Singapore	100.00%
24	Edelweiss International (Singapore) Pte. Limited [6]	Singapore	100.00%
25	Aster Commodities DMCC [7]	United Arab Emirates	100.00%
26	EAAA LLC [7]	Mauritius	100.00%
27	EW Special Opportunities Advisors LLC [8]	Mauritius	67.00%
28	EW India Special Assets Advisors LLC [8]	Mauritius	90.00%
29	Edel Investments Limited	India	100.00%
30	Edelweiss Tokio Life Insurance Company Limited	India	51.00%
31	Edelweiss Investment Advisors Private Limited [6]	Singapore	100.00%
32	Edelweiss Commodities Services Limited	India	100.00%
33	Edelweiss Comtrade Limited [1]	India	100.00%
34	Edel Finance Company Limited [3]	India	100.00%
35	Edelweiss Capital Markets Limited [5]	India	100.00%
36	EW SBI Crossover Advisors LLC [8]	Mauritius	100.00%
37	EFSL Commodities Limited [10]	India	100.00%
38	Edel Commodities Trading Limited [10]	India	100.00%
39	EFSL Comtrade Limited [5]	India	100.00%

1 Significant accounting policies *(Continued)*

1.2 Principles of consolidation *(Continued)*

c) The subsidiaries and associates considered in the consolidated financial statements *(Continued)*:

Sr. No.	Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2016
40	Edelweiss Retail Finance Limited [12]	India	100.00%
41	Edelweiss Securities (Hong Kong) Private Limited [1]	Hong Kong	100.00%
42	Edelweiss Metals Limited [5]	India	100.00%
43	Edelweiss Financial Services Inc [1]	United States of America	100.00%
44	Edelweiss Commodities Pte. Limited [14]	Singapore	100.00%
45	Edelweiss Commodities Nigeria Limited [14]	Nigeria	100.00%
46	Edelweiss Agri Value Chain Limited [5] (formerly known as Edelweiss Integrated Commodity Management Limited)	India	100.00%
47	Forefront Capital Management Private Limited	India	100.00%
48	Edelweiss India Capital Management [9] (formerly known as Forefront India Capital Management)	Mauritius	100.00%
49	Forefront Alternate Investment Advisors LLP [9]	India	100.00%
50	Forefront Wealth Advisors LLP [5]	India	100.00%
51	Auris Corporate Centre Limited [3]	India	100.00%
52	Olive Business Centre Limited [2]	India	100.00%
53	Eternity Business Centre Limited [5]	India	100.00%
54	Serenity Business Park Limited [5]	India	100.00%
55	Burlington Business Solutions Limited [1]	India	100.00%
56	Edelweiss Commodities (CHAD) SARL [14]	Chad	100.00%
57	EFSL International Limited [7]	Mauritius	100.00%
58	Edelweiss Financial Services (UK) Limited [1]	United Kingdom	100.00%
59	Edelweiss Holdings Limited	India	100.00%
60	Edelweiss Tarim Urunleri Anonim Sirketi [14]	Turkey	100.00%
61	Edelweiss AIF Fund I - EW Clover Scheme - 1 [12]	India	100.00%
62	Edelweiss General Insurance Company Limited	India	100.00%
63	Arum Investments Private Limited [4]	India	100.00%
	Associates		
64	Allium Finance Private Limited [5]	India	46.13%
65	Edelweiss Asset Reconstruction Company Limited [11]	India	47.41%
66	Edelweiss Fund Advisors Private Limited	India	40.00%
67	Dahlia Commodities Services Private Limited [1]	India	50.00%
68	Magnolia Commodities Services Private Limited [1]	India	50.00%
69	Aeon Credit Services India Private Limited [13]	India	25.00%

[1] held through Edelweiss Securities Limited

[2] held through Edelweiss Finance & Investments Limited

[3] held through Edelweiss Broking Limited

[4] held through ECap Equities Limited

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.2 Principles of consolidation *(Continued)*

c) The subsidiaries and associates considered in the consolidated financial statements *(Continued)*:
[5] held through Edelweiss Commodities Services Limited
[6] held through Edelweiss Capital (Singapore) Pte. Limited
[7] held through EC International Limited
[8] held through EAAA LLC
[9] held through Forefront Capital Management Private Limited
[10] held through Edel Commodities Limited
[11] held through Edelweiss Custodial Services Limited
[12] held through Edelcap Securities Limited
[13] held through ECL Finance Limited
[14] held through EFSL Comtrade Limited

d) Edelgive Foundation, a 100% subsidiary and a company registered under section 8 of the Companies Act, 2013, with the sole objective of philanthropy, where no economic benefit shall be derived by the Group, has not been consolidated.

e) With effect from 28 July 2015, EFSL International Limited became a subsidiary of the Company and has been consolidated from the said date.

f) With effect from 6 August 2015 EW Clover Scheme – 1 became a subsidiary of the Company and has been consolidated from the said date.

g) With effect from 27 August 2015 Edelweiss Financial Services (UK) Limited became a subsidiary of the Company and has been consolidated from the said date.

h) With effect from 8 December 2015 Edelweiss Holdings Limited became a subsidiary of the Company and has been consolidated from the said date.

i) With effect from 27 January 2016 Edelweiss Tarim Urunleri Anonim Sirketi became a subsidiary of the Company and has been consolidated from the said date.

j) Pursuant to additional infusion of equity capital by Tokio Marine & Nichido Fire Insurance Co., Limited with effect from 02 February 2016, Company's share in Edelweiss Tokio Life Insurance Company Limited has reduced from 76% to 51%.

k) With effect from 2 March 2016 Edelweiss General Insurance Company Limited became a subsidiary of the Company and has been consolidated from the said date.

l) With effect from 31 March 2016 Arum Investments Private Limited, formerly an associate, has become a wholly owned subsidiary of the Company and has been accordingly consolidated from the said date.

1 Significant accounting policies *(Continued)*

1.3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Current / non-current classification

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

Assets

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

Liabilities

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

1.5 Revenue recognition

a) Fee income including investment banking, advisory fees, syndication fees, processing fees (other than on housing loans and loans against property) and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Group and the counterparty.

b) In case of housing loans and loans against property, processing fees is amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write-off. The unamortised balance is disclosed under "Other current liabilities" and "Other long-term liabilities" based on amortisable tenor.

c) Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, service tax, transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of service tax.

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.5 Revenue recognition *(Continued)*

d) Investment management fees are recognised net of service tax on an accrual basis in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.

e) Portfolio management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective clients.

f) Revenue from fund management services (excluding mutual fund business) is recognised in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.

g) Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of service tax.

h) Income from treasury comprises of profit/loss on sale of securities and commodities and profit/loss on derivative instruments.

i) Profit/loss on sale of securities and commodities is determined based on the weighted average cost of the securities/commodities sold. Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.

Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favor of buyer before the goods cross the custom frontiers of India.

ii) Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards/futures/options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

iii) In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the statement of profit and loss. The difference in the opening and closing exchange rate as on the Balance Sheet date rates (mark to market) is recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the statement of profit and loss.

iv) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit on interest rate derivatives' in the statement of profit and loss and the realised profit/loss on settlement during contract period is recognised as 'Interest income others' in statement of profit and loss. Positions open as on the Balance Sheet date are marked to market and recognised in the statement of profit and loss.

v) Profit/loss on error trades in broking business is included in "Income from treasury".

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.5 Revenue recognition *(Continued)*

i) Interest income is recognised on accrual basis. Interest income in case of lending business in the non-banking financial companies is recognised on accrual basis except in case of non - performing assets, wherein it is accounted on realisation, as per Reserve Bank of India (RBI) and National Housing Bank (NHB) guidelines. In case of commercial papers, treasury bills, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value is apportioned on time basis and recognised as interest income.

j) Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

k) Warehouse income and Rental income are recognised on accrual basis by reference to the agreements entered.

l) Dividend income is recognised when the right to receive payment is established.

m) As per RBI guidelines the interest spread under par structure of securitization/direct assignment of loan receivables is recognized on realization over the tenure of securitized/direct assigned loan.

Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation assignment.

Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised/assigned deal.

n) Profit/loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited/debited to the company's account in the books of the partnership firm.

o) Income from training centre is recognised on accrual basis.

p) Interest on delayed payments are recognised on accrual basis by reference to the agreements entered.

q) In case of Life Insurance business:

i) Premium income from traditional policies is recognised when due from policyholders.

For Unit linked business, premium income is recognised as when the associated units are created.

Premium income on lapsed policies is recognised as and when such policies are reinstated.

ii) Reinsurance premium ceded is accounted in accordance with the treaty or in principle arrangement with the reinsurer.

iii) Acquisition costs such as commission, are costs that vary with and are primarily relatable to the acquisition of insurance contracts. Such costs are expensed in the year in which they are incurred.

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.5 Revenue recognition *(Continued)*

iv) Claim costs consist of the policy benefit amount and claim settlement costs, where applicable.

Death, rider and surrender claims are accounted for on receipt of intimation.

Maturity and survival claims are accounted when due.

Surrender/withdrawals under unit linked policies are accounted when the associated units are cancelled/ redeemed.

Reinsurance claims receivable are accounted for in the same period as the related claim.

v) The policyholders' liabilities are determined by the Company's Appointed Actuary in accordance with the accepted actuarial practices, requirements of the Insurance Act, 1938 and Guidance notes issued by the Institute of Actuaries of India.

1.6 Loan origination costs

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

1.7 Benchmark linked debentures

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

1.8 Securitisation

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

ECL Finance Limited and Edelweiss Retail Finance Limited (NBFC's) have adopted the accounting policy for securitization transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on 21 August 2012.

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

1.9 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, 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.

1 Significant accounting policies *(Continued)*

1.9 Fixed assets and depreciation *(Continued)*

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

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

The estimated useful lives of the fixed assets are as follows:

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

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

Intangible fixed assets

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

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

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

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

1.10 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.10 Impairment of assets *(Continued)*

its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.11 Stock-in-trade

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

b) The securities, including those arising from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value.

c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.

d) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.

e) Debt instruments are valued at cost or realizable value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.

f) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

g) Inventory in the form of land is valued at cost or net realisable value, whichever is lower.

h) Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the forward rate for the residual maturity period of the contract.

1.12 Investments

a) Investments of Life Insurance Business

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

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

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

1 Significant accounting policies *(Continued)*

1.12 Investments *(Continued)*

a) Investments of Life Insurance Business *(Continued)*

Bonus and Rights entitlements are recognised as investments on the 'ex-bonus date'/ 'ex-rights date' respectively

Broken period interest paid/receive is debited/credited to interest receivable account and is not included in the cost of Purchase/Sale Value.

Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within 12 months from the balance sheet date are classified as "short term'' investments. Investments other than short term investments are classified as "long term" investments.

Debt securities

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

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

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

ii) Linked business

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

Equity/ Preference shares

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

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

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

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.12 Investments *(Continued)*

Equity/ Preference shares *(Continued)*

ii) Linked business

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

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

Derivatives: Interest Rate Futures

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

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

Mutual Funds

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

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

ii) Linked business

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

Transfer of investments

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

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

1 Significant accounting policies *(Continued)*

1.12 Investments *(Continued)*

ii) Transfer between policyholders' funds

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

iii) Purchase / Sale transactions between units linked funds

The sale/purchase of investments between Unit Linked Funds is done at prevailing market price during market hours. If the prevailing market price is not available, then it is carried out at previous day's closing market price.

b) Investments other than Life Insurance Business

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

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

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

1.13 Foreign currency transactions

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

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

1.14 Employee benefits

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

Provident fund

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

Gratuity

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

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.14 Employee benefits *(Continued)*

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

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

Compensated absences and leave encashment

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

Two Subsidiaries of the Group provides for the encashment of leave subject to rules. The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

Deferred Bonus

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

1.15 Tax

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

Current tax

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

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 these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

1 Significant accounting policies *(Continued)*

1.15 Tax *(Continued)*

Minimum Alternative Tax (MAT) Credit

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

1.16 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.18 Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.19 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI and NHB.

Provision for standard assets is made on the basis of prudential norms laid down by RBI and NHB.

Notes to the abridged consolidated financial statements *(Continued)*

1 Significant accounting policies *(Continued)*

1.20 Mutual Fund expenses

Expenses incurred on behalf of schemes of the mutual fund are recognised to the statement of profit and loss unless considered recoverable from schemes of the fund in accordance with provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

1.21 Employee stock option plans (ESOPs)

The Group follows the intrinsic value method to account for compensation cost of the stock based employee compensation plans of the Company. The compensation cost is amortised on a straight-line basis.

1.22 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them; and other such similar qualifying arrangements.

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.1 Segment reporting *(Corresponding to note 2.30 of the complete financial statements)*

Primary Segment (Business Segment)

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

Segment	Activities covered
Agency business	Broking, advisory, product distribution and other fee based services
Capital based business	Income from treasury, investment income and financing
Life Insurance	Represents results of Edelweiss Tokio Life Insurance Company Limited

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

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

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

	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Segment Revenue**		
	a) Agency business	**9,347.57**	7,691.79
	b) Capital based business	**39,907.60**	28,548.00
	c) Life Insurance	**3,874.71**	2,839.04
	d) Unallocated	**27.47**	43.12
	Total Income	**53,157.35**	39,121.95
II	**Segment Results**		
	a) Agency business	**1,372.06**	1,260.50
	b) Capital based business	**6,610.82**	5,011.00
	c) Life Insurance	**(1,547.79)**	(710.08)
	d) Unallocated	**(246.92)**	(281.00)
	Profit before taxation	**6,188.17**	5,280.42
	Less : Provision for taxation	**2,353.78**	2,016.99
	Profit after taxation before minority interest	**3,834.39**	3,263.43

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.1 Segment reporting *(Corresponding to note 2.30 of the complete financial statements) (Continued)*

	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
III	**Segment Assets**		
	a) Agency business	**21,708.50**	20,778.26
	b) Capital based business	**3,27,401.01**	2,69,927.13
	c) Life Insurance	**15,516.81**	8,901.43
	d) Unallocated	**5,219.42**	5,202.56
	Total	**3,69,845.74**	304,809.38
IV	**Segment Liabilities**		
	a) Agency business	**12,652.86**	11,568.44
	b) Capital based business	**3,05,837.83**	251,835.73
	c) Life Insurance	**6,125.70**	3,210.17
	d) Unallocated	**1,512.03**	2,880.63
	Total	**3,26,128.42**	269,494.97
V	**Capital Expenditure**		
	(Including Capital Work-In-Progress)		
	a) Agency business	**425.15**	267.36
	b) Capital based business	**655.39**	1,697.13
	c) Life Insurance	**125.69**	38.40
	d) Unallocated	**-**	12.54
	Total	**1,206.23**	2,015.43
VI	**Depreciation and Amortisation**		
	a) Agency business	**257.43**	170.97
	b) Capital based business	**566.35**	455.15
	c) Life Insurance	**78.55**	81.25
	d) Unallocated	**-**	9.04
	Total	**902.33**	716.41
VII	**Significant Non-Cash Expenses Other than Depreciation and Amortisation**		
	a) Agency business	**361.06**	98.24
	b) Capital based business	**1,467.39**	1,141.95
	c) Life Insurance	**2,556.73**	1,394.88
	d) Unallocated	**-**	0.08
	Total	**4,385.18**	2,635.15

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements)*

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

(A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesh Shah

Mr. Venkat Ramaswamy

Ms. Vidya Shah

Ms. Aparna T.C.

(B) Key Management Personnel

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkat Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Mr. Nalin Kaji

Ms. Shabnam Panjwani

(D) Subsidiary Company

Edelgive Foundation (Refer note 1.2(d))

(E) Enterprises which exercise significant influence over subsidiary - Edelweiss Tokio Life Insurance Company Limited

Tokio Marine & Nichido Fire Insurance Co., Limited (Subsidiary of Tokio Marine Holdings Inc.)

(F) Enterprises where significant influence is exercised

Edelweiss Asset Reconstruction Company Limited

Edelweiss Fund Advisors Private Limited

Dahlia Commodities Services Private Limited

Magnolia Commodities Services Private Limited

Arum Investments Private Limited (upto March 30, 2016; subsidiary from March 31, 2016)

Allium Finance Private Limited

Aeon Credit Service India Private Limited

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

(G) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP

(H) Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
	Transactions with related parties			
1	Investments in equity shares of	Aeon Credit Service India Private Limited	**125.00**	-
2	Investments in debentures of	Edelweiss Asset Reconstruction Company Limited	**300.00**	1,500.00
3	Equity share capital issued by subsidiary (including securities premium)	Tokio Marine & Nichido Fire Insurance Co. Limited	**5,274.71**	-
4	Redemption on buy back of preference shares of	Arum Investments Private Limited	**-**	151.26
5	Redemption of non convertible debentures of	Arum Investments Private Limited	**-**	257.00
6	Redemption of optionally convertible debentures of	Arum Investments Private Limited	**-**	51.71
7	Long term loans given to	Edelweiss Asset Reconstruction Company Limited	**-**	8,470.00
8	Long term loans repaid by	Edelweiss Asset Reconstruction Company Limited	**5.03**	1,500.00
		Dahlia Commodities Services Private Limited	**-**	82.00
		Magnolia Commodities Services Private Limited	**-**	55.00
9	Short term loans taken from	Arum Investments Private Limited	**275.01**	1,030.00
10	Short term loans taken repaid to	Arum Investments Private Limited	**940.51**	-

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
11	Short term loans given to	Edelweiss Asset Reconstruction Company Limited	**7,287.98**	5,336.61
		Magnolia Commodities Services Private Limited	**4,511.40**	1,752.50
		Ms. Vidya Shah	**335.14**	1,589.48
		Dahlia Commodities Services Private Limited	**3318.09**	1,526.51
		Mr. Rujan Panjwani	**14.17**	633.24
		Ms. Aparna T. C.	**168.94**	562.87
		Mr. Nalin Kaji	**999.10**	485.37
		Arum Investments Private Limited	**31,376.71**	1.49
		Allium Finance Private Limited	**-**	0.11
12	Short term loans given repaid by	Edelweiss Asset Reconstruction Company Limited	**2,891.55**	2,395.77
		Magnolia Commodities Services Private Limited	**3,901.86**	1,525.76
		Ms. Vidya Shah	**427.30**	1,497.06
		Arum Investments Private Limited	**31,363.65**	-
		Dahlia Commodities Services Private Limited	**3,110.55**	1,385.39
		Mr. Rujan Panjwani	**29.33**	618.09
		Ms. Aparna T. C.	**172.83**	526.98
		Mr. Nalin Kaji	**999.10**	485.37
		Allium Finance Private Limited	**-**	0.11
13	Margin received from	Magnolia Commodities Services Private Limited	**172.55**	210.35
		Dahlia Commodities Services Private Limited	**142.76**	85.54
		Arum Investments Private Limited @	**-**	0.00
14	Margin repaid to	Magnolia Commodities Services Private Limited	**161.81**	202.88
		Dahlia Commodities Services Private Limited	**108.39**	99.50
		Arum Investments Private Limited @	**-**	0.00
15	Reimbursement recovered from	Arum Investments Private Limited	**-**	120.12
		Edelweiss Asset Reconstruction Company Limited	**176.23**	44.01
		Dahlia Commodities Services Private Limited	**4.69**	10.68
		Magnolia Commodities Services Private Limited	**6.03**	1.23
		Allium Finance Private Limited	**0.55**	0.36
		Edelweiss Fund Advisors Private Limited	**0.08**	-

