

**Edelweiss Financial Services Limited FY14 Results****Total Income ₹ 2,556 cr & Profit after Tax ₹ 220 cr**

Edelweiss Financial Services Limited, India's leading diversified financial services company, declared its audited, consolidated results for the Financial Year 2013-14 ended March 31, 2014 today.

**FY14 Highlights:**

- \* **Total Revenue ₹ 2,556 cr**  
compared to ₹ 2,184 cr for FY13, up 17%
- \* **Profit After Tax ₹ 220 cr**  
compared to ₹ 178 cr for FY13, up 23%
- \* **Profit After Tax ex-insurance ₹ 271 cr**  
compared to ₹ 226 cr for FY13, up 20%
- \* Group Gross Networth ₹ 3,095 cr
- \* Tangible Equity ex-insurance ₹ 2,206 cr
- \* **Return on Tangible Equity (ex-insurance) 12.3%**
- \* **Achieving Non-Linear growth - BS growth 12%, PAT growth 20% ex-ins YoY**

**Q4FY14 Highlights:**

- \* **Total Revenue ₹ 699 cr**  
compared to ₹ 600 cr for Q4FY13, up 17%
- \* **Profit After Tax ₹ 61 cr**  
compared to ₹ 51 cr for Q4FY13, up 19%
- \* **Profit After Tax ex-insurance ₹ 72 cr**  
compared to ₹ 70 cr for Q4FY13, up 3%

Edelweiss has constantly pursued the strategy of diversifying its businesses to become a large and respected Financial Services firm with businesses across all growth areas in the financial services sector. We have de-risked the business model by diversifying across businesses, asset classes, client segments, markets and geographies to reduce volatility and build sustainability in performance. This has helped us record consistently improved financial and business performance across cycles. With the diversification phase complete, we are focusing on scaling up businesses, improving efficiency and productivity, strengthening balance sheet, risk management and compliance, instilling customer-centricity, upgrading technology and building leadership for future.

From catering to a few hundred wholesale clients in 2008, the group now touches lives of over **497,000 clients** from retail and wholesale segments across businesses. In addition, our Depository Participants maintain over 262,000 DP accounts.

**Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Financial Services Limited said:**

*"Market sentiments have improved significantly in the last few months in the hope of a stable government at the centre. Yesterday's results gave a clear mandate in favour of NDA which is positive as the country needs to get growth back.*

*In the fourth quarter, liquidity continued to be comfortable with further easing of short term interest rates. External vulnerability has reduced significantly. However CPI inflation is sticky and investment and consumption continue to be low. We think with a secure and progressive government at the centre, conditions are ripe for gradual return of growth.*

*Our long-term strategy of diversifying across businesses, asset classes and client segments continues to stand us in good stead as demonstrated by constant improvement in our financial and business indicators. Increasingly our profits are being contributed by multiple businesses and we have reduced concentration risk in this in our efforts to make the profits more sustainable.*

*For the year as a whole, despite extreme volatility in the second quarter, our net profit ex-insurance is higher by 20%. Our return on tangible equity ex-insurance for FY14 is at 12.3% compared to 11.3% for the previous year. The current buy back of shares of the company would also lead to a more efficient allocation of capital. Our business tenets for FY15 include improving capital and operating efficiency, achieving scale in retail businesses, improving sustainability in our performance, strengthening balance sheet, risk and compliance, upgrading technology, building a customer-centric culture and nurturing leadership for future growth."*

**Dividend:**

Board of Directors recommends a final **dividend of ₹ 0.15 per share** for FY14 (FV ₹ 1 per equity share). Earlier during the year, the company had declared and paid interim dividend of ₹ 0.55 per equity share. The total dividend for FY14, therefore, works out to ₹ 0.70 per equity share (FV ₹ 1).

