

Edelweiss Securities Limited

Financial Statements
together with Auditor's Report
for the year ended 31 March 2015

Edelweiss Securities Limited

Financial statements together with Independent Auditors' Report for the year ended 31 March 2015

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Edelweiss Securities Limited

Report on the financial statements

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

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

Independent Auditors' Report (Continued) **Edelweiss Securities Limited**

Auditor's responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

Independent Auditors' Report (Continued)
Edelweiss Securities Limited

Report on Other Legal and Regulatory Requirements (continued)

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.33 to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Securities Limited

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The Company has conducted a physical verification of equity shares and other securities relating to the Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals.
- (b) The procedures for physical verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of business.
- (c) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock in trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- v. The Company has not accepted any public deposits.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the activities conducted/ services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax 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 employee's state insurance, sales-tax, custom duty, vat, excise duty, and investor education and protection fund as at 31 March 2015. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

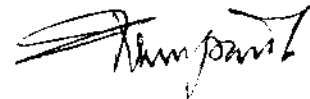
Edelweiss Securities Limited.
Annexure to the Independent Auditors' Report (Continued)

- (b) According to the information and explanations given to us, other than those stated in Appendix I, there are no dues of provident fund, income tax, service tax and other material statutory dues which have not been deposited with appropriate authorities on account of any dispute.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash loss in the financial year and in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the period.
- xii. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Associates LLP

Chartered Accountants

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



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Securities Limited.
Annexure to the Independent Auditors' Report (Continued)

Appendix 1

Details of Statutory Dues which have not been deposited on account of any dispute:

Name of the Statute	Nature of dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Stamp Act, 1958	Stamp Duty	3,538,334	F.Y. 2004-05	Maharashtra State Government
The Bombay Stamp Act, 1958	Stamp Duty	14,393,218	F.Y. 2005-06	Maharashtra State Government
The Bombay Stamp Act, 1958	Stamp Duty	5,344,760	F.Y. 2006-07	Maharashtra State Government
Income Tax Act, 1961	Income Tax	35,336	A.Y. 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,437,945	A.Y. 2008-09	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	175	A.Y. 2011-12	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	9,090,920	A.Y. 2012-13	Commissioner of Income Tax Appeals

Edelweiss Securities Limited

Balance sheet

(Currency : Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	264,832,510	264,736,760
Reserves and surplus	2.2	4,094,754,841	4,153,427,928
		<u>4,359,587,351</u>	<u>4,418,164,688</u>
Consideration payable in preference shares		-	95,750
Non-current liabilities			
Other long term liabilities	2.3	603,717	1,604,216
Long-term provisions	2.4	18,094,456	14,252,751
Current liabilities			
Short-term borrowings	2.5	4,938,456,769	6,417,896,981
Trade / customer accounts payables	2.6	1,381,105,012	1,339,967,509
Other current liabilities	2.7	9,352,345,680	5,918,061,259
Short-term provisions	2.8	158,501,286	148,320,385
TOTAL		<u>20,208,694,271</u>	<u>18,258,363,539</u>
ASSETS			
Non-current assets			
Fixed assets	2.9		
Tangible assets		352,648,872	354,829,180
Intangible assets		39,788,654	28,524,370
Capital work-in-progress		2,677,610	3,090,000
Non-current investments	2.10	2,985,391,133	2,314,286,133
Deferred tax assets (Net)	2.11	66,527,123	53,470,982
Long-term loans and advances	2.12	984,783,235	757,833,336
Other non-current assets	2.13	6,490,743,274	1,727,054,690
		<u>10,922,559,901</u>	<u>5,239,088,691</u>
Current assets			
Stock-in-trade	2.14	1,057,754	781,057,754
Trade / customer accounts receivables	2.15	649,464,799	444,924,314
Cash and bank balances	2.16	7,903,633,546	8,483,135,369
Short-term loans and advances	2.17	296,927,102	2,616,589,878
Other current assets	2.18	435,051,169	693,567,533
		<u>9,286,134,370</u>	<u>13,019,274,848</u>
TOTAL		<u>20,208,694,271</u>	<u>18,258,363,539</u>