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
16	Dividend paid	Mr. Rashesh Shah	**210.49**	135.59
		Mr. Venkat Ramaswamy	**83.74**	52.78
		Spire Investment Advisors LLP	**60.83**	39.85
		Ms. Vidya Shah	**49.66**	27.89
		Ms. Aparna T. C.	**17.40**	11.40
		Ms. Kaavya Venkat	**17.40**	11.40
		Mr. Rujan Panjwani	**17.86**	10.18
		Ms. Sneha Sripad Desai	**1.49**	0.97
		Ms. Shilpa Mody	**1.45**	0.95
		Ms. Sejal Premal Parekh	**1.45**	0.95
		Mr. Himanshu Kaji	**1.29**	0.37
		Ms. Shabnam Panjwani	**0.32**	0.08
		Mr. A V Ramaswamy	**0.07**	0.05
17	Advisory fee earned from	Edelweiss Asset Reconstruction Company Limited	**-**	2.38
18	Rental income from	Edelweiss Asset Reconstruction Company Limited	**11.00**	7.99
		Arum Investments Private Limited	**0.51**	0.98
		Allium Finance Private Limited	**0.52**	0.66
19	Interest income on loan from	Edelweiss Asset Reconstruction Company Limited	**1,667.16**	620.57
		Magnolia Commodities Services Private Limited	**89.71**	58.00
		Dahlia Commodities Services Private Limited	**21.47**	49.51
		Ms. Vidya Shah	**1.38**	9.24
		Ms. Aparna T. C.	**2.61**	7.29
		Mr. Rujan Panjwani	**0.54**	6.16
		Mr. Nalin Kaji	**1.41**	5.17
		Arum Investments Private Limited	**50.76**	-
20	Interest income on debentures	Arum Investments Private Limited	**45.71**	76.79
		Edelweiss Asset Reconstruction Company Limited	**258.44**	3.49
21	Warehousing income from	Dahlia Commdities Services Private Limited	**-**	2.86
		Magnolia Commodities Services Private Limited	**-**	2.07
22	Financial charges to	Dahlia Commodities Services Private Limited	**-**	12.51
		Magnolia Commodities Services Private Limited	**-**	9.80
23	Interest expenses on loan from	Arum Investments Private Limited	**82.21**	17.38
24	Interest expense on margin placed by	Magnolia Commodities Services Private Limited	**1.09**	3.64
		Dahlia Commodities Services Private Limited	**0.63**	2.11

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
25	Warehousing expenses to	Dahlia Commodities Services Private Limited	**-**	2.92
		Magnolia Commodities Services Private Limited	**-**	2.24
26	Purchase of commodities/ securities from	Dahlia Commodities Services Private Limited	**506.52**	916.64
		Magnolia Commodities Services Private Limited	**-**	705.00
		Arum Investments Private Limited	**2,051.49**	**-**
27	Sale of commodities / securities to	Dahlia Commodities Services Private Limited	**508.58**	845.35
		Magnolia Commodities Services Private Limited	**2,484.80**	649.54
		Arum Investments Private Limited	**156.44**	**-**
28	Settlement of derivative transactions (net expenditure)	Dahlia Commodities Services Private Limited	**33.27**	-
29	Settlement of derivative transactions (net income)	Magnolia Commodities Services Private Limited	**18.13**	-
30	Brokerage earned from	Magnolia Commodities Services Private Limited	**1.44**	9.73
		Dahlia Commodities Services Private Limited	**0.75**	5.69
		Ms. Vidya Shah	**0.54**	3.97
		Mr. Rujan Panjwani	**0.01**	0.61
		Ms. Aparna T. C.	**0.06**	0.60
		Mr. Rashesh Shah	**0.05**	0.45
		Mr. Venkat Ramaswamy	**-**	0.13
		Mr. Nalin Kaji	**-**	0.08
		Arum Investments Private Limited	**0.01**	0.05
		Mr. Himanshu Kaji @	**-**	0.00
		Ms. Shabnam Panjwani @	**0.00**	0.00
		Ms. Sneha Sripad Desai @	**-**	0.00
		Ms. Sejal Premal Parekh @	**0.00**	-
		Spire Investment Advisors LLP	**0.04**	-
		Mr. A V Ramaswamy	**0.10**	-
31	Clearing income from	Dahlia Commodities Services Private Limited	**0.16**	0.16
		Magnolia Commodities Services Private Limited	**0.19**	0.16
32	Processing fees earned from	Edelweiss Asset Reconstruction Company Limited	**-**	0.03
		Arum Investments Private Limited @	**-**	0.00
		Allium Finance Private Limited @	**-**	0.00

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
33	Remuneration to	Mr. Rashesh Shah	**105.12**	89.62
		Mr. Rujan Panjwani	**61.98**	54.23
		Mr. Himanshu Kaji	**57.95**	50.12
		Mr. Venkat Ramaswamy	**49.34**	28.33
34	Contribution towards corporate social responsibility	Edelgive Foundation	**71.69**	58.25
35	Cost reimbursements recovered from	Arum Investments Private Limited from	**114.82**	42.55
		Edelweiss Asset Reconstruction Company Limited	**3.89**	1.20
		Allium Finance Private Limited	**0.62**	0.77
		Dahlia Commodities Services Private Limited	**0.50**	0.56
		Magnolia Commodities Services Private Limited	**0.50**	0.56
	Balances with related parties			
36	Investments in equity shares of	Edelweiss Asset Reconstruction Company Limited	**529.75**	529.75
		Aeon Credit Service India Private Limited	**227.50**	102.50
		Arum Investments Private Limited	**-**	79.78
		Allium Finance Private Limited	**21.18**	21.18
		Dahlia Commodities Services Private Limited	**1.00**	1.00
		Magnolia Commodities Services Private Limited	**1.00**	1.00
		Edelweiss Fund Advisors Private Limited	**0.50**	0.50
		Edelgive Foundation	**0.10**	0.10
37	Investments in preference shares of	Arum Investments Private Limited	**-**	3,586.16
		Allium Finance Private Limited	**123.88**	123.88
38	Investment in debentures of	Edelweiss Asset Reconstruction Company Limited	**1,800.00**	1,500.00
		Arum Investments Private Limited	**-**	469.76
39	Long term loans given to	Edelweiss Asset Reconstruction Company Limited	**6,964.97**	6,970.00
40	Short term loans taken from	Arum Investments Private Limited	**-**	1,030.00
41	Short term loans given to	Edelweiss Asset Reconstruction Company Limited	**8,186.62**	3,790.18
		Magnolia Commodities Services Private Limited	**909.06**	299.52
		Dahlia Commodities Services Private Limited	**425.66**	218.12
		Arum Investments Private Limited	**-**	2.08
		Ms. Vidya Shah	**-**	92.16
		Ms. Aparna T. C.	**32.00**	35.89
		Mr. Rujan Panjwani	**-**	15.15

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.31 of the complete financial statements) (Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
42	Advances recoverable from	Arum Investments Private Limited	**-**	0.26
43	Trade receivables from	Arum Investments Private Limited	**-**	44.18
		Edelweiss Asset Reconstruction Company Limited	**2.58**	2.43
		Allium Finance Private Limited	**-**	0.90
		Dahlia Commodities Services Private Limited	**0.56**	0.65
		Magnolia Commodities Services Private Limited	**0.56**	0.61
44	Accrued interest income on loans given to	Edelweiss Asset Reconstruction Company Limited	**66.24**	46.28
		Arum Investments Private Limited	**-**	20.51
		Magnolia Commodities Services Private Limited	**0.07**	4.49
		Dahlia Commodities Services Private Limited	**0.04**	3.49
45	Accrued interest income on debt Instruments	Arum Investments Private Limited	**-**	6.83
		Edelweiss Asset Reconstruction Company Limited	**3.09**	3.49
46	Accrued interest expense on margin received from	Magnolia Commodities Services Private Limited	**0.06**	0.15
		Dahlia Commodities Services Private Limited	**0.02**	0.09
47	Margin payable to clients	Magnolia Commodities Services Private Limited	**83.34**	73.79
		Dahlia Commodities Services Private Limited	**79.64**	46.04
48	Accrued salaries and benefits	Mr. Rashesh Shah	**94.50**	80.50
		Mr. Rujan Panjwani	**52.50**	45.50
		Mr. Himanshu Kaji	**47.50**	41.00
		Mr. Venkat Ramaswamy	**40.00**	20.00
49	Trade payables to	Magnolia Commodities Services Private Limited	**1.20**	25.76
		Dahlia Commodities Services Private Limited	**1.26**	21.25
		Edelweiss Asset Reconstruction Company Limited	**0.51**	1.15

@ ₹ 0.00 refers to amount less than ₹ 0.01 million

Notes :

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

2) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.3 Earnings per share *(Corresponding to note 2.32 of the complete financial statements)*

In accordance with Accounting Standard 20 - Earnings Per Share, the computation of earnings per share is set out below:

		2016	2015
a)	**Shareholders earnings** (as per statement of profit and loss)	**4,143.83**	3,287.13
	Less: Preference dividend declared by the Company (including dividend distribution tax)	**99.75**	101.36
	Net Profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share	**4,044.08**	3,185.77
b)	**Calculation of weighted average number of equity shares of ₹ 1 each:**		
	– Number of shares at the beginning of the year	**791,752,619**	769,045,330
	– Number of shares issued during the year	**22,284,011**	24,737,337
	– Number of shares bought back during the year	**-**	(2,030,048)
	Total number of equity shares outstanding at the end of the year	**814,036,630**	791,752,619
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**807,065,324**	779,726,911
c)	Number of dilutive potential equity shares	**27,141,417**	40,380,614
d)	Basic earnings per share (in ₹) {a/b}	**5.01**	4.09
e)	Diluted earnings per share (in ₹) {a/(b+c)}	**4.85**	3.88

2.4 Share Application money pending allotment *(Corresponding to note 2.38 of the complete financial statements)*

The Company has received ₹ 20.58 million (Previous year: ₹ 42.41 million) towards share application on exercise of ESOPs which will result in an issue of 634,625 shares (Previous year: 1,096,200 shares). Of the total receipts ₹ 19.95 million (Previous year: ₹ 41.31 million) have been received towards share premium. These shares have since been allotted.

2.5 Capital commitment *(Corresponding to note 2.39 of the complete financial statements)*

a. Uncalled liabilities on non-current investments ₹ 245.83 million as at balance sheet date (Previous year: ₹ 183.75 million).

b. Undrawn committed credit lines ₹ 13,311.20 million as at balance sheet date (Previous year: ₹ 3,634.63 million).

c. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 842.77 million (Previous year: ₹ 277.38 million).

2.6 Contingent liabilities *(Corresponding to note 2.40 of the complete financial statements)*

a. Taxation matters in respect of which appeal is pending ₹ 979.70 million (Previous year: ₹ 1,305.66 million).

b. Litigation pending against company amounts to ₹ 64.77 million (Previous year: ₹ 59.91 million).

c. Claims not acknowledged as debt ₹ 49.05 million (Previous year: ₹ 44.22 million).

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

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.7 Provision on standard assets *(Corresponding to note 2.41 of the complete financial statements)*

In accordance with the accounting policy set out on paragraph 1.19 of significant accounting policies, provision for standard assets created in the books as at 31 March 2016 is ₹ 580.20 million (Previous year: ₹ 448.35 million).

2.8 Movement of NPAs *(Corresponding to note 2.42 of the complete financial statements)*

With regard to the financing business of the group in subsidiaries regulated by RBI and NHB, the following table sets forth, for the periods indicated, the details of movement of gross Non-Performing assets (NPAs), net NPAs and provisions:

Particulars			**2016**	2015
i)	**Gross NPAs**			
	a)	Opening Balance	**1,962.80**	819.29
	b)	Additions during the year	**2,019.90**	1,496.33
	c)	Reductions during the year *	**1,175.71**	352.82
	d)	Closing balance	**2,806.99**	1,962.80
ii)	**Net NPAs**			
	a)	Opening Balance	**571.64**	214.22
	b)	Additions during the year	**592.88**	442.29
	c)	Reductions during the year*	**228.85**	84.87
	d)	Closing balance	**935.67**	571.64
iii)	**Provisions for NPAs**			
	(excluding provision on standard assets)			
	a)	Opening Balance	**1,391.16**	605.07
	b)	Additions during the year	**1,427.02**	1,054.04
	c)	Reductions during the year *	**946.86**	267.95
	d)	Closing balance	**1,871.32**	1,391.16

* Includes NPA written off during the year amounting to ₹ 767.43 million (Previous year: ₹ 231.52)

2.9 Capital to Risk Assets Ratio (CRAR) (Corresponding to note 2.43 of the complete financial statements)

The CRAR for the key NBFC of the Group namely ECL Finance Limited is as follows:

Items		**2016**	2015
i.	CRAR (%)	**16.56%**	17.72%
ii.	CRAR - Tier I capital (%)	**11.34%**	11.68%
iii.	CRAR - Tier II Capital (%)	**5.22%**	6.04%

2.10 Details of Single Borrower Limit and Group Borrower Limit by the NBFCs within the Group (Corresponding to note 2.44 of the complete financial statements)

During the years ended 31 March 2016 and 31 March 2015, all the NBFCs credit exposure to single borrowers and group borrowers were within their respective limits prescribed by RBI.

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.11 Policy Liabilities *(Corresponding to note 2.48 of the complete financial statements)*

(Forming part of the Policyholders' Funds)

Particulars	As at 31 March 2016				As at 31 March 2015			
	Par	**Non Par**	**Unit Linked**	**Total**	Par	Non Par	Unit Linked	Total
Policyholders Liabilities								
At start of the year	**745.08**	**1,030.10**	**606.86**	**2,382.04**	331.11	375.14	274.95	981.20
Add: Change in valuation against policies in force (Mathematical reserves excluding cost of bonus)	**490.19**	**1,446.38**	**563.18**	**2,499.75**	368.88	654.96	331.91	1,355.75
Add: Bonus to policyholders	**46.36**	**-**	**-**	**46.36**	45.09	-	-	45.09
At end of the year	**1,281.63**	**2,476.48**	**1,170.04**	**4,928.15**	745.08	1,030.10	606.86	2,382.04

Particulars	As at 31 March 2016				As at 31 March 2015			
	Par	**Non Par**	**Unit Linked**	**Total**	Par	Non Par	Unit Linked	Total
Assets held to cover Policyholders Liabilities								
Investments - Schedule 8A	**1,336.78**	**2,560.16**	**68.30**	**3,965.24**	792.25	1,057.04	9.45	1,858.74
Investments - Schedule 8B	**-**	**-**	**1,140.74**	**1,140.74**	-	-	596.24	596.24
Net Investments	**1,336.78**	**2,560.16**	**1,209.04**	**5,105.98**	792.25	1,057.04	605.69	2,454.98
Loans	**1.98**	**0.87**	**0.82**	**3.67**	-	0.14	0.46	0.60
Fixed Assets	**48.56**	**141.82**	**-**	**190.38**	53.40	92.94	-	146.34
Net Current Assets	**(105.69)**	**(226.37)**	**(39.82)**	**(371.88)**	(100.57)	(120.02)	0.71	(219.88)
Total Assets	**1,281.63**	**2,476.48**	**1,170.04**	**4,928.15**	745.08	1,030.10	606.86	2,382.04

(Currency: Indian rupees in millions)

2.12 Long term bank borrowing secured by charge on loan receivable *(Corresponding to note 2.49 of the complete financial statements)*

Following is the repayment terms of term loans:

Term Loans from Banks – Secured as at 31 March 2016

Maturities	**> 3 years**	**1-3 years**	**<1 year**	**Total**
Rate of interest				
9.00 - 9.99%	1,581.25	2,496.89	654.17	4,732.31
10.00 - 10.99%	9,079.28	18,348.36	13,397.25	40,824.89
11.00 - 11.99%	-	90.91	363.64	454.55
Total	**10,660.53**	**20,936.16**	**14,415.06**	**46,011.75**

Term Loans from Banks – Secured as at 31 March 2015

Maturities	> 3 years	1-3 years	<1 year	Total
Rate of interest				
9.00 - 9.99%	193.96	56.04	-	250.00
10.00 - 10.99%	3,399.13	3,179.28	2,294.97	8,873.38
11.00 - 11.99%	17,289.38	800.73	8,287.66	26,377.77
Total	**20,882.47**	**4,036.05**	**10,582.63**	**35,501.15**

2.13 Details of Debentures (Corresponding to note 2.50 of the complete financial statements)

Debentures – Secured as at 31 March 2016

Maturities	**> 3 years**	**1-3 years**	**<1 year**	**Total**
Rate of interest				
8.00 - 8.99%	-	-	365.00	365.00
9.00 - 9.99%	11,275.00	7,233.47	3,000.00	21,508.47
10.00 - 10.99%	8,122.44	16,231.96	7,740.00	32,094.40
11.00 - 11.99%	317.10	3,352.03	3,574.16	7,243.29
Zero Coupon Debentures	-	499.28	650.00	1,149.28
Various (benchmark linked)	3,545.29	7,288.98	10,197.87	21,032.14
Total	**23,259.83**	**34,605.72**	**25,527.03**	**83,392.58**

Debentures – Secured as at 31 March 2015

Maturities	> 3 years	1-3 years	<1 year	Total
Rate of interest				
8.00 - 8.99%	-	1,639.51	-	1,639.51
10.00 - 10.99%	6,078.47	19,854.29	1,004.67	26,937.43
11.00 - 11.99%	2,961.71	6,970.29	1,250.00	11,182.00
12.00 - 12.99%	-	-	150.00	150.00
Zero Coupon Debentures	-	250.00	-	250.00
Various (benchmark linked)	781.19	7,891.87	7,241.98	15,915.04
Total	**9,821.37**	**36,605.96**	**9,646.65**	**56,073.98**

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.13 Details of Debentures *(Corresponding to note 2.50 of the complete financial statements) (Continued)*

Debentures – Unsecured as at 31 March 2016

Maturities	> 3 years	1-3 years	<1 year	Total
Rate of interest				
10.00 - 10.99%	350.00	-	-	350.00
11.00 - 11.99%	4,640.00	-	-	4,640.00
12.00 - 12.99%	4,200.00	-	-	4,200.00
Total	**9,190.00**	**-**	**-**	**9,190.00**

Debentures – Unsecured as at 31 March 2015

Maturities	> 3 years	1-3 years	<1 year	Total
Rate of interest				
11.00 - 11.99%	4,500.00	-	-	4,500.00
12.00 - 12.99%	4,131.43	-	-	4,131.43
Total	**8,631.43**	**-**	**-**	**8,631.43**

2.14 Certain companies in the Group have received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act, 1961, read with Rule 8D of the Income Tax Rules, 1962. The Group has filed appeals and is defending its position. Due to the lack of clarity on the legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the Group, if any, at this stage cannot be estimated. The Group has been advised by its tax counsel that it has a good chance in sustaining its position. *(Corresponding to note 2.51 of the complete financial statements)*

2.15 Details of Cash and Cash Equivalents *(Corresponding to note 2.53 of the complete financial statements)*

Particulars	As at 31 March 2016	As at 31 March 2015
Cash in hand	**44.14**	28.73
Cheques in hand	**156.01**	88.14
Balances with banks	**7,091.88**	6,201.04
Short term deposits with bank	**287.35**	1,484.10
Total	**7,579.38**	7,802.01

2.16 Details of Investments *(Corresponding to note 2.54 of the complete financial statements)*

Particulars	As at 31 March 2016	As at 31 March 2015
Book value of quoted current investments	**2,494.29**	9,336.21
Market value of quoted current investments	**2,494.29**	9,349.11
Book value of quoted non-current investments	**7,874.11**	2,395.99
Market value of quoted non-current investments	**7,325.04**	1,912.35
Book value of un-quoted non-current investments	**12,135.00**	13,630.56
Book value of un-quoted current investments	**4,460.90**	2,560.00

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.17 Encumbrance on fixed deposits *(Corresponding to note 2.55 of the complete financial statements)*

a) Pledged fixed deposits aggregating to ₹ 14,412.64 million (Previous year: ₹ 19,574.94 million) with Banks for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swap and forward margin.

b) Pledged fixed deposits aggregating to ₹ 14,838.48 million (Previous year: ₹ 15,725.94 million) with Exchanges for meeting Margin requirements.

c) Pledged fixed deposits aggregating to ₹ 97.34 million (Previous year: ₹ 9.68 million) with VAT, CST & Excise authorities for meeting deposit requirements.

d) Pledged fixed deposits aggregating to ₹ 14.67 million (Previous year: ₹ 5.00 million) with Exchanges towards arbitration.

e) Pledged fixed deposits aggregating to ₹ 10.07 million (Previous year: ₹ 4.91 million) with Agriculture Produce Market Committee for obtaining Mandi License.