**Buy Back of Shares:**

Board of Directors at its meeting held on April 23, 2014 have approved Buy-back of Company's equity shares of ₹ 1 each in accordance with applicable regulations. The buy-back will be made from open market through Stock Exchanges at a price not exceeding ₹ 45 per equity share and for an aggregate amount not exceeding ₹ 135 crore. The buy-back has commenced from May 05, 2014.

**Finance Asia Annual Poll Ranking:**

Edelweiss has been voted "**India's Best Managed Company**" in the upto \$500 million market cap category by the readers of Hong Kong based **Finance Asia**, Asia's leading financial publishing house, in its annual poll on India's Top Companies - 2014. It is for second consecutive year that Edelweiss has been ranked in a similar manner in the Finance Asia Poll. This accolade is recognition of our strategy of growing in a calibrated and cost-efficient manner while concentrating on areas like Risk Management, Governance, Leadership Development and Customer Centricity.

**FY14 Financial Highlights:**

- \* **Fund based income** is ₹ 2,062 cr for FY14 (₹ 1,781 cr in FY13), up 16%, and for Q4FY14 it is ₹ 545 cr (₹ 471 cr in Q4FY13), up 16%. This income stream includes income from credit including housing finance business, commodities business and Balance Sheet Management Unit operations.

- \* **Fee & Commission income** is ₹ 356 cr for FY14 (₹ 319 cr in FY13), up 11%, and for Q4FY14 it is ₹ 100 cr (₹ 90 cr in Q4FY13), up 11%. This income stream includes income from broking, corporate finance advisory, asset management and wealth advisory businesses. Securities broking income constitutes about 5.6% of the total revenue for the year.
- \* **Gross Premium income** from **Life Insurance business** is ₹ 111 cr for FY14 compared to ₹ 55 cr in FY13, up by 102%. Gross Premium for Q4FY14 is ₹ 50 cr (₹ 33 cr in Q4FY13).

The **diversified revenue mix** has successfully helped us in achieving improvement in our performance on a sustained basis despite volatile environment.

**Balance Sheet, ALM and Liquidity Management:**

- \* Our Balance Sheet Management Unit actively manages the Balance Sheet, Asset Liability position and liquidity in a way similar to that of the treasury of a commercial bank.
- \* The focus of Balance Sheet Management unit continues to be on maintaining adequate liquidity, reducing our dependence on short-term market borrowings, diversifying our sources of borrowings and maintaining a matched ALM profile. We continue to modify our liabilities profile in sync with our assets profile.
- \* As a part of this effort, our NBFC subsidiary **ECL Finance Limited** successfully closed the first **Public Issue of Retail Bonds for ₹ 500 cr** in Q4FY14. These NCDs have three and five year maturities and provide us medium to long term liabilities to match the increasing duration of our assets portfolio. We plan to tap this alternative going forward too as it provides a platform to grow our capital based businesses with confidence.
- \* **The total Networth of the Group now stands at ₹ 3,095 cr with Tangible Equity ex-insurance and ex-minority at ₹ 2,206 cr.**
- \* The aggregate borrowings at the end of this year are higher at around ₹ 12,948 cr compared to ₹ 11,534 cr as at the end of the previous year. The entire increase in borrowings of ₹ 1,414 cr YoY has gone to meet the growth in credit book which is ₹ 2,056 cr in the same period. Excluding our back to back borrowings, the **Net Gearing is 3.6x** compared to 3.1x at the end of FY13.

**Business Highlights:**

Operations of Edelweiss are organised around **four broad business groups – Credit including Retail Finance, Commodities, Financial Markets including Asset Management and Life Insurance.**

Brief highlights of our business performance are as under:

- \* **Credit Business:**

Edelweiss offers **Retail Finance and Corporate Finance**. Total credit book of the group including these segments stands at ₹ 8,628 cr at the end of this year compared to ₹ 6,572 cr at the end of previous year, a growth of 31%. Total loan book has grown at a CAGR of 69% over five years till the end of FY14.