Significant accounting policies and notes to the financial statements


1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Vidya Shah

Director

DIN : 00274831



Sachin Jain

Director

DIN : 02863123



Sandesh Sawant

Chief Financial Officer



Pooja Doshi

Company Secretary

Mumbai
14 May 2015

Mumbai
14 May 2015

Edelweiss Securities Limited

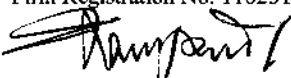
Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the period ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Fee and commission income	2.19	1,748,341,312	1,284,645,014
Income from treasury	2.20	135,407,656	634,135,332
Interest income	2.21	2,048,065,810	1,746,763,108
Other operating revenue	2.22	72,738,358	39,792,581
		<u>4,004,553,136</u>	<u>3,705,336,035</u>
Other income	2.23	1,978,109	3,733,418
Total Revenue		<u>4,006,531,245</u>	<u>3,709,069,453</u>
Expenses			
Employee benefit expenses	2.24	1,249,541,023	1,085,837,562
Finance costs	2.25	1,635,532,327	1,353,458,483
Depreciation and amortization expenses	2.9	86,547,575	66,180,662
Other expenses	2.26	836,457,834	676,270,672
Total expenses		<u>3,808,078,759</u>	<u>3,181,747,379</u>
Profit before tax		198,452,486	527,322,074
(1) Current tax:		11,138,730	108,396,039
(includes net excess provision for earlier years of Rs. 253,270 (Previous year: Rs. (4,551,084)))			
(2) MAT credit entitlement		-	(37,847,039)
(3) Deferred tax		(7,409,803)	37,386,388
Profit for the year		<u>194,723,559</u>	<u>419,386,686</u>
Earnings per equity share:	2.29	7.42	16.00
Basic and diluted (face value of Rs. 10 each)			
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.


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



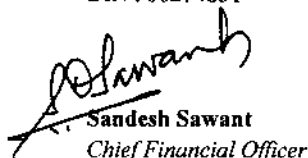
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
14 May 2015

For and on behalf of the Board of Directors



Vidya Shah
Director
DIN : 00274831



Sandesh Sawant
Chief Financial Officer

Mumbai
14 May 2015



Sachin Jain
Director
DIN : 02863123



Pooja Doshi
Company Secretary

Edelweiss Securities Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before tax	198,452,486	527,322,074
Adjustments for		
Depreciation / amortisation	86,547,575	66,180,662
Provision for doubtful debts	22,206,539	(32,459,837)
(Profit)/ loss on sale of fixed assets	(230,514)	10,891,633
Dividend on long term investment	(700,000)	-
Interest expense	1,356,087,002	1,147,666,368
Operating cash flow before working capital changes	1,662,363,088	1,719,600,900
Add / (Less): Adjustments for working capital changes		
(Increase) in trade receivables	(226,747,024)	(72,350,535)
Decrease/ (increase) in inventories	780,000,000	(780,000,000)
(Increase)/ decrease in loans and advances	(909,072,097)	1,676,226,157
Decrease/ (increase) in other assets	258,516,365	(508,132,243)
(Increase)/ decrease in other non current assets	(4,763,688,585)	7,205,145,240
Increase in liabilities and provisions	3,478,392,967	213,825,325
Cash generated from operations	279,764,715	9,454,314,844
Income taxes paid	142,675,551	140,797,054
Net cash generated from operating activities - A	137,089,164	9,313,517,790
B Cash flow from investing activities		
Purchase of fixed assets	(112,445,642)	(63,969,265)
Sale of fixed assets	845,234	6,870,196
Purchase of long term investments	(671,105,000)	(659,295,337)
Dividend on long term investment	700,000	-
Payable to EC Commodity Limited on account of acquisition	-	62,985,359
Net cash used in investing activities - B	(782,005,408)	(653,409,047)
C Cash flow from financing activities		
Proceeds from intercorporate deposit placed	2,180,000,000	-
Repayment of commercial paper	(64,011,586,855)	(54,702,296,310)
Proceeds from commercial paper	62,039,312,680	55,414,808,649
Proceeds from/ (repayment of) loan from Edelweiss Financial Services Limited (Refer note 1)	2,327,322,988	(1,271,632,086)
(Repayment of) loan from fellow subsidiary company	(22,332,202)	(170,070,065)
(Repayment of) secured loans (Refer note 1)	(3,835,352,420)	(4,157,034,505)
Proceeds from/ (repayment of) other loans	2,023,195,595	(1,290,111,267)
Interest paid on loans	(1,346,264,667)	(1,141,685,022)
Dividend paid on equity shares	(201,845,305)	-
Dividend distribution tax paid	(40,357,188)	-
Net cash (used in) financing activities - C	(887,907,373)	(7,318,020,606)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(1,532,823,618)	1,342,088,137
Cash and cash equivalent as at the beginning of the year	2,352,280,609	1,010,192,472
Cash and cash equivalent as at the end of the year (Refer note 2.16)	819,456,991	2,352,280,609