2.18 The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals. *(Corresponding to note 2.57 of the complete financial statements)*

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates *(Corresponding to note 2.58 of the complete financial statements)*

Sr. No.	Name of the Entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
Parent					
	Edelweiss Financial Services Limited	36.64	16,018.67	37.55	1,555.94
Subsidiaries					
	Indian				
1	Auris Corporate Centre Limited	0.37	161.14	(0.05)	(1.98)
2	Burlington Business Solutions Limited	0.40	176.89	(0.09)	(3.71)
3	EC Commodity Limited	0.72	312.74	0.08	3.19
4	Ecap Equities Limited	5.72	2,499.88	12.04	498.95
5	ECL Finance Limited	45.34	19,822.30	60.35	2,500.63
6	Edel Commodities Limited	(1.83)	(800.70)	0.60	24.97
7	Edel Commodities Trading Limited	0.23	98.82	0.78	32.49
8	Edel Finance Company Limited	0.12	53.69	(0.36)	(14.76)
9	Edel Investments Limited	0.08	33.11	(0.68)	(28.01)
10	Edel Land Limited	0.32	142.08	0.65	27.10
11	Edelcap Securities Limited	5.85	2,558.09	(2.45)	(101.33)
12	Edelweiss Alternative Asset Advisors Limited	(0.24)	(103.25)	(4.92)	(203.97)
13	Edelweiss Asset Management Limited	1.31	574.49	(0.95)	(39.55)
14	Edelweiss Broking Limited	3.06	1,335.85	3.24	134.36
15	Edelweiss Capital Markets Limited	0.15	65.02	(1.81)	(74.99)
16	Edelweiss Commodities Services Limited	13.28	5,804.43	15.69	650.22
17	Edelweiss Comtrade Limited	0.03	11.79	(5.34)	(221.46)
18	Edelweiss Custodial Services Limited	1.49	652.58	(0.19)	(8.00)
19	Edelweiss Finance & Investments Limited	8.27	3,614.84	12.61	522.56
20	Edelweiss Global Wealth Management Limited	0.27	119.59	1.51	62.73
21	Edelweiss Housing Finance Limited	7.74	3,385.79	9.22	382.14
22	Edelweiss Insurance Brokers Limited	0.42	183.24	1.05	43.37
23	Edelweiss Agri Value Chain Limited	2.32	1,015.36	0.36	15.03
24	Edelweiss Investment Adviser Limited	0.70	303.91	2.62	108.69
25	Edelweiss Metals Limited	(0.16)	(69.07)	(6.71)	(278.12)
26	Edelweiss Retail Finance Limited	5.97	2,610.63	5.96	247.02
27	Edelweiss Securities Limited	10.32	4,510.49	3.64	150.91
28	Edelweiss Tokio Life Insurance Company Limited	21.48	9,391.11	(37.35)	(1,547.79)
29	Edelweiss Trustee Services Limited	0.03	11.71	0.03	1.32
30	Edelweiss Trusteeship Company Limited	0.01	3.45	(0.00)	(0.02)
31	Edelweiss Web Services Limited	(0.52)	(225.85)	(7.93)	(328.59)

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates *(Corresponding to note 2.58 of the complete financial statements) (Continued)*

Sr. No.	Name of the Entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
32	EFSL Commodities Limited	(0.15)	(63.81)	(1.05)	(43.51)
33	EFSL Comtrade Limited	(0.78)	(342.95)	(9.07)	(375.96)
34	Eternity Business Centre Limited	0.35	153.28	(0.89)	(36.84)
35	Forefront Alternative Investment Advisor LLP	(0.07)	(30.12)	(0.73)	(30.22)
36	Forefront Capital Management Private Limited	0.08	36.39	(0.73)	(30.31)
37	Forefront Wealth Advisors LLP	(0.04)	(16.17)	(0.64)	(26.37)
38	Olive Business Centre Limited	0.33	144.10	(0.87)	(36.01)
39	Serenity Business Park Limited	0.24	105.24	(2.05)	(84.88)
40	EW Clover Scheme-1	1.31	571.34	1.72	71.34
41	Edelweiss Holdings Limited	0.34	148.89	(0.03)	(1.11)
42	Arum Investments Private Limited	11.29	4,933.87	-	-
	Foreign				
1	Aster Commodities DMCC	6.30	2,755.59	(0.73)	(30.44)
2	EAAA LLC	0.16	70.88	1.61	66.53
3	EC Global Limited	4.09	1,789.85	7.40	306.58
4	EC International Limited	(5.42)	(2,367.78)	(6.11)	(253.31)
5	Edelweiss Alternative Asset Advisors Pte. Limited	0.07	31.68	(1.56)	(64.70)
6	Edelweiss Capital (Singapore) Pte. Limited	0.37	162.19	(0.85)	(35.38)
7	Edelweiss Commodities (CHAD) SARL	(0.06)	(27.72)	(0.97)	(40.23)
8	Edelweiss Commodities Nigeria Limited	(0.06)	(25.67)	(0.59)	(24.60)
9	Edelweiss Commodities Pte. Limited	1.37	597.82	(0.35)	(14.48)
10	Edelweiss Financial Services Inc.	0.09	37.31	(0.30)	(12.58)
11	Edelweiss International (Singapore) Pte. Limited	4.68	2,047.76	9.26	383.65
12	Edelweiss Investment Advisors Private Limited	0.05	22.29	(0.50)	(20.52)
13	Edelweiss Securities (Hong Kong) Private Limited	0.08	37.11	(0.05)	(1.87)
14	EW India Special Assets Advisors LLC	0.01	4.90	(0.05)	(2.09)
15	EW SBI Crossover Advisors LLC	0.01	2.53	0.99	41.05
16	EW Special Opportunities Advisors LLC	0.02	7.45	0.14	5.85
17	Edelweiss India Capital Management	0.01	3.62	0.00	0.13
18	EFSL International Limited	0.00	0.97	(0.14)	(5.67)
19	Edelweiss Tarim Urunleri Anonim Sirketi	0.00	0.82	(0.08)	(3.39)
20	Edelweiss Financial Services (UK) Limited	0.01	6.27	(0.02)	(0.89)
	Minority Interests in all subsidiaries	15.94	6,968.70	(7.47)	(309.44)

Notes to the abridged consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates *(Corresponding to note 2.58 of the complete financial statements) (Continued)*

Sr. No.	Name of the Entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
	Associates (Investments as per the equity method)				
	Indian				
1	Aeon Credit Services India Private Limited	0.23	99.20	(0.97)	(40.00)
2	Allium Finance Private Limited	0.04	18.54	(0.13)	(5.57)
3	Dahlia Commodities Services Private Limited	0.06	24.20	0.28	11.59
4	Edelweiss Asset Reconstruction Company Limited	2.00	872.68	2.61	108.28
5	Edelweiss Fund Advisors Private Limited	0.01	3.24	(0.01)	(0.50)
6	Magnolia Commodities Services Private Limited	(0.00)	(1.00)	0.34	13.93
7	Arum Investments Private Limited	-	-	9.38	388.82

2.20 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts. *(Corresponding to note 2.59 of the complete financial statements)*

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Securities Limited	Edelweiss Finance & Investments Limited	ECL Finance Limited	Edelweiss Insurance Brokers Limited	Edelweiss Web Services Limited	Edelweiss Global Wealth Management Limited	Edelweiss Trustee Services Limited	Ecap Equities Limited	Edelcap Securities Limited	Edelweiss Broking Limited	EC Global Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	USD
Exchange rate	-	-	-	-	-	-	-	-	-	-	66.33
Paid-up Equity Share Capital	262.14	26.55	1,891.85	6.95	42.27	10.00	0.50	2.40	3.00	48.81	1.10
Paid-up Preference Share Capital	2.70	313.80	-	-	30.00	-	-	36.00	486.20	18.91	-
Reserves of the Subsidiary	4,245.65	3,274.49	17,930.45	176.29	(298.12)	109.59	11.21	2,461.48	2,068.89	1,268.13	1,788.75
Total Assets of the Subsidiary	20,818.79	38,552.53	171,175.18	241.42	209.59	789.63	12.21	18,187.35	3,085.30	6,141.22	6,649.66
Total Liabilities of the Subsidiary	16,308.30	34,937.69	151,352.88	58.18	435.44	670.04	0.50	15,687.47	527.21	4,805.37	4,859.81
Investments	3,077.62	1,732.59	8,493.59	-	-	110.71	-	8,221.22	2,353.96	371.15	1,995.95
Total Turnover	4,168.90	3,246.00	18,865.83	242.14	5,421.03	5,254.67	2.23	6,251.24	11,499.89	1,640.97	526.13
Profit/(Loss) before taxation	146.91	768.03	3,788.82	62.88	(326.42)	56.11	1.92	460.56	(99.69)	62.73	316.77
Provision for taxation	(4.00)	245.47	1,288.19	19.51	2.17	(6.62)	0.60	(38.39)	1.64	(71.63)	10.19
Profit/(Loss) after taxation	150.91	522.56	2,500.63	43.37	(328.59)	62.73	1.32	498.95	(101.33)	134.36	306.58
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	92.20%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Asset Management Limited	Edelweiss Trusteeship Company Limited	Edel Commodities Limited	EC Commodity Limited	Edelweiss Housing Finance Limited	Edelweiss Alternative Asset Advisors Limited	Edelweiss Investment Adviser Limited	Edel Land Limited	Edelweiss Custodial Services Limited	Edelweiss Capital (Singapore) Pte. Limited	Edelweiss Alternative Asset Advisors Pte. Limited	Edelweiss International (Singapore) Pte. Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	SGD	SGD	USD
Exchange rate	-	-	-	-	-	-	-	-	-	49.24	49.24	66.33
Paid-up Equity Share Capital	600.00	1.00	0.50	300.00	493.50	23.75	0.50	1.35	54.93	250.47	219.52	1,608.62
Paid-up Preference Share Capital	-	-	-	-	-	-	4.25	1.25	-	-	-	-
Reserves of the Subsidiary	(25.51)	2.45	(801.20)	12.74	2,892.29	(127.00)	299.16	139.48	597.65	(88.28)	(187.84)	439.14
Total Assets of the Subsidiary	648.29	3.64	5,680.62	540.37	24,544.51	99.37	6,082.00	310.77	684.60	2,120.24	103.95	4,140.34
Total Liabilities of the Subsidiary	73.80	0.19	6,481.32	227.63	21,158.72	202.62	5,778.09	168.69	32.02	1,958.05	72.27	2,092.58
Investments	522.48	3.27	20.69	-	-	11.72	-	228.35	529.75	1,908.75	-	395.96
Total Turnover	203.03	1.00	3,312.97	6,406.81	2,733.39	75.54	459.02	2,101.71	56.45	61.27	99.57	728.82
Profit/(Loss) before taxation	(38.99)	(0.02)	5.47	1.14	606.26	(206.64)	107.74	30.11	(8.54)	(35.38)	(64.70)	456.17
Provision for taxation	0.56	-	(19.50)	(2.05)	224.12	(2.67)	(0.95)	3.01	(0.54)	-	-	72.52
Profit/(Loss) after taxation	(39.55)	(0.02)	24.97	3.19	382.14	(203.97)	108.69	27.10	(8.00)	(35.38)	(64.70)	383.65
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	EW SBI Crossover Advisors LLC	EC International Limited	Aster Commodities DMCC	Edelweiss Metals Limited	Edelweiss Tokio Life Insurance Company Limited	Edel Investments Limited	EAAA LLC	EW India Special Assets Advisors LLC	EW Special Opportunities Advisors LLC	Edelweiss Commodities Services Limited	Edelweiss Comtrade Limited	Edel Finance Company Limited
Reporting currency	USD	USD	AED	INR	INR	INR	USD	USD	USD	INR	INR	INR
Exchange rate	66.33	66.33	18.06	-	-	-	66.33	66.33	66.33	-	-	-
Paid-up Equity Share Capital	1.56	6.20	133.73	50.50	2,615.92	33.70	62.26	88.20	21.27	297.75	110.00	34.00
Paid-up Preference Share Capital	-	-	-	-	-	4.50	-	-	-	272.90	-	-
Reserves of the Subsidiary	0.97	(2,373.98)	2,621.86	(119.57)	6,775.19	(5.09)	8.62	(83.30)	(13.82)	5,233.78	(98.21)	19.69
Total Assets of the Subsidiary	2.93	1,047.87	9,209.81	878.17	15,516.77	231.72	150.05	5.80	33.76	75,406.73	731.34	67.33
Total Liabilities of the Subsidiary	0.40	3,415.65	6,454.22	947.24	6,125.66	198.61	79.17	0.90	26.31	69,902.30	719.55	13.64
Investments	-	278.37	-	-	11,712.98	-	124.72	-	0.01	7,825.80	-	-
Total Turnover	44.19	2.37	39,171.00	942.47	3,874.71	6,841.76	78.55	-	8.89	171,975.33	3,326.63	3.43
Profit/(Loss) before taxation	41.67	(253.31)	(30.44)	(280.35)	(1,547.79)	(29.09)	66.53	(2.09)	5.85	949.26	(222.37)	(10.48)
Provision for taxation	0.62	-	-	(2.23)	-	(1.08)	-	-	-	299.04	(0.91)	4.28
Profit/(Loss) after taxation	41.05	(253.31)	(30.44)	(278.12)	(1,547.79)	(28.01)	66.53	(2.09)	5.85	650.22	(221.46)	(14.76)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	100.00%	90.00%	67.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Financial Services Inc.	Edelweiss Capital Markets Limited	Edelweiss Investment Advisors Private Limited	EFSL Commodities Limited	Edel Commodities Trading Limited	EFSL Comtrade Limited	Edelweiss Retail Finance Limited	Edelweiss Commodities Nigeria Limited	Edelweiss Agri Value Chain Limited	Forefront Capital Management Private Limited	Forefront Alternative Investment Advisor LLP	Forefront Wealth Advisors LLP
Reporting currency	USD	INR	SGD	INR	INR	INR	INR	NGN	INR	INR	INR	INR
Exchange rate	66.33	-	49.24	-	-	-	-	0.33	-	-	-	-
Paid-up Equity Share Capital	63.33	63.00	50.70	2.70	1.70	1.70	299.50	3.84	1,000.50	62.15	0.10	0.10
Paid-up Preference Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Reserves of the Subsidiary	(26.02)	2.02	(28.41)	(66.51)	97.12	(344.65)	2,311.13	(29.51)	14.86	(25.76)	(30.22)	(16.27)
Total Assets of the Subsidiary	47.73	560.82	29.47	1,112.35	4,087.80	2,136.18	14,539.16	141.31	9,309.14	738.56	177.36	43.36
Total Liabilities of the Subsidiary	10.42	495.80	7.18	1,176.16	3,988.98	2,479.13	11,928.53	166.98	8,293.78	702.17	207.48	59.53
Investments	-	141.67	-	-	1,625.00	672.70	-	-	250.00	6.66	112.96	-
Total Turnover	63.49	2,782.20	9.37	1,203.24	6,045.01	2,055.32	1,614.72	314.10	9,845.99	55.35	50.15	(24.98)
Profit/(Loss) before taxation	(12.48)	(77.10)	(20.52)	(70.54)	32.95	(376.89)	379.29	(24.60)	23.07	(27.18)	(30.22)	(26.99)
Provision for taxation	0.10	(2.11)	-	(27.03)	0.46	(0.93)	132.27	-	8.04	3.13	-	(0.62)
Profit/(Loss) after taxation	(12.58)	(74.99)	(20.52)	(43.51)	32.49	(375.96)	247.02	(24.60)	15.03	(30.31)	(30.22)	(26.37)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss India Capital Management	Edelweiss Commodities (CHAD) SARL	Auris Corporate Centre Limited	Burlington Business Solutions Limited	Eternity Business Centre Limited	Olive Business Centre Limited	Serenity Business Park Limited	Edelweiss Securities (Hong Kong) Private Limited	Edelweiss Commodities Pte. Limited	EW Clover Scheme-1	EFSL International Limited	Edelweiss Holdings Limited
Reporting currency	USD	XAF	INR	INR	INR	INR	INR	USD	USD	INR	USD	INR
Exchange rate	66.33	0.11	-	-	-	-	-	66.33	66.33	-	66.33	-
Paid-up Equity Share Capital	10.00	0.12	164.61	182.11	191.61	181.61	191.61	46.51	613.01	500.00	6.66	150.00
Paid-up Preference Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Reserves of the Subsidiary	(6.38)	(27.84)	(3.47)	(5.22)	(38.33)	(37.51)	(86.37)	(9.40)	(15.19)	71.34	(5.69)	(1.11)
Total Assets of the Subsidiary	4.04	145.03	226.14	243.99	397.75	289.41	356.89	37.62	650.90	572.47	29.66	149.21
Total Liabilities of the Subsidiary	0.42	172.75	65.00	67.10	244.47	145.31	251.65	0.51	53.08	1.13	28.69	0.32
Investments	-	-	-	-	-	-	-	-	-	526.81	-	-
Total Turnover	2.39	228.11	12.12	12.75	(18.22)	(33.27)	(99.58)	-	13,633.70	75.32	(0.84)	1.08
Profit/(Loss) before taxation	0.13	(40.23)	(2.88)	(5.40)	(53.33)	(52.13)	(122.85)	(1.87)	(14.48)	71.34	(5.67)	(1.61)
Provision for taxation	-	-	(0.90)	(1.69)	(16.49)	(16.12)	(37.97)	-	-	-	-	(0.50)
Profit/(Loss) after taxation	0.13	(40.23)	(1.98)	(3.71)	(36.84)	(36.01)	(84.88)	(1.87)	(14.48)	71.34	(5.67)	(1.11)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Tarim Urunleri Anonim Sirketi	Edelweiss Financial Services (UK) Limited	Arum Investments Private Limited	Edelgive Foundation
Reporting currency	TRY	GBP	INR	INR
Exchange rate	23.46	95.09	-	-
Paid-up Equity Share Capital	4.21	7.18	28.06	0.10
Paid-up Preference Share Capital	-	-	227.07	-
Reserves of the Subsidiary	(3.39)	(0.91)	4,678.74	27.47
Total Assets of the Subsidiary	4.14	7.13	5,409.73	52.78
Total Liabilities of the Subsidiary	3.32	0.86	475.86	52.78
Investments	-	-	70.00	-
Total Turnover	0.19	-	689.85	106.46
Profit/(Loss) before taxation	(3.39)	(0.89)	567.90	9.97
Provision for taxation	-	-	155.89	-
Profit/(Loss) after taxation	(3.39)	(0.89)	412.01	9.97
Proposed dividend	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai : 13 May 2016