**Retail Finance** business offers **housing mortgages including small-ticket housing loans**, rural finance, loans against property and SME finance. As at the end of this year it had a book size of ₹ 2,090 cr with assets under management of ₹ 2,240 cr. The business securitised a part of its portfolio during the fourth quarter for the first time. It has a client base of over 16,000 in 22 major cities including **14 cities where small-ticket housing loans are disbursed, and ~400 villages**. The business plans to be in 28 cities by the end of FY15.

The Corporate finance collateralized loan book is adequately secured with an average **collateral cover** of 2.6 times at the end of this year.

The **asset quality** of the overall credit book continued to remain under control with Gross NPLs at 0.95% and Net NPLs at 0.25%. This translates to a Provision Coverage Ratio (PCR) of 74%. Including the general loan loss provision that we make on our standard assets, the PCR is 100%. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

Having added a new source of long term liabilities by virtue of the recent **maiden public issue of NCDs**, our NBFC subsidiary **ECL Finance Limited** is well placed to grow its asset book with confidence in future. Its Capital Adequacy Ratio as on March 31, 2014 is 16.06% with significant room to add Tier 2 capital by way of Subordinated Debt for future growth.

**Fixed Income Advisory** business continued to scale up its business and be among leading debt arrangers in the country.

- \* The business handled 15 transactions in Q4FY14 including tax free bonds for large and reputed clients like REC, NHB and Hudco, and NCD issuance for PFC and REC. Tax free bond issuances dominated the fourth quarter as high long-term interest rates continued to dampen the corporate sentiments leading to sluggish activity in the bond market.
- \* In addition, Debt Syndication and Restructuring advisory businesses continued to scale up having handled eight advisory transactions during the quarter.
- \* Total number of transactions handled by this business in FY14 is 53 compared to 39 transactions in FY13.

\* **Commodities:**

Edelweiss set up its commodities business about 6 years ago in order to diversify across adjacent asset classes. The expected financialisation of commodities markets in India will act as a growth driver for this strategically important business.

We see agri business as a significantly large and untapped opportunity in India across sourcing of commodities through our infrastructure and intermediary network, making credit available to the participants in the value chain and improved distribution. The business is also building an international sourcing and procurement model for key commodities like pulses and oilseeds etc. We continue to invest in infrastructure, people strategy, technologies, risk and operations processes.

\* **Financial Markets & Asset Management Business:**

Financial Markets and Asset Management industry have continued to face headwinds for over two years now with lower activity levels resulting in constant shrinkage of revenue pool and margins for the industry.

- \* **Institutional Broking** business continued to be among the market leaders and perform in line with the industry. Our **Research** covers 190 stocks across 20 sectors representing over 75% of market capitalization.

During the quarter, we held our **flagship India Conference** in Mumbai with the **"Anti-Fragile"** theme. The conference met with excellent response with participation of over 100 Indian Corporates and over 500 global and Indian institutional investors facilitating over 2,500 meetings among them. As part of the theme, we launched our book **"Thriving in Adversity – Conversation with leaders of India's Anti-Fragile Companies"** featuring conversation with top 22 iconic Indian business leaders who have guided their companies in uncertain times.

- \* Despite low activity levels in markets, our **Corporate Finance & Advisory** business handled two private equity placement transactions this quarter taking total number of transactions handled in the year to eight.
- \* **Retail Financial Market** business continued to scale up its market share with the total retail client base crossing 4,27,000 having added nearly 18,000 clients during the year. This includes over 1,25,000 online clients. The structured products portfolio touched an outstandings of over ₹ 1,360 cr at the end of FY14 compared to around ₹ 1,080 cr at the end of the previous year.
- \* The online portal [www.edelweiss.in](http://www.edelweiss.in) continued to be one of the most popular sites with the cumulative number of unique visitors crossing 1 cr with 13 cr page views over 6.4 cr visits till March 31, 2014.
- \* Edelweiss continued to be a major distributor in public issues of equities and debt in FY14. We are ranked 1<sup>st</sup> in IPO distribution during FY14 in Retail and HNI (NIB) categories taken together with a 52% market share of the amount procured. We are also ranked 2<sup>nd</sup> in Tax Free Bonds distribution with a 13% market share of the amount procured in FY14 (source: Prime Database).