Notes:

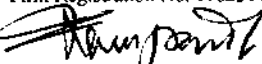
- Net figures have been reported on account of volume of transactions.
- Non cash items arising due to acquisition of derivatives business have not been considered in the computation of cash flow above.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Gadesh

Partner

Membership No: 042554

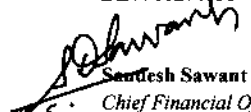
For and on behalf of the Board of Directors



Vidya Shah

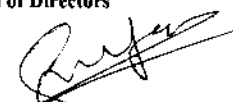
Director

DIN : 00274831



Sandesh Sawant

Chief Financial Officer



Sachin Jain

Director

DIN : 02863123



Pooja Doshi

Company Secretary

Mumbai

14 May 2015

Mumbai

14 May 2015

Edelweiss Securities Limited

Notes to the financial statements (Continued)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with India Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current and Non-current classification

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

Assets

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

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

All other assets are classified as non-current.

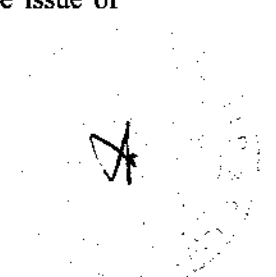
Liabilities

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

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

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

All other liabilities are classified as non-current



Edelweiss Securities Limited

Notes to the financial statements *(Continued)*

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates on execution of transactions on behalf of the customers on the trade date and is net of related sub-brokerage expenses, service tax and stock exchange expenses.
- Fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on equity and currency derivative instruments.
 - i) Profit/ loss on sale of securities are determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Research services fee income is accounted when there is reasonable certainty as to its receipts.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit/loss on sale of investment is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Warehouse charges have been netted off against warehouse expenses.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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

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

Edelweiss Securities Limited

Notes to the financial statements (Continued)

1.5 Fixed assets and depreciation (Continued)

Class of asset	Useful life
Building (other than factory building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years

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

Intangible fixed assets

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

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

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

Goodwill is amortised over a period of 5 years.

1.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the 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.

1.7 Stock-in-trade

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

Edelweiss Securities Limited

Notes to the financial statements *(Continued)*

1.8 Investments

Investments are classified into Non-current investments and current investments. Investments which are intended to be held for one year or more are classified as long term 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.

1.9 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 of the year.

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

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

1.10 Employee benefits

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

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. 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 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

1.10 Employee benefits (*Continued*)

Benefits in respect of gratuity are funded with an Insurance Company approved by 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 statement of profit and loss in the period in which they arise.

Compensated Leave Absences

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

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under the Group 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).

1.11 Taxation

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

Current tax

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

Deferred tax

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

Minimum Alternate 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 realized.

1.12 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.

Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

1.13 Earnings per share

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

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

1.14 Provisions and contingences

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.