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "B": Associates and Joint Ventures

(Currency : Indian rupees in millions)

Name of the Associates Company	Allium Finance Private Limited	Edelweiss Asset Reconstruction Company Limited	Edelweiss Fund Advisors Private Limited	Dahlia Commodities Services Private Limited	Magnolia Commodities Services Private Limited	Aeon Credit Services India Private Limited	Arum Investments Private Limited
Latest audited Balance Sheet Date	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016
"No. of Shares of Associates held by the company on the year end"	800,000	49,909,148	50,000	100,000	100,000	22,750,000	2,805,998
Amount of Investment in Associates (` in millions)	21.18	529.75	0.50	1.00	1.00	227.50	444.56
Extent of Holding %	46.13%	47.41%	40.00%	50.00%	50.00%	25.00%	100.00%
Description of how there is significant influence	Note - A	Note - A	Note - A	Note - A	Note - A	Note - A	Note - A
Reason why the associate/ joint venture is not consolidated	-	-	-	-	-	-	-
"Networth attributable to shareholding as per latest audited Balance sheet (` in millions)"	303.65	974.38	3.24	32.44	(49.33)	99.94	4,933.87
Profit / Loss for the year considered in consolidation (` in millions)	(5.57)	108.28	(0.50)	11.59	13.93	(40.00)	388.82
Profit / Loss for the year not considered in consolidation	-	-	-	-	-	-	
Note - A :- There is significant influence due to percentage (%) of Share Capital							

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai : 13 May 2016

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Abridged Standalone Financial Statements

Independent Auditors' Report on Abridged Standalone Financial Statements

To,
The Members of
Edelweiss Financial Services Limited

Report on the abridged standalone financial statements

The accompanying abridged standalone financial statements of Edelweiss Financial Services Limited ('the Company'), which comprise the abridged balance sheet as at 31 March 2016, the abridged statement of profit and loss, the abridged cash flow statement for the year then ended, and related notes, are derived from the audited standalone financial statements of the Company for the year ended 31 March 2016. Our opinion dated 13 May 2016 on those standalone financial statements contains, without being qualified, matter of emphasis.

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

Management's responsibility for the abridged standalone financial statements

The Company's Board of Directors is responsible for the preparation of abridged standalone financial statements in accordance with first proviso to sub-section (1) of Section 136 of the Companies Act, 2013 read with Rule 10 of Companies (Accounts) Rules, 2014 from the audited standalone financial statements of the Company for the year ended 31 March 2016, prepared in accordance with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

Auditors' responsibility

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

Opinion

In our opinion, the abridged standalone financial statements, prepared in accordance with first proviso to sub-section (1) of Section 136 of the Companies Act, 2013 read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the audited standalone financial statements of the Company for the year ended 31 March 2016 and are a fair summary of those standalone financial statements.

Independent Auditors' Report on Abridged Standalone Financial Statements *(Continued)*

Emphasis of Matter

We draw attention to Note 2.9 to the abridged standalone financial statements where the Company continues its existing practice of presenting interest income and finance cost, net of recovery from the group companies, pending disposal of reference made to Expert Advisory Committee of the Institute of Chartered Accountants of India for review its opinion on the subject matter. Our opinion is not qualified in respect of this matter.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Independent Auditors' Report

To the Members of
Edelweiss Financial Services Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Edelweiss Financial Services Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profits and its cash flows for the year ended on that date.

Independent Auditors' Report *(Continued)*

Emphasis of Matter

We draw attention to Note 2.39 to the financial statements where the Company continues its existing practice of presenting interest income and finance cost, net of recovery from the group companies, pending disposal of reference made to Expert Advisory Committee of the Institute of Chartered Accountants of India for review its opinion on the subject matter. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.35 to the standalone financial statements;

   ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 2.45 to the standalone financial statements; and

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Annexure A to the Independent Auditors' Report - 31 March 2016

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years.In our opinion,this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a service company primarily engaged in the business of rendering merchant banking services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, customs duty, excise duty, cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs. mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act , 1961	Income Tax	99.09	AY 2012-13	Commissioner of Income Tax (Appeals)
Service Tax	Service tax and penalty	414.60	2008-2009 to 2011-2012	CESTAT, Mumbai

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.

Annexure A to the Independent Auditors' Report - 31 March 2016 *(Continued)*

ix. 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. The Company has not raised any money by way of initial public offer or further public offer during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is registered with Securities and Exchange Board of India as a 'Category I Merchant Banker' under Section 12 of the Securities and Exchange Board of India Act, 1992. Hence, it is not required to register with Reserve Bank of India under section 45-IA in accordance with RBI master circular no. RBI/2015-16/15 DNBR (PD) CC.No.052/03.10.119/2015-16 on "Master Circular- Exemptions from the provisions of RBI Act, 1934" dated 1 July 2015.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Annexure - B to the Independent Auditors' Report of even date on the standalone financial statements of Edelweiss Financial Services Limited

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

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

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

Annexure - B to the Independent Auditors' Report of even date on the standalone financial statements of Edelweiss Financial Services Limited *(Continued)*

Inherent limitations of internal financial controls over financial reporting

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

Opinion

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

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
13 May 2016

Abridged Balance Sheet as at 31 March 2016

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

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital		
Equity	**814.04**	791.75
(b) Reserves and surplus		
(i) Capital redemption reserve	**2.03**	2.03
(ii) Stock options outstanding	**-**	0.10
(iii) Securities premium account	**13,711.35**	12,916.76
(iv) General reserve	**508.64**	508.64
(v) Surplus in statement of profit and loss	**982.61**	481.25
	16,018.67	14,700.53
2 Share application money pending allotment (Refer note 2.4)	**20.58**	42.41
3 Non-current liabilities		
(a) Long-term borrowings	**1,062.00**	2,375.75
(b) Other Long term liabilities	**144.79**	-
(c) Long-term provisions	**75.90**	37.25
	1,282.69	2,413.00
4 Current liabilities		
(a) Short-term borrowings	**5,646.75**	45,034.28
(b) Trade payables	**131.64**	128.61
(c) Other current liabilities	**2,282.58**	2,271.41
(d) Short-term provisions	**396.38**	501.86
	8,457.35	47,936.16
TOTAL - EQUITY AND LIABILITIES (1+2+3+4)	**25,779.29**	65,092.10
II ASSETS		
5 Non- current assets		
(a) Fixed assets		
(i) Tangible assets (original cost less depreciation)	**24.73**	31.28
(ii) Intangible assets (original cost less depreciation/amortisation)	**19.82**	20.45
(iii) Intangible assets under development	**24.77**	-
(b) Non-current investments (Refer note 2.11)	**15,566.70**	14,732.35
(c) Deferred tax assets	**245.28**	108.63
(d) Long-term loans and advances	**2,469.56**	2,959.77
(e) Other Non-Current assets	**0.94**	1.96
	18,351.80	17,854.44
6 Current assets		
(a) Trade receivables	**933.15**	265.71
(b) Cash and cash balances	**215.26**	837.41
(c) Short-term loans and advances	**6,052.82**	45,676.81
(d) Other current assets	**226.26**	457.73
	7,427.49	47,237.66
TOTAL ASSETS (5+6)	**25,779.29**	65,092.10

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

Compiled from the audited financial statements of the Company referred to in our report dated 13 May 2016.
Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website - www.edelweissfin.com.

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Abridged Statement of Profit and Loss for the year ended 31 March 2016

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

(Currency: Indian rupees in millions)

			For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Income**			
	Revenue from operations			
	(a)	Fee and commission income	**2,349.51**	1,775.24
	(b)	Income from investments and dividend	**812.53**	550.31
	(c)	Interest income (net) (Refer note 2.9)	**0.93**	0.14
	(d)	Other operating revenue	**190.70**	152.57
	Net revenue from operations		**3,353.67**	2,478.26
II	**Other income**		**29.74**	3.34
III	**Total income (I+II)**		**3,383.41**	2,481.60
IV	**Expenditure**			
	(a)	Employee benefits expense	**700.81**	516.79
	(b)	Finance costs (net) (Refer note 2.9)	**232.27**	236.69
	(c)	Depreciation and amortisation expense	**25.59**	29.18
	(d)	Other expenses	**574.78**	329.41
	Total expenditure		**1,533.45**	1,112.07
V	**Profit before tax (III-IV)**		**1,849.96**	1,369.53
VI	**Tax expense**			
	(a)	Current tax	**430.68**	287.27
	(b)	Deferred tax	**(136.66)**	(32.55)
VII	**Profit for the year (V-VI)**		**1,555.94**	1,114.81
VIII	**Earnings per equity share (₹) (Face value ₹ 1 each) (Refer note 2.3):**			
	(a)	Basic	**1.93**	1.43
	(b)	Diluted	**1.87**	1.36

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

Compiled from the audited financial statements of the Company referred to in our report dated 13 May 2016.

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Abridged Cash Flow Statement for the year ended 31 March 2016

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

(Currency: Indian rupees in millions)

		For the year ended 31 March 2016	For the year ended 31 March 2015
I	Cash generated from / (used in) operating activities	**40,121.53**	(38,634.62)
II	Cash generated from / (used in) investing activities	**51.57**	(602.87)
III	Cash (used in) / generated from financing activities	**(40,796.43)**	39,928.22
IV	Net (decrease) / increase in cash and cash equivalents (I + II + III)	**(623.33)**	690.73
V	Cash and cash equivalents at the beginning of the year	**833.68**	142.95
VI	Cash and cash equivalents at the end of the year (Refer note 2.10)	**210.35**	833.68

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

Compiled from the audited financial statements of the Company referred to in our report dated 13 May 2016.

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Notes to the abridged financial statements for the year ended 31 March 2016

1. Significant accounting policies

1.1 Basis of preparation of abridged financial statements

The accompanying abridged financial statements are prepared pursuant to first proviso to sub-section (1) of section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the annual accounts for the year ended 31 March 2016. The abridged financial statements are presented in Indian Rupees in millions.

1.2 Use of estimates

The preparation of the abridged financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current / non-current classification

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

Assets

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

Liabilities

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

1.4 Revenue recognition

a. Investment banking fee and other advisory fee income is recognised on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty. Guarantee commission and other fees for services rendered to group companies is recognised on an accrual basis.

b. Interest income is recognised on accrual basis.

c. Dividend income is recognised when the right to receive payment is established.

d. Profit earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

1. Significant accounting policies *(Continued)*

1.4 Revenue recognition *(Continued)*

e. The rating support fee for the borrowing programme of the subsidiaries is accrued on straight line basis over the rating period and as per the contractual terms agreed with the subsidiaries.

f. Royalty income, which is generally earned based upon a percentage of sales or a fixed amount, is recognized on an accrual basis.

1.5 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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

The estimated useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets

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

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

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. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

(Currency: Indian rupees in millions)

1. Significant accounting policies *(Continued)*

1.7 Investments

Investments are classified into non-current investments and current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

All other investments are classified as non-current investments.

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

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

1.8 Foreign currency transactions and currency derivatives

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

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

The Company enters into currency derivative transactions to economically hedge its foreign exchange exposure. These derivative transactions are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument.

In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the statement of profit and loss. The difference in the opening and closing exchange rates (mark to market) is recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the statement of profit and loss.

1.9 Employee benefits

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

Provident fund and National Pension Scheme

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

1. Significant accounting policies (Continued)

1.9 Employee benefits *(Continued)*

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

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

Compensated absences

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

Deferred Bonus

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

1.10 Taxation

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

Current tax

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

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised 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.

Minimum Alternate Tax (MAT)

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

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

1. Significant accounting policies *(Continued)*

1.11 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.12 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.13 Employee stock option plans ('ESOPs')

The Company follows the intrinsic value method to account for compensation cost of its stock based employee compensation plans as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Share-based Payments issued by Securities and Exchange Board of India (SEBI) and guidance note on Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI). The compensation cost is amortised on a straight-line basis.

1.14 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.1 Segment reporting *(Corresponding to note 2.27 of the complete financial statements)*

Primary Segment (Business Segment)

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

Segment	Activities Covered
Agency business	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
I	**Segment Revenue**		
	a) Agency business	**1,779.07**	1,459.97
	b) Holding company activities	**1,604.34**	1,021.63
	c) Unallocated	**-**	-
	Total Income	**3,383.41**	2,481.60
II	**Segment Results**		
	a) Agency business	**1,087.26**	1,068.20
	b) Holding company activities	**869.81**	411.07
	c) Unallocated	**(107.11)**	(109.74)
	Profit before taxation	**1,849.96**	1,369.53
	Less : Provision for taxation	**294.02**	254.72
	Profit after taxation	**1,555.94**	1,114.81

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.1 Segment reporting *(Corresponding to note 2.27 of the complete financial statements) (Continued)*

Particulars		31 March 2016	31 March 2015
III	**Segment Assets**		
	a) Agency business	**379.72**	199.11
	b) Holding company activities	**24,645.88**	63,983.94
	c) Unallocated	**753.69**	909.05
	Total	**25,779.29**	65,092.10
IV	**Segment Liabilities**		
	a) Agency business	**326.19**	155.38
	b) Holding company activities	**9,073.91**	49,683.31
	c) Unallocated	**339.94**	510.47
	Total	**9,740.04**	50,349.16
V	**Capital Expenditure**		
	(Including Capital Work-In-Progress)		
	a) Agency business	**13.28**	13.91
	b) Holding company activities	**5.20**	7.34
	c) Unallocated	**2.86**	6.35
	Total	**21.34**	27.60
VI	**Depreciation and Amortisation**		
	a) Agency business	**15.93**	14.70
	b) Holding company activities	**6.23**	7.76
	c) Unallocated	**3.43**	6.72
	Total	**25.59**	29.18
VII	**Significant Non-Cash Expenses Other than Depreciation and Amortisation**		
	a) Agency business	**106.53**	13.79
	b) Holding company activities	**82.18**	(1.88)
	c) Unallocated	**(0.16)**	(0.35)
	Total	**188.55**	11.56

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements)*

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

(A) Subsidiaries which are controlled by the Company :

Edelweiss Securities Limited

Edelweiss Insurance Brokers Limited

Edelweiss Finance & Investments Limited

Edelweiss Commodities Services Limited

Edelweiss Trustee Services Limited

ECL Finance Limited

Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)

ECap Equities Limited

Edelcap Securities Limited (through ECap Equities Limited)

EC Commodity Limited

Edel Commodities Limited (through Edelweiss Commodities Services Limited)

Edelweiss Global Wealth Management Limited

Edelweiss Trusteeship Company Limited

Edelweiss Asset Management Limited

Edelweiss Broking Limited

Edelweiss Investment Adviser Limited

Edel Land Limited

Edelweiss Web Services Limited (through Edelweiss Broking Limited)

EC International Limited, Mauritius

EdelGive Foundation

Edelweiss Alternative Asset Advisors Limited

Edelweiss Housing Finance Limited (through Edelweiss Commodities Services Limited)

Edelweiss Tokio Life Insurance Company Limited

Edel Investments Limited

Edel Finance Company Limited (through Edelweiss Broking Limited)

Edelweiss Comtrade Limited (through Edelweiss Securities Limited)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(A) Subsidiaries which are controlled by the Company : *(Continued)*

Edelweiss Capital (Singapore) Pte. Limited

EFSL Commodities Limited (through Edel Commodities Limited)

EFSL Comtrade Limited (through Edelweiss Commodities Services Limited)

Edel Commodities Trading Limited (through Edel Commodities Limited)

Edelweiss Capital Markets Limited (through Edelweiss Commodities Services Limited)

EC Global Limited, Mauritius (through Edelweiss Finance & Investments Limited)

Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)

Edelweiss Retail Finance Limited (through Edelcap Securities Limited)

Edelweiss Metals Limited (through Edelweiss Commodities Services Limited)

EAAA LLC, Mauritius (through EC International Limited)

EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)

EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC)

EW SBI Crossover Advisors LLC, Mauritius (through EAAA LLC)

Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)

Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)

Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)

Edelweiss Commodities Pte. Ltd, Singapore (through EFSL Comtrade Limited)

Edelweiss Commodities Nigeria Limited (through EFSL Comtrade Limited)

Forefront Capital Management Private Limited

Edelweiss India Capital Management, Mauritius *(formerly known as Forefront India Capital Management)* (through Forefront Capital Management Private Limited)

Forefront Alternate Investment Advisors LLP (through Forefront Capital Management Private Limited)

Forefront Wealth Advisors LLP (through Edelweiss Commodities Services Limited)

Auris Corporate Centre Limited (through Edelweiss Broking Limited)

Olive Business Centre Limited (through Edelweiss Finance & Investments Limited)

Eternity Business Centre Limited (through Edelweiss Commodities Services Limited)

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(A) Subsidiaries which are controlled by the Company : *(Continued)*

Serenity Business Park Limited (through Edelweiss Commodities Services Limited)

Burlington Business Solutions Limited (through Edelweiss Securities Limited)

Edelweiss Commodities (CHAD) SARL (through EFSL Comtrade Limited)

Edelweiss Agri Value Chain Limited *(formerly known as Edelweiss Integrated Commodity Management Limited*

(through Edelweiss Commodities Services Limited)

Edelweiss Holdings Limited (from December 8, 2015)

Edelweiss Financial Services (UK) Limited (from August 27, 2015) (through Edelweiss Securities Limited)

EFSL International Limited (from July 28, 2015) (through EC International Limited)

Edelweiss Tarim Urunleri Anonim Sirketi, Turkey (from January 27, 2016) (through EFSL Comtrade Limited)

Edelweiss AIF Fund I - EW Clover Scheme -1 (from August 6, 2015) (through Edelcap Securities Limited)

Edelweiss General Insurance Company Limited (from March 2, 2016)

Arum Investments Private Limited (from March 31, 2016) (through Ecap Equities Limited)

(B) Associates:

Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)

Edelweiss Fund Advisors Private Limited

Dahlia Commodities Services Private Limited (through Edelweiss Securities Limited)

Magnolia Commodities Services Private Limited (through Edelweiss Securities Limited)

Allium Finance Private Limited (through Edelweiss Commodities Services Limited)

Aeon Credit Service India Private Limited (through ECL Finance Limited)

(C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah

Mr. Venkat Ramaswamy

Ms. Vidya Shah

Ms. Aparna T. C.