- \* **Asset Management:**

- \* AUMs/AUAs under **Alternative Asset Management** business reached a level of over ₹ 11,900 cr at the end of FY14 compared to around ₹ 2,700 cr at the end of the previous year. This includes five alternative funds and Asset Reconstruction Company (ARC) assets. With commercial banks in the country now embarking on sale of their NPAs to ARCs, **Edelweiss ARC** scaled up its AUMs to over ₹ 9,200 cr at the end of FY14 and is now among the leading ARCs in the country. We are excited about the ARC opportunity as it helps in releasing productive assets for the Nation's economy and reduces the burden on commercial banks.

We are happy to share that Vibhor Gujarati, Head of India Marketing for our Wholesale Asset Management business won the **"Achiever of the Year"** award at the recently announced ABP News – BFSI Awards 2014.

- \* **Retail Asset Management** business managed 10 funds across Equity, Debt and Liquid schemes, with average AUMs of ₹ 170 cr during the fourth quarter. It had an active base of over 12,300 investors and a distributor base of over 3,200 at the end of the quarter. The AMC conducted 25 Awareness Programmes in FY14 as a part of SEBI – AMFI initiative for enhancing investor awareness and opened its sixth branch at Indore

to function as a "**Financial Inclusion – Investor Awareness Hub**". Focus of this business continues to be on building investment capabilities and creating a track record.

On May 01, 2014, Edelweiss announced acquisition of Forefront Capital Management, a high net worth focused Asset Management Company that spans alternative as well as traditional investment space. This acquisition further strengthens and diversifies Edelweiss' presence in the asset management business.

Edelweiss AMC received the awards for "**Most Admired Company in the Financial Services Sector**" and for "**Best Marketing Campaign – Mutual Funds**" at the ABP News – BFSI Awards 2014.

\* **Life Insurance:**

Edelweiss entered the life insurance space through a joint venture with Tokio Marine of Japan, one of the oldest and largest Insurance companies globally. This business has significantly expanded the addressable retail markets for Edelweiss.

Edelweiss Tokio Life Insurance Company (ETLI) continued to scale up with its gross premium of ₹ 111 cr in FY14 compared to ₹ 55 cr in FY13. The business has presence through 58 branches in 48 cities across India. The agency channel scale up continued with the total number of Personal Financial Advisors touching 7,255 by the end of this year compared to 3,401 as at the end of FY13.

The Company offers 18 individual products to meet the basic needs of customers on education funding, wealth accumulation, wealth enhancement, income replacement and retirement funding. It also offers three group products, one each for life protection, credit protection and savings for retirement.

ETLI has recently been adjudged as a winner of "**Top 100 Infosec Maestros Awards**". This award is given to information security leaders in India.

\* **Other Updates:**

\* Edelweiss' presence covers 216 offices in 118 cities including six international offices. Together with a strong network of over 5,700 Authorized Persons and Sub-brokers, Edelweiss presence covers almost all major cities in India. The total number of employees at the end of the quarter stands at 4,001.

\* We continue to strengthen compliance function, invest in processes that enhance efficiencies, adopt new technologies and improve risk management. We are also investing in building a customer-centric culture and nurturing leadership among our employees to prepare them for future responsibilities.

\* Edelweiss has constantly emphasized adoption of cutting edge technology in our quest to be ahead of competitors. As a consequence of significant investment made in technology, we are delighted to note that Edelweiss has won the "**Award for Excellence: Use of IT in BFSI for Large Enterprise Category**" at the IMC Information Technology Awards 2013 announced in the fourth quarter. Edelweiss has also been selected as a winner in the 4<sup>th</sup> edition of "**Top 100 CISO Awards - 2014**".