1.15 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 and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. 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; to offset receivables against payables in the case of the same broking clients in multiple segments and other such similar qualifying arrangements.

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital

Authorised :

27,540,000 (Previous year: 27,540,000) equity shares of Rs. 10 each
460,000 (Previous year: 460,000) preference shares of Rs. 10 each

As at
31 March 2015

As at
31 March 2014

275,400,000

275,400,000

4,600,000

4,600,000

280,000,000

280,000,000

Issued, Subscribed and Paid up:

26,213,676 (Previous year: 26,213,676) equity shares of Rs. 10 each, fully paid-up

(the entire Equity Share Capital is held by Edelweiss Financial Services Limited, the holding company and its nominees)

262,136,760

262,136,760

260,000 (Previous year: 260,000) 7% redeemable non-cumulative non-convertible preference shares of Rs. 10 each, fully paid up

[All the above 260,000 preference shares of Rs. 10 each are held by Edelweiss Commodities Services Limited, a fellow subsidiary]

2,600,000

2,600,000

9,575 (Previous year: Nil) 9% non-cumulative redeemable preference Shares of Rs. 10 each, fully paid up

(All the above 9,575 Preference Shares of Rs. 10 each are held by Edelweiss Financial Services Limited, the holding Company)

95,750

-

264,832,510

264,736,760

a. Movement in share capital :

(i) Equity shares

Outstanding at the beginning
Shares issued during the year
Outstanding at the end of the year

31 March 2015		31 March 2014	
No of shares	Amount	No of shares	Amount
26,213,676	262,136,760	26,213,676	262,136,760
-	-	-	-
26,213,676	262,136,760	26,213,676	262,136,760

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

Edelweiss Financial Services Limited, the holding company

31 March 2015		31 March 2014	
No of shares	%	No of shares	%
26,213,676	100%	26,213,676	100%
26,213,676	100%	26,213,676	100%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Edelweiss Financial Services Limited and its nominees

31 March 2015		31 March 2014	
No of shares	%	No of shares	%
26,213,676	100%	26,213,676	100%
26,213,676	100%	26,213,676	100%

(ii) Preference shares

7% Redeemable non-cumulative non-convertible preference shares of Rs. 10 each, fully paid up

Outstanding at the beginning
Issued during the year
Redeemed during the year
Outstanding at the end of the year

31 March 2015		31 March 2014	
No of shares	Amount	No of shares	Amount
260,000	2,600,000	260,000	2,600,000
-	-	-	-
-	-	-	-
260,000	2,600,000	260,000	2,600,000

9% Redeemable non-cumulative non-convertible preference shares of Rs. 10 each, fully paid up

Outstanding at the beginning
Shares issued during the year
Shares redeemed during the year
Number of shares at the end

31 March 2015		31 March 2014	
No of shares	Amount	No of shares	Amount
-	-	-	-
9,575	95,750	-	-
-	-	-	-
9,575	95,750	-	-

During the year ended March 31, 2015, the Company had allotted 9,575 - 9% Redeemable Non-Cumulative Preference Shares of Rs. 10 each to Edelweiss Financial Services Limited, pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad for acquisition of the Derivatives business of EC Commodity Limited.

7% Non-cumulative non-convertible redeemable preference shares held by holding / ultimate holding company and / or their subsidiaries / associates

Edelweiss Commodities Services Limited, the fellow subsidiary

31 March 2015		31 March 2014	
No of shares	%	No of shares	%
260,000	100%	260,000	100%
260,000	100%	260,000	100%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Edelweiss Commodities Services Limited

31 March 2015		31 March 2014	
No of shares	%	No of shares	%
260,000	100%	260,000	100%
260,000	100%	260,000	100%

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital (Continued)

a. Movement in share capital (Continued):

(ii) Preference shares (Continued)

9% Redeemable non-cumulative preference shares held by holding / ultimate holding company and / or their subsidiaries / associates