(D) Key managerial personnel :

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkat Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(E) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Mr. Nalin Kaji

Ms. Shabnam Panjwani

(F) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:

Spire Investment Advisors LLP

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
	Capital Account Transaction			
1	Investments in Equity shares of	EC Commodity Limited	**290.43**	-
		Edelweiss Holdings Limited	**150.00**	-
		Edelweiss Retail Finance Limited	**408.18**	-
		Edelweiss Capital (Singapore) Pte. Limited	**97.38**	138.82
		Forefront Capital Management Private Limited	**40.00**	70.05
		Edelweiss Housing Finance Limited	**-**	50.00
		Others – Subsidiaries	**25.00**	-
2	Investments in Preference shares of	EC International Limited	**-**	2,231.87
		Edelweiss Capital (Singapore) Pte. Limited	**-**	1,166.44
		ECL Finance Limited	**-**	78.60
		Ecap Equities Limited	**-**	-
		Others – Subsidiaries	**-**	9.00
3	Redemption of Preference shares of	EC International Limited	**-**	2,231.87
		Edelweiss Capital (Singapore) Pte. Limited	**-**	1,166.44
4	Purchase of investments from	Edelweiss Commodities Services Limited	**-**	840.00
5	Commercial paper subscribed by	Edelweiss Commodities Services Limited	**101,865.81**	108,235.33
6	Commercial paper redeemed to	Edelweiss Commodities Services Limited	**22,500.00**	7,400.00
7	Long term loans given repaid by	Edelweiss Retail Finance Limited	**-**	150.00
		Edelweiss Employee Welfare Trust	**-**	35.68
		Edelweiss Commodities Services Limited	**700.00**	-
8	Long term loans repaid to	Ecap Equities Limited	**-**	1,500.00
		Edelweiss Comtrade Limited	**-**	104.60

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
	Current Account Transaction			
9	Short term loans given to	Edelweiss Commodities Services Limited	**21,855.09**	35,873.35
		ECL Finance Limited	**14,412.29**	19,639.61
		Ecap Equities Limited	**11,985.07**	16,949.17
		Edelweiss Securities Limited	**11,027.40**	13,496.81
		Edelweiss Finance & Investments Limited	**13,982.53**	10,249.44
		Edelweiss Retail Finance Limited	**2,426.90**	3,556.16
		EC International Limited	**3,048.32**	3,424.24
		Edelweiss Capital (Singapore) Pte. Limited	**1,346.93**	949.47
		Arum Investments Private Limited	**20,191.51**	-
		Others – Subsidiaries	**21,941.61**	29,936.33
		Others – Associates	**0.47**	-
10	Short term loans given repaid by	Edelweiss Commodities Services Limited	**34,348.51**	23,587.65
		ECL Finance Limited	**14,463.75**	19,597.99
		Ecap Equities Limited	**22,249.62**	6,489.36
		Edelweiss Securities Limited	**13,109.63**	11,169.48
		Edelweiss Finance & Investments Limited	**13,895.38**	10,640.61
		Edelweiss Retail Finance Limited	**2,733.65**	3,409.36
		EC International Limited	**4,153.95**	5,130.60
		Edelweiss Capital (Singapore) Pte. Limited	**1,207.46**	490.67
		Arum Investments Private Limited	**20,179.60**	-
		Others – Subsidiaries	**35,695.73**	13,103.33
		Others – Associates	**0.47**	-
11	Short term loans taken from	Edelweiss Commodities Services Limited	**8,885.16**	-
		Edelweiss Finance & Investments Limited	**1,461.32**	-
		Others – Subsidiaries	**21.91**	-
12	Short term loans taken repaid to	Edelweiss Commodities Services Limited	**8,885.16**	-
		Edelweiss Finance & Investments Limited	**1,461.32**	-
		Others – Subsidiaries	**21.91**	-
13	Margin placed with Broker	Edelweiss Securities Limited	**54.37**	58.30
14	Margin withdrawn from Broker	Edelweiss Securities Limited	**64.33**	1.49

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
15	Reimbursements recovered from	ECL Finance Limited	**851.70**	450.85
		Edelweiss Commodities Services Limited	**523.58**	373.99
		Edelweiss Finance & Investments Limited	**467.71**	160.25
		Ecap Equities Limited	**148.61**	36.23
		Others – Subsidiaries	**1,560.01**	695.42
		Others – Associates	**85.28**	132.48
		Others - Enterprise over which significant influence is exercised	**-**	0.09
16	Reimbursements paid to	Edelweiss Web Services Limited	**456.04**	338.58
		Others – Subsidiaries	**51.75**	0.44
17	Dividend paid to	Mr. Rashesh Shah	**210.49**	135.59
		Mr. Venkat Ramaswamy	**83.74**	52.78
		Edelweiss Employee Welfare Trust	**-**	35.72
		Spire Investment Advisors LLP	**60.83**	39.85
		Others - Individuals exercising significant influence	**67.06**	39.29
		Others - Key managerial personnel	**19.15**	10.55
		Others - Relatives of individuals exercising significant influence	**22.18**	14.40
18	Remuneration to	Mr. Rashesh Shah	**60.62**	39.12
		Mr. Venkat Ramaswamy	**2.70**	1.20
		Mr. Himanshu Kaji	**57.95**	10.12
		Mr. Rujan Panjwani	**1.24**	13.81
19	Dividend Income from	Edelweiss Securities Limited	**0.01**	201.85
		Edelweiss Finance & Investments Limited	**550.92**	199.13
		Edelweiss Commodities Services Limited	**104.21**	99.75
		Ecap Equities Limited	**151.26**	-
20	Rating support fee earned from	ECL Finance Limited	**185.00**	118.75
		Edelweiss Commodities Services Limited	**89.40**	31.00
		Edelweiss Securities Limited	**22.80**	22.05
		Others – Subsidiaries	**92.10**	21.65

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
21	Advisory fee / commission earned from	Aster Commodities DMCC	**97.56**	55.11
		EC Global Limited	**37.41**	31.02
		Edelweiss Tokio Life Insurance Company Limited	**20.00**	20.00
		Edelweiss International (Singapore) Pte. Ltd.	**15.12**	15.69
		Others – Subsidiaries	**10.98**	-
22	Interest Income on short term loan from	Edelweiss Commodities Services Limited	**1,111.63**	1,576.59
		Edelweiss Securities Limited	**620.76**	597.58
		ECL Finance Limited	**172.05**	372.76
		Ecap Equities Limited	**1,064.33**	71.32
		Others – Subsidiaries	**2,063.78**	1,266.90
		Others - Associates @	**0.00**	0.00
23	Interest income on long term loan from	Edelweiss Commodities Services Limited	**80.56**	84.00
		Edelweiss Retail Finance Limited	**-**	17.31
24	Interest income on margin from	Edelweiss Securities Limited	**0.60**	1.38
25	Interest expense on long term loan to	Ecap Equities Limited	**-**	106.36
		Edelweiss Comtrade Limited	**-**	12.07
26	Interest expense on short term loan to	Edelweiss Commodities Services Limited	**21.29**	-
		Edelweiss Finance & Investments Limited	**33.81**	-
		Others – Subsidiaries	**0.97**	-
27	Commission & Sub-brokerage paid to	Edelweiss Securities Limited	**35.30**	-
28	Rent expense to	Edelweiss Commodities Services Limited	**22.73**	25.37
29	Other expenses to	Edelweiss Securities Limited	**0.05**	0.14
		Edelweiss Web Services Limited	**0.15**	0.13
30	Cost reimbursements paid to	Edelweiss Commodities Services Limited	**2.46**	2.84

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
31	Cost reimbursements recovered from	Edelweiss Securities Limited	**41.71**	17.90
		Edelweiss Commodities Services Limited	**25.59**	9.00
		ECL Finance Limited	**28.16**	9.00
		Others – Subsidiaries	**70.93**	-
		Others – Associates	**0.28**	0.47
32	Transfer of gratuity liability on account of employee transfer to	Edelweiss Alternative Asset Advisors Limited	**0.14**	-
		Edelweiss Securities Limited	**0.18**	0.00
		Edelweiss Broking Limited	**0.70**	1.00
		ECL Finance Limited	**1.48**	-
		Edelweiss Commodities Services Limited	**0.10**	-
		Edelweiss Investment Adviser Limited	**0.18**	-
		Others – Subsidiaries	**0.54**	-
33	Directors nomination deposits placed with	Edelweiss Securities Limited	**0.20**	0.50
		Edelweiss Tokio Life Insurance Company Limited	**0.40**	0.40
		Edelweiss Investment Adviser Limited	**-**	0.40
		Edelweiss Finance & Investments Limited	**0.10**	0.30
		Forefront Capital Management Private Limited	**0.20**	-
		Edelweiss Alternative Asset Advisors Limited	**0.20**	-
		Edelweiss Commodities Services Limited	**0.30**	0.10
		Others – Subsidiaries	**0.50**	1.20
		Others – Associates	**-**	0.10
34	Directors nomination deposits placed repaid by	Edelweiss Securities Limited	**0.20**	0.30
		Edelweiss Tokio Life Insurance Company Limited	**0.40**	0.40
		Edelweiss Investment Adviser Limited	**0.20**	0.20
		Forefront Capital Management Private Limited	**0.20**	-
		Edelweiss Asset Management Limited	**0.20**	-
		Edelweiss Commodities Services Limited	**0.30**	0.20
		Others – Subsidiaries	**0.30**	0.40
		Others – Associates	**-**	0.10

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
35	Contribution towards corporate social responsibility	Edelgive Foundation	**14.00**	14.00
	Balances with related parties			
36	Investments in Equity shares in	ECL Finance Limited	**5,190.56**	5,190.56
		Edelweiss Tokio Life Insurance Company Limited	**3,642.21**	3,642.21
		Edelweiss Finance & Investments Limited	**2,618.12**	2,618.12
		Others – Subsidiaries	**4,060.15**	3,048.65
		Others – Associates	**0.50**	0.50
		Others - Enterprise over which significant influence is exercised	**0.10**	0.10
37	Investments in Preference shares in	Ecap Equities Limited	**18.00**	18.00
		Edel Investments Limited	**9.00**	9.00
		Others - Subsidiaries @	**0.00**	0.00
38	Dividend receivable from	Edelweiss Finance & Investments Limited	**-**	199.13
		Ecap Equities Limited	**1.26**	-
39	Short term loans given to	Edelweiss Commodities Services Limited	**300.58**	12,794.00
		Ecap Equities Limited	**195.26**	10,459.81
		Edelweiss Web Services Limited	**162.51**	4,564.57
		EC International Limited	**113.73**	1,219.37
		Edelweiss Broking Limited	**968.47**	2,194.67
		Edelweiss Capital (Singapore) Pte. Limited	**880.34**	740.87
		Edelweiss Housing Finance Limited	**647.49**	68.43
		Edelweiss Investment Adviser Limited	**672.40**	617.44
		Others – Subsidiaries	**1,864.15**	12,790.07
40	Long term loans given to	Edelweiss Commodities Services Limited	**-**	700.00
41	Commercial paper subscribed by	Edelweiss Commodities Services Limited	**347.34**	2,485.97
		Ecap Equities Limited	**999.56**	-

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
42	Accrued interest on loans given to	Edelweiss Commodities Services Limited	**13.55**	54.30
		Ecap Equities Limited	**9.54**	41.37
		Edelweiss Securities Limited	**16.23**	18.16
		EC International Limited	**7.65**	0.89
		Edelweiss Capital (Singapore) Pte. Limited	**41.48**	1.23
		Edelweiss Agri Value Chain Limited	**21.08**	4.30
		Others – Subsidiaries	**55.62**	74.49
		Others - Associates @	**-**	0.00
43	Interest expense accrued and due on borrowings from	Edelweiss Comtrade Limited	**-**	0.22
		Ecap Equities Limited	**-**	0.11
		ECL Finance Limited	**19.16**	-
44	Advances with	Edelweiss Securities Limited	**25.46**	26.78
		Edelweiss Tokio Life Insurance Company Limited	**19.89**	15.82
		ECL Finance Limited	**50.28**	14.56
		Edelweiss Broking Limited	**0.47**	11.05
		Edelweiss Commodities Services Limited	**-**	10.63
		Others – Subsidiaries	**3.61**	15.39
		Others – Associates	**0.11**	1.12
45	Trade payables to	Edelweiss Securities Limited	**40.67**	1.44
		Edelweiss Commodities Services Limited	**0.59**	0.39
		Edelweiss Finance & Investments Limited	**1.05**	0.30
		ECL Finance Limited	**1.58**	0.02
		Others – Subsidiaries	**1.71**	0.47
		Others - Associates @	**0.01**	0.00
46	Trade receivables from	Aster Commodities DMCC	**97.63**	55.11
		EC Global Limited	**37.41**	31.02
		Edelweiss International (Singapore) Pte. Ltd.	**15.12**	15.69
		ECL Finance Limited	**224.38**	-
		Edelweiss Commodities Services Limited	**114.92**	-
		Others – Subsidiaries	**142.54**	-
47	Margin placed with broker	Edelweiss Securities Limited	**54.89**	64.84

2.2 Related parties *(Corresponding to note 2.28 of the complete financial statements) (Continued)*

(G) Transactions and balances with related parties *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2016	31 March 2015
48	Accrued salaries and benefits	Mr. Rashesh Shah	**50.00**	30.00
		Mr. Himanshu Kaji	**47.50**	1.00
		Mr. Rujan Panjwani	**-**	12.50
		Mr. Venkat Ramaswamy	**1.50**	-
49	Non-convertible debentures held by	Edelweiss Commodities Services Limited	**51.30**	-
		Edelweiss Finance & Investments Limited	**140.80**	-
50	Directors nomination deposits placed with	Edelweiss Securities Limited	**0.20**	0.20
		Edelweiss Investment Advisors Limited	**0.20**	0.20
		Edelweiss Finance & Investments Limited	**0.40**	0.30
		Edelweiss Securities Limited	**-**	0.20
		ECL Finance Limited	**0.20**	-
		Others – Subsidiaries	**0.70**	0.50
51	Corporate guarantee given to	ECL Finance Limited	**33,881.70**	34,494.40
		Edelweiss Housing Finance Limited	**11,555.10**	11,661.10
		Aster Commodities DMCC	**8,848.15**	7,886.44
		Edelweiss Finance & Investments Limited	**12,145.50**	5,923.80
		Edelweiss Commodities Services Limited	**6,600.00**	3,671.40
		Edelweiss International (Singapore) Pte. Ltd.	**2,155.82**	2,816.59
		EC Global Limited	**1,326.66**	1,877.72
		Edelweiss Retail Finance Limited	**200.00**	100.00
		Others – Subsidiaries	**4,753.32**	-

@ ₹ 0.00 refers to amount less than ₹ 0.01 million

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

2. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.

3. Loan given to subsidiaries and associates are for the general corporate business.

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.3 Earnings per share *(Corresponding to note 2.29 of the complete financial statements)*

In accordance with Accounting Standard 20 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

		2016	2015
a)	**Shareholders earnings** (as per statement of profit and loss)	**1,555.94**	1,114.81
b)	**Calculation of weighted average number of equity shares of ₹ 1 each:**		
	- Number of shares outstanding at the beginning of the year	**791,752,619**	769,045,330
	- Number of shares issued during the year	**22,284,011**	24,737,337
	- Number of shares bought back during the year	**-**	2,030,048
	Total number of equity shares outstanding at the end of the year	**814,036,630**	791,752,619
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**807,065,324**	779,726,911
c)	Number of dilutive potential equity shares	**27,141,417**	40,380,614
d)	Basic earnings per share (in ₹) {a/b}	**1.93**	1.43
e)	Diluted earnings per share (in ₹) {a/(b+c)}	**1.87**	1.36

2.4 Share application money pending allotment *(Corresponding to note 2.33 of the complete financial statements)*

The Company has received ₹ 20.58 million (Previous year: ₹ 42.41 million) towards share application on exercise of ESOPs which will result in an issue of 6,34,625 shares (Previous year: 1,096,200 shares). Of the total receipts ₹ 19.95 million (Previous year: ₹ 41.31 million) has been received towards share premium. These shares have since been allotted.

2.5 Capital Commitment *(Corresponding to note 2.34 of the complete financial statements)*

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 49.33 million (Previous year: ₹ 5.32 million)

2.6 Contingent liabilities *(Corresponding to note 2.35 of the complete financial statements)*

a) Taxation matters in respect of which appeal is pending ₹ 492.94 million (Previous year: ₹ 46.36 million).

b) The Company has issued corporate guarantees to the extent of ₹ 61,407.94 million (Previous year: ₹ 51,183.55 million), in favour of banks to secure the credit facilities sanctioned by the banks to its subsidiaries, viz. Edelweiss Securities Limited, Edelweiss Retail Finance Limited, Edelweiss Commodities Services Limited, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Agri Value Chain Limited, Aster Commodities DMCC, EC Global Limited, Edelweiss International Singapore Pte. Limited, Edelweiss Commodities Pte. Limited, ₹ 19,587.60 million (Previous year: ₹ 16,777.20 million) in favour of IDBI Trusteeship Services Limited & SBICAP Trustee Company Limited for non-convertible debentures issued by ECL Finance Limited, Edelweiss Finance & Investments Limited and Edelweiss Housing Finance Limited (subsidiary companies) and ₹ 470.70 million (Previous year: ₹ 470.70 million) in favour of Edelweiss Finance & Investments Limited (subsidiary company) for the Preference shares issued by it against due discharge of debt.