While the robust IT platform built by us helps us in enhancing the customer experience, we also simultaneously adopt best in class information security practices.

- \* **EdelGive Foundation** is the philanthropic initiative of Edelweiss Group with the mission to leverage its resources with a view to empowering social entrepreneurs and organisations towards achieving systemic change.

During the quarter, EdelGive supported **Olympic Gold Quest (OGQ)** athlete **Pooja Ghatkar** clinched Gold Medal in the 10m Air Rifle Asian Championship in Kuwait. **Mary J Kom and P V Sindhu** are among the other EdelGive supported OGQ athletes.

After the successful Mumbai Marathon campaign which motivated over 40 Edelites to participate in the Marathon run and raise funds to the tune of ₹ 20 lacs, EdelGive hosted **"Palette 2014 – Art under Palms"**. The event brought together artworks from eminent artists across India to over 750 guests. The event successfully helped in raising funds for 10 NGOs that support the cause of Education among underprivileged children.



### About Edelweiss Financial Services

Edelweiss is a leading Indian company that provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. It offers products and services spanning across asset classes, consumer segments and geographies. Its businesses are broadly divided into **Credit including Retail Finance, Commodities, Financial Markets including Asset Management and Life Insurance**. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all segments of clients. Life Insurance, Retail Finance including Housing Finance, Mutual Fund and Retail Financial Markets businesses have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence now covers 216 offices in 118 cities in India and abroad with 4,001 employees. Together with around 5,700 strong network of Authorized Persons and Sub-Brokers, Edelweiss group has presence across all major centers in India catering to over 497,000 clients under various businesses in retail and wholesale segments.

Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN, Reuters: EDEL.BO. To learn more about the Edelweiss Group, please visit [www.edelweissfin.com](http://www.edelweissfin.com).

Edelweiss Financial Services Limited **Corporate Identity Number:** L99999MH1995PLC094641

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#### Safe Harbor

This document may contain certain forward - looking statements based on current expectations of the management of Edelweiss Financial Services Limited or any of its subsidiaries and associate companies ("Edelweiss"). The results in future may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include, inter alia, the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as its ability to implement the strategy. Edelweiss does not undertake any obligation to update these statements. The presentation relating to financial performance of various businesses of Edelweiss herein is based on Management estimates.

This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such actions. The company regularly posts all important information at its website [www.edelweissfin.com](http://www.edelweissfin.com).

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**Consolidated Financial Results for the Quarter and Year Ended March 31, 2014****(₹ in crore)**