Edelweiss Financial Services Limited, the holding company

	As at 31 March 2015		As at 31 March 2014	
	No of shares	%	No of shares	%
	9,575	100%	-	-
	<u>9,575</u>	<u>100%</u>	<u>-</u>	<u>-</u>

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Edelweiss Financial Services Limited

	31 March 2015		31 March 2014	
	No of shares	%	No of shares	%
	9,575	100%	-	-
	<u>9,575</u>	<u>100%</u>	<u>-</u>	<u>-</u>

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of conversion/repayment of 7% non-cumulative non-convertible redeemable preference shares:

The preference shares of the face value of Rs. 10 each were issued at Rs. 1,000 per share. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 7%. The preference shares will be redeemed at Rs. 1,000 per share at the end of 20 years from the date of allotment, being 22 February 2012.

d. Terms of Redemption of 9% Redeemable Non-Cumulative Preference Shares :

The Preference Shares are non-cumulative. The Preference Shares carry a non-cumulative dividend of 9%. The Preference Shares will be redeemed at Rs. 10 per share at the end of 20 years from the date of allotment, being May 30, 2014. The Company has the option to redeem the Preference Shares at any time after six months from the date of allotment.

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.2 Reserves and surplus		
Securities premium account - opening balance	1,064,778,220	1,064,778,220
Add : Additions during the year	-	-
Less : Utilisation on issue of bonus shares	-	-
	<u>1,064,778,220</u>	<u>1,064,778,220</u>
General reserve - opening balance	112,107,607	112,107,607
Add : Additions during the year	-	-
	<u>112,107,607</u>	<u>112,107,607</u>
Surplus in statement of profit and loss		
Opening balance	2,976,542,101	2,557,155,415
Add: Profit for the year	194,723,559	419,386,686
Less: Adjustment on account of Accumulated Depreciation (net off tax) (Refer Note 2.9 (2))	(10,965,423)	-
Amount available for appropriation	<u>3,160,300,237</u>	<u>2,976,542,101</u>
Appropriations:		
Interim dividend	201,845,305	-
Dividend distribution tax	40,395,300	-
Dividend on preference shares	190,618	-
	<u>2,917,869,014</u>	<u>2,976,542,101</u>
	<u>4,094,754,841</u>	<u>4,153,427,928</u>

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.3 Other long term liabilities		
Others		
Deposits from sub-brokers	263,625	363,625
Trade Payable	340,092	1,240,591
	<u>603,717</u>	<u>1,604,216</u>
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	-	5,186,339
Compensated leave absences	11,204,303	7,730,259
Deferred bonus	5,554,000	-
Other provisions	1,336,153	1,336,153
	<u>18,094,456</u>	<u>14,252,751</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.5 Short-term borrowings		
<u>Secured</u>		
Bank overdraft (Secured by way of pledge of hypothecation of trade receivables and property refer note 2.34)	501,534,412	4,336,886,831
	<u>501,534,412</u>	<u>4,336,886,831</u>
<u>Unsecured</u>		
Loans and advances from related parties (repayable on demand, at variable rate of interest)	2,413,726,762	108,735,975
Commercial paper	-	2,000,000,000
Less: Unamortised discount	-	27,725,825
	-	<u>1,972,274,175</u>
Bank overdraft	2,023,195,595	-
	<u>4,436,922,357</u>	<u>2,081,010,150</u>
	<u>4,938,456,769</u>	<u>6,417,896,981</u>
2.6 Trade / customer accounts payables		
Trade payables from other parties (includes trade payables, provision for expenses, customer payables)	1,381,105,012	1,339,967,509
	<u>1,381,105,012</u>	<u>1,339,967,509</u>