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

2.7 Details of dues to micro, small and medium enterprises *(Corresponding to note 2.36 of the complete financial statements)*

Trade Payables includes ₹ Nil (Previous year: ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

2.8 Disclosure of loans and advances pursuant to requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. *(Corresponding to note 2.37 of the complete financial statements)*

a. ₹ 33.44 million (Previous year: ₹ Nil) due from Edelweiss Alternative Asset Advisors Limited (maximum amount due at any time during the year ₹ 118.41 million; Previous year: ₹ Nil)

b. ₹ 968.47 million (Previous year: ₹ 2,194.67) due from Edelweiss Broking Limited (maximum amount due at any time during the year ₹ 3,237.87 million; Previous year: ₹ 3,661.03 million)

c. ₹ 39.12 million (Previous year: ₹ 575.24) due from EC Commodity Limited (maximum amount due at any time during the year ₹ 640.82 million; Previous year: ₹ 603.60 million)

d. ₹ 300.58 million (Previous year: ₹ 13,494.00 million) due from Edelweiss Commodities Services Limited (maximum amount due at any time during the year ₹ 35,349.09 million; Previous year: ₹ 37,081.65 million)

e. ₹ 195.26 million (Previous year: ₹ 10,459.81 million) due from Ecap Equities Limited (maximum amount due at any time during the year ₹ 22,444.88 million; Previous year: ₹ 16,949.17 million)

f. ₹ 52.32 million (Previous year: ₹ 442.07 million) due from Edel Commodities Limited (maximum amount due at any time during the year ₹ 456.18 million; Previous year: ₹ 919.71 million)

g. ₹ 23.62 million (Previous year: ₹ 1.20 million) due from Edelcap Securities Limited (maximum amount due at any time during the year ₹ 26.25 million; Previous year: ₹ 4,904.92 million)

h. ₹ 123.41 million (Previous year: ₹ 36.26 million) due from Edelweiss Finance & Investments Limited (maximum amount due at any time during the year ₹ 14,018.79 million; Previous year: ₹ 10,676.87 million)

i. ₹ 40.06 million (Previous year: ₹ 172.13 million) due from Edel Land Limited (maximum amount due at any time during the year ₹ 2,226.41 million; Previous year: ₹ 242.43 million)

j. ₹ 323.90 million (Previous year: ₹ 2,406.13 million) due from Edelweiss Securities Limited (maximum amount due at any time during the year ₹ 13,433.53 million; Previous year: ₹ 13,575.61 million)

k. ₹ 162.51 million (Previous year: ₹ 4,564.57 million) due from Edelweiss Web Services Limited (maximum amount due at any time during the year ₹ 5,032.77 million; Previous year: ₹ 6,091.25 million)

l. ₹ 503.55 million (Previous year: ₹ 185.59 million) due from Edelweiss Global Wealth Management Limited (maximum amount due at any time during the year ₹ 5,423.59 million; Previous year: ₹ 315.80 million)

m. ₹ 647.49 million (Previous year: ₹ 68.43 million) due from Edelweiss Housing Finance Limited (maximum amount due at any time during the year ₹ 6,068.76 million; Previous year: ₹ 3,058.46 million)

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.8 Disclosure of loans and advances pursuant to requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. *(Corresponding to note 2.37 of the complete financial statements) (Continued)*

n. ₹ 2.31 million (Previous year: ₹ 2.80 million) due from Edelweiss Custodial Services Limited (maximum amount due at any time during the year ₹ 40.16 million; Previous year: ₹ 19.90 million)

o. ₹ 672.40 million (Previous year: ₹ 617.44 million) due from Edelweiss Investment Adviser Limited (maximum amount due at any time during the year ₹ 2,450.02 million; Previous year: ₹ 617.44 million)

p. ₹ 880.34 million (Previous year: ₹ 740.87 million) due from Edelweiss Capital (Singapore) Pte. Limited (maximum amount due at any time during the year ₹ 2,087.80 million; Previous year: ₹ 1,259.83 million)

q. ₹ 113.73 million (Previous year: ₹ 1,219.37 million) due from EC International Limited (maximum amount due at any time during the year ₹ 4,267.68 million; Previous year: ₹ 6,321.84 million)

r. ₹ Nil (Previous year: ₹ 51.46 million) due from ECL Finance Limited (maximum amount due at any time during the year ₹ 14,463.75 million; Previous year: ₹ 19,649.45 million)

s. ₹ 13.40 million (Previous year: ₹ 1.49 million) due from Arum Investments Private Limited (maximum amount due at any time during the year ₹ 20,193.00 million; Previous year: ₹ 3,812.22 million)

t. ₹ 46.87 million (Previous year: ₹ 188.56 million) due from Edelweiss Comtrade Limited (maximum amount due at any time during the year ₹ 733.23 million; Previous year: ₹ 423.98 million)

u. ₹ 28.11 million (Previous year: ₹ Nil) due from EFSL Comtrade Limited (maximum amount due at any time during the year ₹ 35.81 million; Previous year: ₹ 25.15 million)

v. ₹ 76.16 million (Previous year: ₹ 3,311.38 million) due from EFSL Commodities Limited (maximum amount due at any time during the year ₹ 3,431.09 million; Previous year: ₹ 3,671.38 million)

w. ₹ 113.89 million (Previous year: ₹ 3,171.98) due from Edel Commodities Trading Limited (maximum amount due at any time during the year ₹ 3,178.78 million; Previous year: ₹ 3,171.98 million)

x. ₹ 9.99 million (Previous year: ₹ 21.47 million) due from Edel Finance Company Limited (maximum amount due at any time during the year ₹ 68.89 million; Previous year: ₹ 941.35 million)

y. ₹ 8.56 million (Previous year: ₹ 6.54 million) due from Edelweiss Asset Management Limited (maximum amount due at any time during the year ₹ 58.56 million; Previous year: ₹ 6.54 million)

z. ₹ 96.11 million (Previous year: ₹ 406.06 million) due from Edelweiss Retail Finance Limited (maximum amount due at any time during the year ₹ 2,829.76 million; Previous year: ₹ 3,962.22 million)

aa. ₹ 0.95 million (Previous year: ₹ 1,736.44) due from Edelweiss Agri Value Chain Limited (maximum amount due at any time during the year ₹ 5,536.61 million; Previous year: ₹ 1,736.44)

ab. ₹ 210.01 million (Previous year: ₹ 76.98) due from Forefront Capital Management Private Limited (maximum amount due at any time during the year ₹ 244.19 million; Previous year: ₹ 76.98)

(Currency: Indian rupees in millions)

2.8 Disclosure of loans and advances pursuant to requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. *(Corresponding to note 2.37 of the complete financial statements) (Continued)*

ac. ₹ 68.99 million (Previous year: ₹ Nil) due from Edelweiss Metals Limited (maximum amount due at any time during the year ₹ 339.00 million; Previous year: ₹ Nil)

ad. ₹ 1.12 million (Previous year: ₹ Nil) due from Edel Investments Limited (maximum amount due at any time during the year ₹ 7.81 million; Previous year: ₹ Nil)

ae. ₹ 48.26 million (Previous year: ₹ Nil) due from Edelweiss Capital Markets Limited (maximum amount due at any time during the year ₹ 98.26 million; Previous year: ₹ Nil)

All the above loans are repayable on demand except for loan of ₹ Nil (Previous year: ₹ 700.00 million) to Edelweiss Commodities Services Limited where repayment amount is as per contracted terms.

2.9 The Company by virtue of its holding company activities, charges its actual borrowing cost on the loans extended to its group companies. Consequently, in the financial statements, Finance costs have been reflected net of the interest recovered from group companies amounting to ₹ 5,113.67 million (Previous year: ₹ 3,990.91 million). During January 2016, Expert Advisory Committee (EAC) of the Institute of the Chartered Accountants of India ('the ICAI') has opined that the recovery of interest income from group companies should be presented separately in the Statement of Profit and Loss. In the opinion of management, principal activities of the Company is of merchant banking and extending loans to its group companies is part of parental support and hence presenting the recovery of finance cost as income does not reflect the business rationale as there is no economic benefit accruing to the Company. Accordingly, in February 2016, a reference has been made to EAC for review of its opinion. Pending response from the ICAI on the matter, existing practice of presenting finance cost, net of interest recovery from the group companies, is continued. ***(Corresponding to note 2.39 of the complete financial statements)***

2.10 Details of Cash and Cash Equivalents *(Corresponding to note 2.16 of the complete financial statements)*

Particulars	**As at 31 March 2016**	As at 31 March 2015
Cash in hand	**0.05**	0.04
Balances with banks	**210.30**	833.64
Total	**210.35**	833.68

2.11 Details of Investments *(Corresponding to note 2.11 of the complete financial statements)*

Particulars	**As at 31 March 2016**	As at 31 March 2015
Book value of quoted non-current investments	**0.00***	0.00*
Market value of quoted non-current investments	**0.00***	0.00*
Book value of un-quoted non-current investments	**15,566.70**	14,732.35

* ₹ 0.00 refers to amount less than ₹ 0.01 million

Notes to the abridged financial statements *(Continued)*

(Currency: Indian rupees in millions)

2.12 The Company, the sponsor of Edelweiss Mutual Fund ("Edelweiss MF"), Edelweiss Trusteeship Company Limited, the trustee company of Edelweiss MF and Edelweiss Asset Management Limited, the asset management company of Edelweiss MF have entered into an agreement with JPMorgan Asset Management (Asia) Inc., the sponsor of JPMorgan Mutual Fund (JPM MF) and JPMorgan Mutual Fund India Private Limited, trustee company of JPM MF and JPMorgan Asset Management India Private Limited, the asset management company to JPM MF on March 22, 2016, for acquiring control and management of the onshore fund schemes and international fund of funds of JPM MF and the corresponding change in the sponsorship, trusteeship and administration of schemes of JPM MF, upon completion of the transaction subject to receipt of regulatory approvals. ***(Corresponding to note 2.44 of the complete financial statements)***

2.13 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts. ***(Corresponding to note 2.45 of the complete financial statements)***

As per our report of even date attached.

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

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai
13 May 2016

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
13 May 2016

Notice

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON TUESDAY, AUGUST 9, 2016 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI – 400 098 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt:-
   a) the audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board and the Auditors thereon; and
   b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Himanshu Kaji (DIN 00009438) who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Ratification of appointment of the Auditors**

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "**RESOLVED** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of B S R & Associates LLP, Chartered Accountants (Firm's Registration No. 116231W/W-100024), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2017, at such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

4. **Re-appointment of Mr. Rujan Panjwani as an Executive Director**

   To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the Act) the Rules, Regulations, Guidelines and Circulars issued in this regard and subject to necessary approvals, if any, approval of the members of the Company be and is hereby given for the re-appointment of Mr. Rujan Panjwani (DIN 00237366) as an Executive Director of the Company for a period of 5 years with effect from June 24, 2016, on the terms and conditions set out below:-
      i) Salary Limit: Not exceeding ₹ 2 crores per annum.
      ii) Bonus: Not exceeding ₹ 4 crores per annum.
      iii) Perquisites: Not exceeding ₹ 2 crores per annum.

   FURTHER RESOLVED that where in any financial year during the tenure of Mr. Rujan Panjwani as an Executive Director, the Company has no profits or the profits are inadequate, approval of the members be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act and Schedule V thereto.

   FURTHER RESOLVED that the Board be and is hereby authorised to vary the terms of appointment and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further approval of the members of the Company."

5. **Payment of commission to the Non-executive Directors**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder ("the Act"), approval of the members be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company, upto 1% of the net profits of the Company computed in accordance with Section 198 of the Act.

FURTHER RESOLVED that subject to and in accordance with the provisions of the Act, the Board of Directors (Board) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

6. **Issue of Non–convertible Debentures on a Private Placement basis**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), subject to the provisions of any other statutes, Regulations, if any, subject to the Memorandum & Articles of Association of the Company and subject to the approval, consent, permission, exemption and/or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, the Board of Directors of the Company be and is hereby authorised on behalf of the Company to offer and invite subscriptions for the Non-Convertible Debentures ("the Debentures") aggregating to ₹ 2,500 crores to the eligible investors on a private placement basis, in one or more tranches.

FURTHER RESOLVED that subject to and in accordance with the provisions of the Act, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

7. 'Edelweiss Employees Stock Option Plan 2016'

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, subject to the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the 'Edelweiss Employees Stock Option Plan 2016' (hereinafter referred to as the "Plan") and that the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the

Board for this purpose (Committee)) to create, issue, grant, offer and allot from time to time, directly or through, 'Edelweiss Employees Stock Option Trust', a Trust to be set up by the Company, to the Eligible Employees (as defined in the Plan) as may be decided by the Board, such number of Options ('Options' as defined in the Plan) in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, such that the aggregate of such Options to be granted under the Plan shall not exceed 4,00,00,000 Options, each Option giving the right but not the obligation to the holder, or other person entitled under the Plan, to subscribe for cash to one fully paid Equity Share of ₹ 1/- each of the Company ('Share') in terms of the Plan and the terms of the Grant (as defined in the Plan), provided that:

1. all the Employees of the Company and its subsidiaries and the Directors (other than the Independent Directors) of the Company and its subsidiaries, whether whole time or not, shall be eligible to participate under the Plan subject to the provisions of the Plan and the Board identifying them as Eligible Employees in terms of the Plan;

2. the Board/Committee shall determine the eligibility of the Employees entitled to participate under the Plan and the eligibility criteria for the Employees under the Plan based on an evaluation of the Employees on various parameters including but not limited to, length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution, conduct, future potential and such other factors as may be deemed appropriate by it;

3. the total number of Options to be granted under the Plan shall not exceed 4,00,00,000 (save that the number of Shares shall stand adjusted accordingly if and as determined by the Board/Committee in the event of a bonus issue, share split, share consolidation or other corporate action that the Board/Committee determines requiring such adjustment);

4. the maximum number of Options granted under the Plan per Employee will not exceed 50,00,000 Options;

5. the maximum number of Options granted under the Plan to the Non-executive Directors (other than the Independent Directors) of the Company will not exceed 15,00,000 Options in any financial year and 75,00,000 in aggregate under the Plan.

6. the number of Options that may be granted to any employee including any Director of the Company (other than the Independent Directors) , in any one year under the Plan shall be less than 1% of the issued Equity Share Capital of the Company at any point of time;

7. Subject to continued employment of the Participant (as defined in the Plan) with the Company, and unless the Board/Committee determines otherwise, the Unvested Options shall Vest with the Participant within a period of not less than 12 months and not more than 60 months from the date of the Grant. The Board/Committee may determine the Vesting Period either generally or with reference to any specific Employee or Employees. The Vesting may also be contingent on achievement of performance parameters as determined by the Board/Committee or any delegated authority. The decision with regard to achievement/non-achievement of the performance parameters by the Participant shall be at the sole discretion of the Board/Committee and will be final and binding on the Participant;

8. Unless the Board/Committee determines otherwise, the Exercise Price of the Options (being the issue price of the Shares to be allotted pursuant to the exercise of the Options) shall be the higher of the closing market price of the equity Shares as on the date of grant or book value of the Shares as per the last audited balance sheet as on the date of the Grant, unless the Board/Committee determines otherwise, whether generally or in respect of any specific Option;

9. the Board/Committee is empowered to make a fair and reasonable adjustment to the Exercise Price in case of bonus issues, share split, share consolidation and other corporate action;

10. the Exercise Period of the vested Options shall be such period as may be determined by the Board/Committee. However, the Exercise Period in no case should be less than 12 months and not more than 60 months from the date of Vesting;

11. the Company shall comply with the disclosure and accounting policies prescribed by SEBI and any other appropriate authority (ies), from time to time;

12. the Company shall use the intrinsic value method for valuation of the Options unless the Board/Committee determines otherwise in consonance with the SEBI SBEB Regulations; and

13. the difference between the employee compensation cost so computed above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options, shall be disclosed in the Board's Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall be disclosed in the Board's Report.

FURTHER RESOLVED that the Board be and is hereby authorised to vary, modify or alter any of the terms and conditions of the Plan, including but not limited to those for the grant of Options, issue of Shares on Exercise of Options, Exercise Price for the purpose of the Grant, Vesting Period and Exercise Period, subject to the SEBI SBEB Regulations.

FURTHER RESOLVED that the Shares to be issued and allotted shall rank pari passu with the then existing Shares of the Company.

FURTHER RESOLVED that for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to, and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to, the Plan and its implementation including grant of Options, vesting of Options, allotment of Shares on exercise of Options and other matters whatsoever and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit."

8. Extending the benefits of 'Edelweiss Employees Stock Option Plan 2016' to the employees of the Subsidiaries

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, subject to the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the 'Edelweiss Employees Stock Option Plan 2016' (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)) to create, issue, grant, offer and allot from time to time, directly or through, Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company, for and on behalf of and at the request of its subsidiaries, to the employees of the subsidiaries of the Company ('Subsidiary Employees') (which expression shall, unless repugnant to the context, mean and include the permanent employees of the subsidiaries and the Directors of the subsidiaries of the Company whether whole-time or not) as may be decided by the Board, such number of Options ('Options'), (as defined in the Plan) in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, such that the aggregate of such Options granted under the Plan not to exceed 4,00,00,000 Options, each Option giving the right but not the obligation, to the holder, or other person entitled to subscribe under the Plan, to subscribe for cash, to one fully paid Equity Share of ₹ 1/- each of the Company ('Share') in terms of the Plan and the terms of the Grant (as defined in the Plan).

FURTHER RESOLVED that the terms of the Plan as set out in Item No. 7 above shall mutatis mutandis apply to the Employees of the Subsidiaries.

FURTHER RESOLVED that for giving effect to this Resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to, and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to, the Plan and its implementation including grant of Options, vesting of Options, allotment of Shares on exercise of Options and other matters whatsoever and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit."

9. Acquisition of the Shares of the Company through 'Edelweiss Employees Stock Option Trust' for implementation of Edelweiss Employees Stock Option Plan 2016

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, subject to the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)) to set up a Trust 'Edelweiss Employees Stock Option Trust' (hereinafter referred to as the "Trust") to implement the 'Edelweiss Employees Stock Option Plan 2016' (the Plan) and that the Trust be and is hereby authorised to acquire, hold and deal in Equity Shares of the Company either from the Company and/or from the secondary market through the Trust, such that the total number of shares under secondary acquisition held by the Trust does not exceed, at any time, 5% of the paid-up equity share capital of the Company, for the purpose of implementation of Edelweiss Employees Stock Option Plan 2016 (the Plan) or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

FURTHER RESOLVED that the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the previous financial year.