|           | Particulars  | Quarter Ended |               |               | Year Ended      |                 |
|-----------|--|---------------|---------------|---------------|-----------------|-----------------|
|           |  | March         | December      | March         | March           | March           |
|           |  | 31, 2014      | 31, 2013      | 31, 2013      | 31, 2014        | 31, 2013        |
|           |  | (Unaud.)      | (Unaud.)      | (Unaud.)      | (Aud.)          | (Aud.)          |
|           | <b>Part I</b>  |               |               |               |                 |                 |
| <b>1</b>  | <b>Income from operations</b>  |               |               |               |                 |                 |
|           | (a) Fee and commission   | 99.69         | 87.38         | 90.03         | 355.63          | 319.37          |
|           | (b) Fund based activities  | 543.43        | 523.25        | 467.98        | 2,050.06        | 1,772.52        |
|           | (c) Premium from life insurance business   | 48.48         | 24.78         | 32.33         | 106.21          | 52.48           |
|           | (d) Other operating income   | 5.25          | 5.97          | 5.12          | 21.90           | 24.34           |
|           | <b>Total income from operations</b>  | <b>696.85</b> | <b>641.38</b> | <b>595.46</b> | <b>2,533.80</b> | <b>2,168.71</b> |
| <b>2</b>  | <b>Expenses</b>  |               |               |               |                 |                 |
|           | (a) Employee benefits expense  | 129.82        | 122.16        | 104.65        | 458.02          | 363.91          |
|           | (b) Depreciation and amortisation expense  | 14.73         | 11.38         | 14.31         | 52.41           | 51.43           |
|           | (c) Change in life insurance policy liability – actuarial  | 29.83         | 13.12         | 21.67         | 60.87           | 31.49           |
|           | (d) Other expenses   | 120.53        | 109.88        | 94.29         | 422.06          | 364.54          |
|           | <b>Total expenses</b>  | <b>294.91</b> | <b>256.54</b> | <b>234.92</b> | <b>993.36</b>   | <b>811.37</b>   |
| <b>3</b>  | <b>Profit / (Loss) from operations before other income and finance costs (1-2)</b>                             | <b>401.94</b> | <b>384.84</b> | <b>360.54</b> | <b>1,540.44</b> | <b>1,357.34</b> |
| <b>4</b>  | <b>Other income</b>  | 0.96          | 3.63          | 1.50          | 9.32            | 6.75            |
| <b>5</b>  | <b>Profit / (Loss) from ordinary activities before finance costs (3+4)</b>                                     | 402.90        | 388.47        | 362.04        | 1,549.76        | 1,364.09        |
| <b>6</b>  | <b>Finance costs</b>   | 298.70        | 309.10        | 290.80        | 1,210.67        | 1,113.33        |
| <b>7</b>  | <b>Profit / (Loss) before tax (5-6)</b>  | <b>104.20</b> | <b>79.37</b>  | <b>71.24</b>  | <b>339.09</b>   | <b>250.76</b>   |
| <b>8</b>  | <b>Tax expense</b>   | 46.05         | 29.92         | 28.82         | 134.61          | 88.15           |
| <b>9</b>  | <b>Net Profit / (Loss) after tax (7-8)</b>   | 58.15         | 49.45         | 42.42         | 204.48          | 162.61          |
| <b>10</b> | <b>Share of profit / (Loss) of associates</b>  | 1.30          | 4.45          | 2.99          | 12.41           | 8.57            |
| <b>11</b> | <b>Minority interest</b>   | (1.24)        | (3.90)        | (5.67)        | (3.35)          | (7.29)          |
| <b>12</b> | <b>Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (9+10-11)</b> | <b>60.69</b>  | <b>57.80</b>  | <b>51.08</b>  | <b>220.24</b>   | <b>178.47</b>   |
| <b>13</b> | <b>Paid-up equity share capital (Face Value of ₹ 1/- Per Share)</b>  | 76.90         | 76.90         | 76.38         | 76.90           | 76.38           |
| <b>14</b> | <b>Reserves excluding Revaluation Reserves</b>   |               |               |               | 2,656.91        | 2,383.44        |
| <b>15</b> | <b>Earnings Per Share (EPS) in Rupees (Face Value of ₹ 1/- Per Share)</b>                                      |               |               |               |                 |                 |
|           | - Basic (See Note no. 7)   | 0.79          | 0.75          | 0.67          | 2.86            | 2.35            |
|           | - Diluted (See Note no. 7)   | 0.78          | 0.74          | 0.66          | 2.85            | 2.31            |