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.7 Other Current Liabilities		
Current maturities of long term debt		
Interest accrued but not due on borrowings	-	1,544
Interest accrued and due on borrowings	18,236,555	8,412,676
Interest accrued and due on margin	17,052,150	4,674,155
Income received in advance	1,878,273	360,493
Other Payables		
Accrued salaries and benefits	382,606,466	371,332,074
Payable to exchange / clearing house	-	1,562,679,631
Withholding tax, service tax and other statutory dues payable	165,691,154	114,202,111
Margin Payable to client	8,724,343,507	3,816,972,466
Book overdraft	18,070	22,767,177
Others	42,519,505	16,658,932
	9,352,345,680	5,918,061,259
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	-	140,785
Compensated leave absences	2,513,000	1,907,044
Deferred bonus	9,487,000	-
Others		
Proposed dividend	190,618	-
Dividend distribution tax	38,112	-
Taxation (Net of advance tax and tax deducted at source Rs.441,635,818 (Previous year Rs.441,635,818))	146,272,556	146,272,556
	158,501,286	148,320,385

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.9 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block				
	As at 1 April 2014	Additions during the year	Deductions/ Adjustments during the year	As at 31 Mar 2015	As at 1 April 2014	Opening Reserve Adjustment	For the year	Deductions during the year	As at 31 Mar 2015	As at 31 March 2014	
Tangible assets											
Building	273,032,940	-	-	273,032,940	32,814,680	-	12,010,913	-	44,825,593	228,207,347	240,218,260
Leasehold improvements	45,779,137	-	-	45,779,137	29,513,747	-	5,293,283	-	34,807,030	10,972,107	16,265,390
Furniture and Fixtures	6,268,384	386,113	147,959	6,506,538	3,957,709	-	690,529	126,159	4,522,079	1,984,459	2,310,675
Vehicles	51,471,631	14,411,989	961,887	64,921,733	23,188,207	67,979	11,463,114	404,324	34,294,976	30,626,757	28,303,424
Office equipment	41,571,024	4,365,914	419,729	45,517,209	21,565,636	10,905,761	6,695,988	384,372	38,783,013	6,734,196	20,005,388
Computers	177,167,511	63,974,210	344,400	240,797,321	129,441,468	5,638,021	31,938,226	344,400	166,673,315	74,124,006	47,726,043
Total : A	595,290,627	83,138,226	1,873,975	676,554,878	240,461,447	16,611,761	68,092,053	1,259,255	323,906,006	352,648,872	354,829,180
Intangible assets											
Computer software	36,020,940	29,719,806	-	65,740,746	14,243,339	-	16,392,002	-	30,635,341	35,105,405	21,777,601
Goodwill	8,650,934	-	-	8,650,934	2,387,741	-	1,730,187	-	4,117,928	4,533,006	6,263,193
MCX-Membership	1,000,000	-	-	1,000,000	516,424	-	333,333	-	849,757	150,243	483,576
Total : B	45,671,874	29,719,806	-	75,391,680	17,147,504	-	18,455,522	-	35,603,026	39,788,654	28,524,370
Grand Total A+B 	640,962,501	112,858,032	1,873,975	751,946,558	257,608,951	16,611,761	86,547,575	1,259,255	359,509,032	392,437,526	383,353,550
Previous Year	738,699,046	71,181,137	168,917,682	640,962,501	342,584,141	-	66,180,662	151,155,852	257,608,951	383,353,550	

Note :

- Computer gross block includes lease assets Rs.2,608,415 on which depreciation is Rs.929,543.
- As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 15,049,592 and an amount of Rs. 16,611,760 has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life has expired as at 1 April 2014 net off tax.