FURTHER RESOLVED that in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, additional Equity Shares are required to be issued by the Company to the shareholders, the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

FURTHER RESOLVED that the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further approval of the members of the Company."

10. Scheme for provision of money to 'Edelweiss Employees Stock Option Trust' for acquisition of the shares of the Company for the benefit of the employees under Edelweiss Employees Stock Option Plan 2016

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (and any statutory modification(s) or re-enactment(s) thereof for the time being in force) as amended from time to time (hereinafter referred to as "Companies Rules"), subject to the Memorandum of Association and Articles of Association of the Company, regulations and guidelines of Securities and Exchange Board of India, including Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and subject further to such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)), approval of the members of the Company, be and is hereby accorded to the scheme for provision of money, by way of grant of loan or provision of guarantee or security in connection with loan to be granted, in one or more tranches, to 'Edelweiss Employees Stock Option Trust' (hereinafter referred to as "Trust") to be set up by the Company, in one or more tranches, for the purpose of subscription and /or purchase of equity shares of the Company by the Trust, in one or more tranches, for the benefit or welfare of employees under Edelweiss Employees Stock Option Plan 2016 (hereinafter referred to as the "Plan"), or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI SBEB Regulations and all other applicable laws and regulations.

FURTHER RESOLVED that the total amount of loan to be provided by the Company under the scheme, by way of grant of loan and by way of guarantee/security for any loan to be granted by any other person, to the Trust and outstanding at any point of time, shall not exceed ₹ 400 crores and that any loan shall be granted by the Company on such terms and conditions as may be decided from time to time.

FURTHER RESOLVED that the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further approval of the members of the Company."

11. Amendment to the Edelweiss Employees Stock Incentive Plan 2009

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the `Edelweiss Employees Stock Incentive Plan 2009' (the Plan 2009) in the following manner:-

i) 'The following Clauses be inserted:-

'3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.

11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.

11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.

11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.

11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.

12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2009.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

12. Amendment to the Edelweiss Employees Stock Incentive Plan 2010

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the `Edelweiss Employees Stock Incentive Plan 2010' (the Plan 2010) in the following manner:-

i) 'The following Clauses be inserted:-

'3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.

11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.

11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.

11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.

11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.

12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2010.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

13. Amendment to the Edelweiss Employees Stock Incentive Plan 2011

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED** that subject to the applicable laws, the SEBI (Share Based Employee Benefits) Regulations, 2014 and subject to such approvals as may be required, approval of the members of the Company be and is hereby accorded for amendment to the `Edelweiss Employees Stock Incentive Plan 2011' (the Plan 2011) in the following manner:-

i) 'The following Clauses be inserted:-

'3.8A "Designated Window" shall mean the period of 21 days prior to the expiry of Options as may be notified by the Committee from time to time for the purposes of Clause 11A of this Plan. Such intimation shall be given atleast 7 days before the date of commencement of the Period'.

11A.1 Notwithstanding anything to the contrary contained in this Plan or any Grant Letter and subject to applicable laws, Participant/Beneficiary may, during any Designated Window in the Exercise Period, opt to receive cash compensation in lieu of exercising the Options Vested.

11A.2 The Participant/Beneficiary desirous of availing this facility shall make a request in writing in the prescribed form to the Committee that they are desirous of receiving cash compensation, in lieu of exercising the Options Vested.

11A.3 The term cash compensation for each Vested Option shall mean the positive difference between: (a) the closing market price of the Shares one day prior to the date on which the request under Clause 11A.2 is received by the Committee plus an addition of 5% to the closing market price and (b) the Exercise Price.

11A.4 The cash compensation shall be paid after deducting the taxes, other amounts, expenses and charges, if any, payable by such Participant/Beneficiary.

11A.5 Upon receipt of such cash compensation, the Vested Options in respect of which the request has been given by the Participant/Beneficiary shall be deemed to have lapsed in terms of this Plan without requiring any further act, deed or writing from the Participant/Beneficiary, Committee or the Company.

12.8 Notwithstanding anything contained herein, it shall be open to the Participant/Beneficiary to also avail cash compensation in lieu of Exercising the Vested Options, in the form and manner prescribed in Clause 11A of the Plan.

ii) The Clause 11.8 be deleted.

FURTHER RESOLVED that consequent to the aforesaid changes, necessary amendments be made appropriately in the Plan 2011.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to comply with the applicable Regulations and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary
(F2922)

May 13, 2016

Registered Office:
Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098.
CIN No.: L99999MH1995PLC094641
Email: **efsl.shareholders@edelweissfin.com**

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

4. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the AGM, is given in the Annexure to the Notice.

5. All the documents referred to in the Notice and Statement pursuant to Section 102 of the Companies Act, 2013, are open for inspection between 2.00 p.m. to 4.00 p.m. on all working days upto the date of the AGM at the Registered Office of the Company and will also be available at the venue of the AGM.

6. **Book Closure**

   The Register of Members and the Share Transfer Books of the Company will remain closed from August 1, 2016 to August 8, 2016 (both days inclusive).

7. **Nomination Facility**

   The members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.

8. Members are requested to note that dividends not claimed or encashed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF).

9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date they become due for payment is to be transferred to the IEPF. Accordingly, the dividend declared for all the financial years ended upto March 31, 2008 had been transferred to IEPF. The amount so transferred cannot be claimed either from the Company or from IEPF.

   Members who have not encashed the dividend warrants for the financial year 2008-09 and/or any subsequent years are requested to write to the Company/RTA giving the necessary details.

10. Pursuant to Section 205C(2) of the Companies Act, 1956 and the Rules framed thereunder, the details of the unclaimed dividend are hosted on the website of the Company.

11. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company at least ten days prior to the AGM so that the required information can be made available at the Meeting.

12. Green Initiative

a) copies of the Annual Report of the Company for the financial year ended March 31, 2016 are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent by the permitted mode. Members may also note that Notice and Explanatory Statement are also available on the website of the Company i.e. www.edelweissfin.com. Members intending to correspond with the Company in physical form may write to us on efsl.shareholders@edelweissfin.com.

b) the Members who have not updated their e-mail addresses are requested to update the same with their respective Depository Participant(s) or communicate their e-mail addresses to the Registrar and Share Transfer Agent or the Company, so that the Company can send future communications to these Members in electronic mode. Members are requested to send a signed letter, communicating their Name, Folio No./DP ID / Client ID and e-mail address either by e-mail (scanned copy) to rnt.helpdesk@linkintime.co.in or send a hard copy thereof to them. Alternatively, the Members can also update their e-mail addresses with Company by sending an e-mail to efsl.shareholders@edelweissfin.com.

13. E-voting

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (the AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for casting vote through ballot/polling paper shall be made available at the Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period shall commence on August 5, 2016 (9:00 a.m.) and close on August 8, 2016 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 3, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.

V. The process and the manner for remote e-voting are as under:

A. Members who are already registered with NSDL

In case a member is already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

B. Members who are not registered with NSDL

On receipt of an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

(i) Open the PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Type user ID and the initial password provided in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting → Active Voting Cycles.

(vii) Select "EVEN" of "Edelweiss Financial Services Limited".

(viii) Now you are ready for remote e-voting as the Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to keyoor@bnp-associates.com with a copy marked to evoting@nsdl.co.in.

C. In case a member receives physical copy of the Notice of AGM whose email IDs are not registered with the Company/Depository Participant (s) or requesting physical copy :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. B. (ii) to Sl. No. B. (xii) above, to cast the vote.

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

(iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)

(v) The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. August 3, 2016.

(vi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the AGM Notice and holds shares as on the cut-off date i.e. August 3, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

(vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

(viii) Mr. B. Narasimhan, Company Secretary, M/s. B.N. & Associates, Company Secretaries, failing him, Mr. Keyoor Bakshi, Partner of M/s. BNP & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(ix) The Chairman shall, at the AGM, allow voting with the assistance of scrutinizer, by use of "Ballot / Polling Paper" for all those members who are present at the AGM but have not cast their votes through the remote e-voting facility.

(x) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(xi) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.edelweissfin.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

ANNEXURE TO THE NOTICE DATED MAY 13, 2016

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4:-

The tenure of appointment of Mr. Rujan Panjwani as an Executive Director expires on June 23, 2016. Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on May 13, 2016 had, subject to the approval of the Members, re-appointed Mr. Rujan Panjwani as an Executive Director for a period of 5 years w. e. f. June 24, 2016.

Mr. Rujan Panjwani has over 25 years of experience in the financial services sector working across all asset classes. Mr. Rujan Panjwani is associated with the Company since 2000. Over the last 16 years he has played a key role in setting up several businesses and functions for the Edelweiss Group including Asset Management, Credit, Group Treasury and the Balance Sheet unit.

Mr. Rujan Panjwani plays a key role in several strategic initiatives for the Group including driving its Human Resources, Strategy and Business development. He is also a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee, the highest decision making body in Edelweiss on Risk-related issues. He is also on the Boards of various group companies.

The Directors recommend passing the Resolution set out in Item No. 4 of the Notice as a Special Resolution.

Except Mr. Rujan Panjwani, none of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in this item of business.

ITEM NO. 5:-

The members at the 17th Annual General Meeting of the Company held on July 26, 2012, had approved the payment of commission of upto 1% per annum of the net profits of the Company to the Non-executive Directors of the Company for a period of five years commencing April 1, 2012.

Pursuant to Section 197 of the Companies Act, 2013 and the Rules framed thereunder, a director other than a director in whole-time employment of the Company can be paid remuneration by way of commission upto 1% of the net profits of the Company. Approval of the members of the Company is required for the payment of remuneration to the Non-executive Directors by way of commission.

Accordingly, it is proposed to pass a special resolution seeking the approval of the members for payment of commission of upto 1% of the net profits of the Company to the Non-executive Directors of the Company.

The Directors recommend passing the Resolution set out in Item No. 5 of the Notice as a Special Resolution.

The Non-executive Directors of the Company may be deemed to be concerned or interested in this item of business. Ms. Vidya Shah, Non-executive Director of the Company is related to Mr. Rashesh Shah, Chairman, Managing Director & CEO.

ITEM NO. 6:-

As per the provisions of Section 42 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, a company making an offer to subscribe to Non-convertible Debentures ("Debentures") on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution.

The members at the 20th Annual General Meeting of the Company held on July 21, 2015, had approved the issue of Debentures on a private placement basis, for an amount not exceeding ₹ 2,500 crores and the said approval will remain in force for a period of 1 year.

To meet the financial requirements, the Company continues to raise funds by issue of Debentures on a private placement basis. Hence it is proposed to obtain the approval of the members for issue of Debentures on a private placement basis, for an amount not exceeding ₹ 2,500 crores. The Debentures may be issued at par or at a premium and, may be listed on the Stock Exchanges and, on such other terms and conditions as the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers) may determine.

The Special Resolution set out in Item No. 6 of the Notice shall remain in force for a period of 1 year. The Directors recommend passing the Resolution set out in Item No. 6 of the Notice as a Special Resolution.

None of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in this item of business.

ITEM NOS. 7 and 8:-

The Company proposes to launch a new Employees Stock Option Plan i.e., Edelweiss Employees Stock Option Plan, 2016 ('Plan') as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), so as to ensure commitment, attract and retain talent through ownership and financial motivation. Subject to the terms and conditions contained therein, the Plan envisages grant of Stock Options ('Options') and allotment of equity shares of the Company upon exercise of such Options to the Eligible Employees of the Company and its subsidiaries as determined by the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Compensation (ESOP) Committee or such other Committee that may be constituted by the Board for this purpose (Committee)). Each Option will give the holder thereof, or other person entitled under the Plan, the right but not the obligation to subscribe for cash to one fully paid up equity share of ₹ 1 each of the Company ('Share').

The Company intends to implement the Plan either directly or through an Edelweiss Employees Stock Option Trust (herein after referred to as "Trust") to be set up by the Company.

In accordance with the provisions of the SEBI SBEB Regulations, approval of the members is sought to introduce the Plan and to grant stock options under the Plan to the eligible employees/ Directors of the Company and those of its Subsidiaries as decided by Board in accordance with the provisions of the SEBI SBEB Regulations.

The main features of Plan are as under:

1. **Brief Description of the Scheme(s):**

   The proposed Plan shall be called the Edelweiss Employees Stock Option Plan, 2016 (the Plan) and is intended to reward the Eligible Employees of the Company, its Subsidiaries in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company.

2. **Total number of Options to be granted:**

   The total number of options that would be available for grant to the eligible employees of the Company and its Subsidiaries under the Plan, in one or more tranches, will not exceed 4,00,00,000. Each option would carry a right to apply for one Equity Share in the Company of ₹ 1/- each, fully paid-up.

   Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/termination of the employees or otherwise, would be available for being re-granted at a future date. The Board/Committee is authorized to re-grant such lapsed/cancelled Options as per the provisions of Plan.

   The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger or other re-organisation, if any, a fair and reasonable adjustment needs to be made to the

Options granted. Accordingly, if any, additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued, subject to compliance with the SEBI SBEB Regulations.

3. Identification of classes of employees entitled to participate in the Plan:

Following classes of employees are entitled to participate in the Plan:

(i) a permanent employee of the Company working in India or outside India; or

(ii) a Director of the Company, whether a whole time director or not, but excluding an Independent Director; or

(iii) an employee as defined in clauses (i) or (ii) above of the subsidiaries, in India or outside India, but does not include-

a) an employee who is a promoter or a person belonging to the promoter group; or

b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

4. Requirements of vesting and period of vesting:

The Options granted to an employee shall vest in him so long as he continues to be in the employment of the Company or the Subsidiaries, as the case may be, and unless the Board/Committee determines otherwise (which determination shall not be contrary to the SEBI SBEB Regulations), the Unvested Options shall Vest with the Participant within a period of not less than 12 months and not more than 60 months from the date of Grant. The Board/Committee may determine the Vesting Period either generally or with reference to any specific Employee or Employees. The Vesting may also be contingent on achievement of performance parameters as determined by the Board/Committee or any delegated authority. The decision with regard to achievement/non-achievement of the performance parameters by the Participant shall be at the sole discretion of the Board/Committee and will be final and binding upon the Participant.

5. Maximum period within which the Options shall be vested:

Options granted under the Plan would vest in the employees within a maximum period of 60 months from the date of grant of the Options, or as may be determined by the Board/Committee.

6. Exercise price or pricing formula:

Unless the Board/Committee determines otherwise, whether generally or in respect of any specific Options, the Exercise Price will be higher of:

i) the closing Market Price of the Shares on the date of the Grant; or

ii) the Book Value of the Shares as per the last audited balance sheet as on the date of the Grant.

'Market Price' means the latest available closing price on the stock exchange on which the Shares are listed, prior to the date of the meeting of the Committee in which the Options are Granted. If, at the relevant time, the Shares are listed on more than one stock exchange, then such latest available closing price of the Shares on the stock exchange where there is highest trading volume on the said date shall be considered.

7. Exercise period and the process of Exercise:

Unless the Board/Committee decides otherwise, the Exercise Period of the Vested Options shall not be less than 12 months and not more than 60 months from the date of Vesting.

The vested Options shall be exercisable by the employees by a written application to the Company/Trust expressing his/her intention to exercise such Options in such manner and in such format as may be prescribed by the Committee/Trust from time to time. The Options shall lapse if not exercised within the specified Exercise Period.

The Shares allotted/transferred to the Participant (as defined in the Plan) on Exercise of the Vested Options pursuant to the Plan may be subject to such lock-in, if any, as may be determined by the Committee/Trust, from time to time.

8. Appraisal process for determining the eligibility of employees for the Plan:

The appraisal process for determining the eligibility of the employees/class of employees will be decided by the Board/Committee from time to time, on various parameters which would inter alia include the length of service, grade, performance, technical knowledge, leadership quality, merit contribution, conduct and future potential.

9. Maximum number of options to be granted per employee and in the aggregate

The maximum number of Options to be granted under the Plan shall not exceed 4,00,00,000 (save that the number of Shares shall stand adjusted accordingly if and as determined by the Board/Committee in the event of a bonus issue, share split, share consolidation or other corporate action that the Board/Committee determines requiring such adjustment).

The maximum number of Options to be granted under the Plan per Employee will not exceed 50,00,000. The maximum number of Options granted under the Plan to the Non-executive Directors (other than the Independent Directors) of the Company will not exceed 15,00,000 Options in any financial year and 75,00,000 in aggregate under the Plan. The number of Options that may be granted to any employee including any Director of the Company (not being an Independent Director), in any one year under the Plan shall be less than 1% of the issued Equity Share Capital at any point of time.

10. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust:

The Plan may also be implemented and administered by Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company.

11. Source of Acquisition of Shares by the Trust:

The Plan contemplates both fresh issue of shares by the Company as well as acquisition of shares by the Trust on the stock exchanges or any other permitted mode, in accordance with the provisions of the SEBI SBEB Regulations.

12. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms etc.:

For the effective implementation of the Plan, the Company may provide loan to the Trust, from time to time, as per the following details:-

i) Amount of Loan - Maximum amount of loan outstanding at any point of time shall not exceed ₹ 400 crores.

ii) Tenure of Loan– Till the objects of the Trust are accomplished or repayment of the loan by the Trust, whichever is earlier.

iii) Utilization of Loan – For implementation of the Plan by subscribing to the Shares from the Company or acquiring from the stock exchanges or any other permitted mode.

iv) Repayment terms – The Trust shall repay the loan to the Company by utilizing the proceeds realized from the exercise of the Options by the Employees and/or as may be mutually agreed upon between the Company and the Trust from time to time.

13. **Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purpose of the Scheme:**

    The total number of Shares under secondary acquisition to be acquired by the Company in no case will exceed 5% of the outstanding paid up equity capital of the Company, at any point of time, provided that the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the Paid-up Equity Share Capital as at the end of the financial year.

14. **Accounting and Disclosure Policies:**

    The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards/policies prescribed by the Institute of Chartered Accountants of India or Central Government or SEBI, from time to time, including the disclosure requirements prescribed therein.

15. **Method of Option Valuation:**

    To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on earning per share of the Company shall also be disclosed in the Board's Report.

The Plan shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

The approval of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and as per the SEBI SBEB Regulations.

The Board of Directors recommend the special resolutions set forth as Item Nos. 7 and 8 of the Notice for approval of the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NO. 9:-

The Company intends to introduce a new 'Edelweiss Employees Stock Option Plan 2016', with a view to attracting and retaining key talent for the Company and its Subsidiaries. Under the Plan, the Company may issue fresh equity shares to the Option holders upon exercise of options, which would result in dilution of equity. Acquisition of shares from the secondary market will not result in dilution of equity. Therefore, the Plan, may be implemented through Edelweiss Employees Stock Option Trust (the Trust), a Trust to be set up, by the Company. The Trust would acquire the Company's shares from the secondary market.