**Part II - Select Information for the quarter and year ended March 31, 2014**

|          |  |             |             |             |                                     |             |
|----------|--|-------------|-------------|-------------|-------------------------------------|-------------|
| <b>A</b> | <b>PARTICULARS OF SHAREHOLDING</b>   |             |             |             |                                     |             |
| <b>1</b> | <b>Public shareholding</b>   |             |             |             |                                     |             |
|          | - Number of shares   | 483,329,640 | 483,329,640 | 478,126,590 | 483,329,640                         | 478,126,590 |
|          | - Percentage of shareholding   | 62.85%      | 62.85%      | 62.59%      | 62.85%                              | 62.59%      |
| <b>2</b> | <b>Promoters &amp; promoter group shareholding</b>                                   |             |             |             |                                     |             |
|          | a) Pledged/ Encumbered   |             |             |             |                                     |             |
|          | - Number of shares   | 16,183,000  | 16,183,000  | 14,200,000  | 16,183,000                          | 14,200,000  |
|          | - Percentage of shares (as a % of total shareholding of promoter and promoter group) | 5.66%       | 5.66%       | 4.97%       | 5.66%                               | 4.97%       |
|          | - Percentage of shares (as a % of total share capital of the company)                | 2.10%       | 2.10%       | 1.86%       | 2.10%                               | 1.86%       |
|          | b) Non-encumbered  |             |             |             |                                     |             |
|          | - Number of shares   | 269,532,690 | 269,532,690 | 271,515,690 | 269,532,690                         | 271,515,690 |
|          | - Percentage of shares (as a % of total shareholding of promoter and promoter group) | 94.34%      | 94.34%      | 95.03%      | 94.34%                              | 95.03%      |
|          | - Percentage of shares (as a % of total share capital of the company)                | 35.05%      | 35.05%      | 35.55%      | 35.05%                              | 35.55%      |
| <b>B</b> | <b>INVESTOR COMPLAINTS</b>   |             |             |             | <b>Quarter ended March 31, 2014</b> |             |
|          | Pending at the beginning of the quarter  |             |             |             | Nil                                 |             |
|          | Received during the quarter  |             |             |             | 5                                   |             |
|          | Disposed off during the quarter  |             |             |             | 5                                   |             |
|          | Remaining unresolved at the end of the quarter                                       |             |             |             | Nil                                 |             |

|          |  | <b>Consolidated Statement of assets and liabilities</b> |                  | <b>(₹ in Crores)</b> |
|----------|--|---|------------------|----------------------|
|          |  | <b>As at</b>  | <b>As at</b>     |                      |
|          |  | <b>March</b>  | <b>March</b>     |                      |
|          |  | <b>31, 2014</b>   | <b>31, 2013</b>  |                      |
|          |  | <b>(Audited)</b>  | <b>(Audited)</b> |                      |
| <b>A</b> | <b>EQUITY AND LIABILITIES</b>                    |   |                  |                      |
| <b>1</b> | <b>Shareholders' funds</b>                       |   |                  |                      |
|          | (a) Share capital                                | 72.42   | 71.89            |                      |
|          | (b) Reserves and surplus                         | 2,656.91  | 2,383.44         |                      |
|          | <b>Sub-total - Shareholders' funds</b>           | <b>2,729.33</b>   | <b>2,455.33</b>  |                      |
| <b>2</b> | <b>Share application money pending allotment</b> | 0.01  | 2.25             |                      |
| <b>3</b> | <b>Minority interest</b>                         | 365.70  | 233.31           |                      |
| <b>4</b> | <b>Non-current liabilities</b>                   |   |                  |                      |
|          | (a) Long-term borrowings                         | 3,550.35  | 1,980.08         |                      |
|          | (b) Other long-term liabilities                  | 26.93   | 13.54            |                      |
|          | (c) Long-term provisions                         | 140.19  | 72.22            |                      |
|          | <b>Sub-total - Non-current liabilities</b>       | <b>3,717.47</b>   | <b>2,065.84</b>  |                      |
| <b>5</b> | <b>Current liabilities</b>                       |   |                  |                      |
|          | (a) Short-term borrowings                        | 8,725.68  | 8,973.74         |                      |
|          | (b) Trade payables                               | 872.29  | 1,023.03         |                      |
|          | (c) Other current liabilities                    | 1,482.71  | 1,418.62         |                      |
|          | (d) Short-term provisions                        | 136.37  | 57.02            |                      |
|          | <b>Sub-total - Current liabilities</b>           | <b>11,217.05</b>  | <b>11,472.41</b> |                      |
|          | <b>TOTAL - EQUITY AND LIABILITIES</b>            | <b>18,029.56</b>  | <b>16,229.14</b> |                      |
| <b>B</b> | <b>ASSETS</b>                                    |   |                  |                      |
| <b>1</b> | <b>Non-current assets</b>                        |   |                  |                      |
|          | (a) Fixed assets                                 | 534.39  | 498.21           |                      |
|          | (b) Non-current investments                      | 872.41  | 808.66           |                      |
|          | (c) Deferred tax assets (net)                    | 51.76   | 35.96            |                      |
|          | (d) Long-term loans and advances                 | 3,957.07  | 2,716.35         |                      |
|          | (e) Other non-current assets                     | 355.79  | 305.18           |                      |
|          | <b>Sub-total - Non-current assets</b>            | <b>5,771.42</b>   | <b>4,364.36</b>  |                      |
| <b>2</b> | <b>Current assets</b>                            |   |                  |                      |
|          | (a) Current investments                          | 1,253.90  | 402.60           |                      |
|          | (b) Inventories                                  | 3,791.01  | 3,152.06         |                      |
|          | (c) Trade receivables                            | 420.30  | 158.32           |                      |
|          | (d) Cash and cash equivalents                    | 1,963.71  | 3,708.98         |                      |
|          | (e) Short-term loans and advances                | 4,315.11  | 3,956.62         |                      |
|          | (f) Other current assets                         | 514.11  | 486.20           |                      |
|          | <b>Sub-total - Current assets</b>                | <b>12,258.14</b>  | <b>11,864.78</b> |                      |
|          | <b>TOTAL - ASSETS</b>                            | <b>18,029.56</b>  | <b>16,229.14</b> |                      |

**Notes:**

- 1 The consolidated and standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and year ended 31 March 2014 have been reviewed and recommended by the Audit Committee at its meeting held on 16 May 2014 and approved by the Board of Directors at its meeting held on 17 May 2014.
- 2 The Company conducts its operations along with its subsidiaries and associates. The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standards (AS 21 and AS 23) prescribed by Companies (Accounting Standards) Rules, 2006.
- 3 CARE has assigned the rating of 'CARE AA' (pronounced 'CARE double A') to the Long Term Debt Programme of EFSL for ₹ 150 crores. CRISIL has assigned the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programme of EFSL for ₹ 4,850 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force.
- 4 The Board at its Meeting held on April 23, 2014 had, in accordance with the provisions of Section 68 of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 ("Buy-back Regulations") approved the Buy-back of Equity Shares of the Company at a maximum price of ₹ 45 per equity share by utilizing an amount not exceeding ₹ 135 crores, through the Open Market route through Stock Exchanges.
- 5 The Company has provided loans to its employees' welfare trusts aggregating to ₹ 160.81 crores as at March 31, 2014. The trusts have utilised this fund in the acquisition of shares of the Company with the objective of utilising the same to allocate shares to employees on exercise of employee stock options and for other employee welfare activities. The Company has, in accordance with the Expert Advisory Committee of the Institute of Chartered Accountants of India's published opinion in March 2014, presented the investment in shares of the Company underlying the loan as a deduction from Share Capital and Securities Premium Account. Previous year's figures have also been regrouped to conform to the above presentation.
- 6 During the year, the Company had declared and paid interim dividend of ₹ 0.55 per share (on a face value of ₹ 1 per equity share). Further, the Board of Directors has recommended final dividend of ₹ 0.15 per share (on face value of ₹ 1 per equity share) for the financial year 2013-14. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 7 Earnings per share for the quarters ended 31 March 2014, 31 December 2013 and 31 March 2013, have been calculated for three months and not annualised.
- 8 The previous year/period figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.
- 9 The standalone and consolidated results will be available on the Company's website - [www.edelweissfin.com](http://www.edelweissfin.com)

On behalf of the Board of Directors

Rashesh Shah

Chairman

Mumbai, 17 May 2014