The SEBI SBEB Regulations require approval of the shareholders of the Company for acquisition of shares from secondary market for implementation of employee benefit schemes, by passing a special resolution. Pursuant to the SEBI SBEB Regulations the secondary acquisition by the Trust, in any financial year, for implementing employee benefit schemes shall not exceed 2% of the total number of shares of the Company, at the end of the preceding financial year and the total number of shares acquired from the secondary market and held by the Trust at any time, shall not exceed 5% of the total number of shares of the Company at the end of the financial year preceding the year in which the resolution for secondary acquisition of shares is passed by the shareholders.

The Board of Directors recommend the special resolution set forth as Item No. 9 of the Notice for approval of the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NO. 10:-

The Company intends to introduce a new Edelweiss Employees Stock Option Plan 2016 (the Plan), with a view to attracting and retaining key talent for the Company and its Subsidiaries. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations") which governs share based employee benefit schemes/plans permit implementation of the plan through a trust and in some situations, even makes it mandatory.

The Plan may be implemented through Edelweiss Employees Stock Option Trust, a Trust to be set up by the Company (hereinafter referred to as the Trust). The Trust may need funds, from time to time, for subscribing to the Company's Equity Shares (the Shares) or for purchasing the Shares on the Stock Exchanges or any other permitted mode, for implementing the Plan. As per the provisions of Companies Act, 2013, any provision of loan by a Company to any person for purchase of or subscription for its own shares has to be in accordance with a scheme approved by the members by way of a special resolution.

The major terms of the scheme are as below:

1. The total amount of loans to be granted by the Company, from time to time, to the Trust and the amount of guarantee/security to be provided by the Company in connection with a loan provided by another person to the Trust and outstanding at any point of time, shall not exceed ₹ 400 crores.
2. The loan shall carry interest at such rate, as may be determined by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company, from time to time.
3. All other terms of the scheme shall be framed by the Board of Directors (including a Committee thereof).

Particulars in respect of the Trust:

a) Class of employess for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares:

The Plan is being implemented and money is being provided for purchase and subscription of shares for the benefit of employees within the meaning of the Plan. The class/ classes of employess who are eligible subject to selection by the Board/Compensation (ESOP) Committee ("Committee") are as under:

(i) a permanent employee of the Company who has been working in India or outside India; or

(ii) a Director of the Company, whether a whole time director or not but excluding an Independent Director; or

(iii) an employee as defined in clauses (i) or (ii) of the subsidiaries, in India or outside India, but does not include—

a) an employee who is a promoter or a person belonging to the promoter group; or

b) a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

b) The particulars of the Trustee or employees in whose favor such shares are to be registered:

The Trust shall acquire and hold the shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable statutes. The shares will be registered in the names of the Trustees.

c) The particulars of Trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The following are the details of the Trust to be set for the implementation of the Plan.

Name and address of the Trust:

Edelweiss Employees Stock Option Trust,
Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098

The proposed Trustees of the Trust are as under:-

Sr. No	Name	Address	Occupation	Nationality
1.	Mr. Nikhilesh Panchal	502 Ajay Apartment, T.H.Kataria Marg, Matunga (W) Mumbai 400016	Professional	Indian
2.	Mr. R. P. Soni	D-1604/05, Ekta Meadows CHS, Siddharth Nagar, Borivali (East), Mumbai – 400 066.	Professional	Indian
3.	Mr. T. V. Rangaswami	Flat no. 505, Aster Dosti Acres, Indian Hume Pipe, Wadala(E), Mumbai 400037.	Service	Indian

The Board (including a Committee thereof) at its sole discretion may re-constitute the Board of Trustees at any time.

None of the Trustees is related to the Promoters, Directors or Key Managerial Personnel of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters are not eligible to participate in the Plan and do not have any interest in the scheme or in the Trust. The Key Managerial Personnel and Non-promoter Directors (other than the Independent Directors) may be covered under the Plan in accordance with the SEBI SBEB Regulations and, therefore, may be considered to be interested in the scheme or the Trust to the extent of options which may be granted to them under the Plan.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:

The Employees of the Company and its subsidiaries, considered eligible by the Board/Committee, may be granted stock options under the Plan which would vest according to the vesting conditions prescribed by the Board/Committee. After vesting and on exercise of the Options, either the Company or the Trust/Trustees may allot or transfer corresponding number of shares to the employees against payment of the Exercise Price. The employees may hold, sell or otherwise deal in such shares, as per their discretion subject to applicable laws and regulations. Provision of loans by the Company to the Trust enables the Trust to implement the Plan.

f) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, the Trustees shall not vote in respect of equity shares held by the Trust. The voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of Options.

The Scheme shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

In accordance with the provisions of the SEBI SBEB Regulations read with the Companies (Share Capital and Debentures) Rules, 2014, approval of the Shareholders is being sought by way of a special resolution set forth as Item No. 10 of this Notice.

The Board of Directors recommend the special resolution set forth as Item No. 10 of the Notice for approval of the shareholders.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

ITEM NOS. 11 to 13:-

With a view to provide the employees of the Company a share in the growth of the Company, to attract, retain and motivate the best available talent in the Company, the Company had formulated and implemented various Employees' Stock Option Plans.

As of date, the Stock Options granted under the following Plans are in force:-

1. Edelweiss Employees Stock Incentive Plan 2009;
2. Edelweiss Employees Stock Incentive Plan 2010; and
3. Edelweiss Employees Stock Incentive Plan 2011.

(hereinafter collectively referred to as `the Plan(s)').

On exercise of Options granted pursuant to the Plans, presently the Company allots new shares for which the employees are required to pay the Exercise Price. With the passage of time and prevailing market practices, it is considered prudent to provide the employees an additional option to receive cash in lieu of exercise of the Vested Options in the manner provided in the Resolutions Item Nos. 11 to 13. The option to receive cash in lieu of Vested Options can be exercised by the employees at their sole discretion. In the event, the employees are not desirous of availing such an option, the employees can continue to exercise their Vested Options as per original terms which remain unchanged.

To incorporate the aforesaid, it is proposed to amend the Plan(s) in the manner provided in the resolutions. The proposed amendments to the Plans are not detrimental to the interest of the employees. The amendments shall be applicable to the existing and the future options that may be granted under the Plan(s).

The Plan(s) together with the proposed amendments shall be available for inspection by any member at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on all working days till the date of the Annual General Meeting.

In terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, any change to the terms of options already granted requires the prior approval of the shareholders of the Company. The Board recommend the Special Resolutions at Item Nos. 11 to 13 of the Notice for approval by the Members.

The eligible Directors and Key Managerial Personnel may be deemed to be concerned or interested in these resolutions to the extent of their participation in the Plan(s).

For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary
(F2922)

May 13, 2016

Registered Office:
Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098.
CIN No.: L99999MH1995PLC094641
Email: **efsl.shareholders@edelweissfin.com**

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Name of the Director	**Mr. Himanshu Kaji**	**Mr. Rujan Panjwani**
Date of Birth	August 24, 1965	April 7, 1963
Age	50 years	53 years
Date of Appointment	November 1, 2011	June 24, 2013
Brief resume, qualification, experience and nature of expertise in specific functional areas	Mr. Himanshu Kaji, Group Chief Operating Officer, is responsible for the overall functioning of Corporate Planning, Operations, Technology, Business Solutions, Governance, Compliance, Finance, Stakeholder Relations, Global Risk, Resources, Legal and Administration functions of the Group. He brings vital expertise and is involved in strategy development and implementation. Before joining Edelweiss in 2009, he served as corporate advisor to various large organisations in the financial services sector. Mr. Kaji was Honorary Treasurer & Official Spokesman and Director of Bombay Stock Exchange (BSE) from 1999 to 2002. Presently, he is a member of the Secondary Market Advisory Committee of SEBI. Mr. Kaji is a qualified Chartered Accountant with a Post-graduate Diploma in Securities Law.	Mr. Rujan Panjwani, has over 25 years of experience in the financial services industry working across all asset classes. Over the last 16 years he has played a key role in setting up several businesses and functions for the Edelweiss Group including Asset Management, Credit, Group Treasury and the Balance Sheet unit. Mr. Rujan Panjwani plays a key role in several strategic initiatives for the Group including driving its Human Resources, Strategy and Business development. He is also a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee, the highest decision making body in Edelweiss on Risk-related issues. Mr. Panjwani is an Electrical Engineer by qualification.
No. of Board Meetings attended during the financial year ended March 31, 2016	5	4
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	**Public Companies**	**Public Companies**
	i) ECL Finance Limited ii) Edelweiss Tokio Life Insurance Company Ltd. iii) Edelweiss Trusteeship Company Limited iv) Edelweiss Holdings Ltd. v) Edelweiss General Insurance Company Ltd.	i) Edelweiss Tokio Life Insurance Company Ltd. ii) Edelweiss Commodities Services Ltd. iii) Edelweiss Asset Management Ltd. iv) Edel Land Ltd. v) Edelweiss Custodial Services Limited

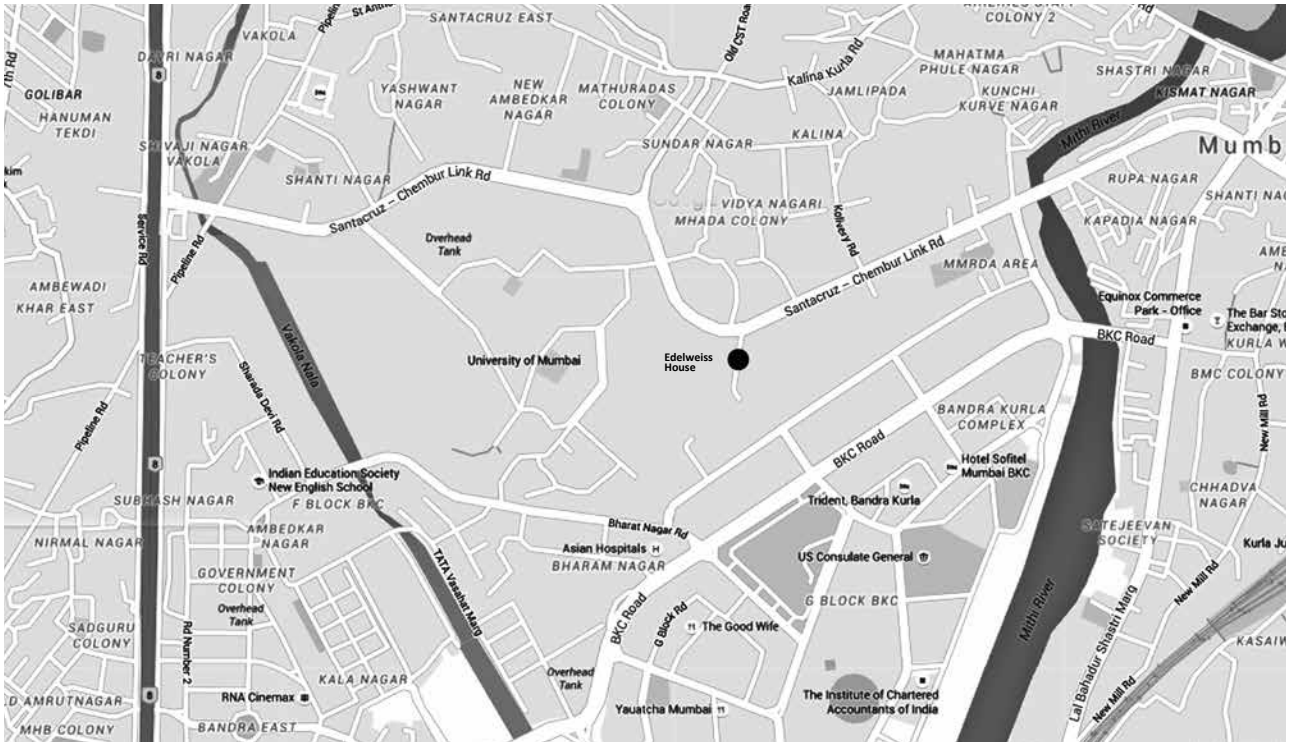
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	**Memberships of Committees of other Boards**	**Memberships of Committees of other Boards**
	i) Edelweiss Trusteeship Company Limited – Audit & Risk Committee ii) Edelweiss Tokio Life Insurance Company Ltd -Audit Committee	Edelweiss Asset Management Ltd – Audit & Risk Committee
Number of Shares held in the Company	9,37,500	1,23,16,380
Inter-se relationship with other Directors and Key Managerial Personnel	None	None
Details of Remuneration sought to be paid	Mr. Kaji is an Executive Director of the Company and will be paid the remuneration as approved by the members at the 20th Annual General Meeting of the Company held on July 21, 2015.	Please refer Item No. 4 of the 21st AGM Notice
Remuneration last drawn by the Director	Please refer Corporate Governance Report forming part of the Annual Report	

Edelweiss
Ideas create, values protect

ROUTE MAP OF THE VENUE OF THE
21st ANNUAL GENERAL MEETING - AUGUST 9, 2016

AGM Venue:
Edelweiss Financial Services Limited
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai – 400 098

Prominent Landmark: University of Mumbai, Kalina



Notes

Notes

External Connects

- *Edelweiss Chairman & CEO and Vice President of FICCI Rashesh Shah along with Prime Minister Narendra Modi and the FICCI CEO delegation to the US*

- *Rashesh Shah accompanying Hon'ble Finance Minister Arun Jaitley as part of the FICCI delegation to the US*

- *Rujan Panjwani, Executive Director, Edelweiss, Nilesh Parmar, COO, Edelweiss Tokio Life Insurance, Indian Olympic Association officials, Athletes and Actor Salman Khan at a press conference announcing Edelweiss' sponsorship of the Indian Olympic Team*

- *Renowned sports personalities Geet Sethi, Mary Kom, P. V. Sindhu along with Vidya Shah, CEO, EdelGive Foundation and Rashesh Shah at an Olympic Gold Quest event hosted by Edelweiss*

- *Rashesh Shah along with esteemed panel members at The Economic Times Union Budget Special session*

- *Rashesh Shah hands over a branded t-shirt to Edelweiss' Brand Ambassador Saina Nehwal*

- *Rashesh Shah along with Shri Jayant Sinha, Minister of State for Finance at the Edelweiss Alternative Financing Conference*

- *A musical evening of Indian Sufi and mystic music supported by Edelweiss*

- *Rashesh Shah, Nitin Jain, CEO, Global Asset & Wealth Management, Vikaas M. Sachdeva, CEO, Edelweiss Asset Management along with the JP Morgan Asset Management (JPMAM) representatives announcing the acquisition of JPMAM's India onshore fund schemes by Edelweiss*

- *Vidya Shah in a dialogue with Lakshmi Pratury, CEO, INK, at the prestigious INK conference*

- *Anil Kothuri, Head, Retail Finance receiving the 'Special Jury Award for Serving MSMEs' from Shri Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines at the MSME Banking Excellence Awards 2015*

- *Anil Kothuri along with other panelists at The Economic Times Union Budget Special session on SMEs Driving India's Growth*

- *Panelists discuss Distressed Assets at the inaugural Edelweiss Credit Conclave 2016*

- *Rashesh Shah and Vikas Khemani, President & CEO, Edelweiss Securities along with Minister for Road Transport and Highways and Shipping, Shri Nitin Gadkari at the Edelweiss Investor Conference*

- *Rahul Jain, Head Retail Advisory, Nitin Jain, and Riyaz Ladiwala, SVP, Digital Transformations, announce the launch of Edelweiss 'Tap2Trade'*

- *Rashesh Shah along with Vinay Khattar, SVP & Head of Research, Edelweiss Broking and Harish Sharma, Business Head, Brokerage & Wealth Management at the Edelweiss Proprietary Investors' Conference*

Internal Engagement

- *Deepak Mittal, MD & CEO Edelweiss Tokio Life Insurance inaugurating a branch in Kolkata*

- *Team Edelweiss at Edelweiss Palette 2016 – Art for a Cause, a client event supported by EdelGive Foundation*

Rashesh Shah addresses employees at the Customer Centricity Week celebration at the Edelweiss Head Office in Mumbai

Kalpana Ajayan, HR, Vidya Shah, Chetna Gala Sinha, CEO, Mann Deshi Foundation, Rama Bijapurkar, Shabnam Panjwani, Chief Marketing Officer and Manisha Jha Thakur, Head HR, at the inauguration of the Women Empowered mentorship programme at Edelweiss

Edelweiss employees running for EdelGive Foundation at the Mumbai Marathon 2016

Edelweiss employees gear up for the Edelweiss Monsoon Run

Awards

RAISING THE BAR

Best Corporate Governance - India
at CFI.co Corporate Governance Awards 2016

Best Equity Capital Markets House and **Best Broker Award**
at the FinanceAsia Country Awards 2016

Leading Adviser of the Year 2016 – India
at M&A Awards, Acquisition International

Best Private Banking Solution
(Edelweiss Structured Products team)
at the Asia-Pacific Structured Products and Derivatives Awards 2015

Best Equity Broking House (mid-size) Award
at the BSE – Dun & Bradstreet Equity Broking Awards 2015

Special Jury Award for serving MSMEs 2015
(Edelweiss Retail Finance Limited)
at the MSME Banking Excellence Awards

BREAKING BARRIERS

5 wins across categories at the Brand & Marketing Awards 2016
Indian Brand Convention including
- **Best New Product Launch** Edelweiss Trader's Lounge
- **Best Marketing Innovations** Edelweiss - Union Budget 2016
- **Best Digital Marketing Campaign** Edelweiss #KeepThePromise Industry

3 Golds at the Asia Pacific Customer Engagement Forum Awards 2015

"Yamraj Road Safety Campaign", by Edelweiss Tokio Life Insurance
for category **BTL-successful use of CSR activity**

"26 pe 26", a customer engagement and activation campaign
for category **BTL - Activation**

"Union Budget 2016" campaign for category **Integrated Marketing Innovation**

CHARTING A NEW PATH

Ranked amongst **India's Best Corporate Brands 2016** in the
The Economic Times Consumer Survey

Ranked amongst **India's Most Promising Brands 2015** in the
The Economic Times Consumer Survey

Ranked amongst the **100 Most Valuable Brands of India 2015**
by World Consulting & Research Corporation (WCRC)

Ranked as **#1 Best Brokerage House for Roadshows and Company Visits**
in the Asiamoney Brokers Poll 2015

Concept: quadrum & Edelweiss Team

OUR GLOBAL PRESENCE

Registered Office:
Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai 400 098
Maharashtra, India
CIN - L99999MH1995PLC094641
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PROUD SPONSOR
2016 INDIAN OLYMPIC TEAM