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Face value	Quantity	Amount	Face Value	Quantity	Amount
2.10 Non-current investments - at cost						
I. Others (unquoted)						
A. Investments in equity instruments of subsidiary companies (fully paid up)						
Edelweiss Comtrade Limited	10	5,000,000	50,125,000	10	5,000,000	50,125,000
Edelweiss Custodial Services Limited	10	5,049,994	589,000,000	10	4,749,994	550,000,000
Edelweiss Securities (Hong Kong) Private Limited	HKD 1 each	5,818,566	46,608,923	HKD 1 each	5,818,566	46,608,923
Edelweiss Financial Services Inc	USD 1 million	1	62,739,500	USD 1 million	1	62,739,500
Burlington Business Solutions Limited	10	18,210,500	182,105,000	-	-	-
Subtotal (A)			930,578,423			709,473,423
B. Investments in equity instruments of associate companies (fully paid up)						
Arum Investments Private Limited	10	1,105,186	30,636,948	10	1,105,186	30,636,948
Dahlia Commodities Services Private Limited	10	100,000	1,000,000	10	100,000	1,000,000
Magnolia Commodities Services Private Limited	10	100,000	1,000,000	10	100,000	1,000,000
Subtotal (B)			32,636,948			32,636,948
C. Investments in equity instruments of other companies (fully paid up)						
Bombay Stock Exchange Limited	1	11,401	746,327	1	11,401	746,327
ECL Finance Limited	10	97,416,683	532,877,435	10	97,416,683	532,877,435
Subtotal (C)			533,623,762			533,623,762
D. Investments in preference shares of associate companies (fully paid up)						
<i>0.01% Compulsorily Convertible Non-Cumulative Preference shares</i>						
Arum Investments Private Limited	10	154,208	38,552,000	10	154,208	38,552,000
Subtotal (D)			38,552,000			38,552,000
E. Investments in preference shares of other companies (fully paid up)						
<i>7% Non cumulative non convertible redeemable preference shares</i>						
Edelweiss Commodities Services Limited	10	1,000,000	1,000,000,000	10	1,000,000	1,000,000,000
Edelcap Securities Limited	10	22,500,000	450,000,000	-	-	-
Subtotal (E)			1,450,000,000			1,000,000,000
Total (A+B+C+D+E)			2,985,391,133			2,314,286,133



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.11 Deferred tax assets (Net)		
Deferred tax assets on account of :		
Difference between book and tax depreciation	6,696,876	8,756,363
Provision for doubtful debts/advances	40,994,096	41,438,900
Disallowances under section 43B of the Income Tax Act, 1961	18,836,151	3,275,719
	<u>66,527,123</u>	<u>53,470,982</u>
2.12 Long-term loans and advances		
<u>Unsecured, considered good</u>		
Security deposits		
Rental deposits	32,705,644	26,657,642
Deposits placed with/ for exchange/ depositories	30,563,264	51,463,264
Other deposits	12,405,186	11,383,486
Other loans and advances		
Advance income taxes (Net of provision for taxation Rs. 1,269,468,998 (previous year Rs.1,312,867,467))	909,109,141	668,328,944
	<u>984,783,235</u>	<u>757,833,336</u>
2.13 Other non-current assets		
Long Term Trade Receivables		
Gratuity	174,494	-
Accrued interest on fixed deposit	-	26,960,313
Long term deposits with banks (refer note 2.34)	6,490,568,780	1,700,094,377
	<u>6,490,743,274</u>	<u>1,727,054,690</u>

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.14 Inventories

Stock in trade	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
A. Equity shares (quoted)						
India Bulls Securities Limited	10	25	230	10	25	230
Subtotal (A)			230			230
B. Equity shares (unquoted)						
TCS E-serve Limited (Formerly Citigroup Global Services)	10	1	957	10	1	957
FCI OEN Connectors Limited	10	1	-	10	1	-
Subtotal (B)			957			957
C. Preference shares (unquoted)						
JSW Ispat Steel Limited (Formerly Ispat industries Limited)	10	6,000	131,180	10	6,000	131,180
Subtotal (C)			131,180			131,180
D. Mutual funds (unquoted)						
Edelweiss Short Term Income fund - Institutional Plan Growth Option	10	40,777	425,387	10	40,777	425,387
Edelweiss Gilt Fund - Growth Option	10	50,000	500,000	10	50,000	500,000
Reliance Liquidity Fund- Growth Plan- Growth Option	-	-	-	1,916	407,003	780,000,000
Subtotal (D)			925,387			780,925,387
Total (A+B+C+D)			1,057,754			781,057,754
Aggregate of quoted stock in trade in equity shares						
- At book value			230			230
- At market value			876			450
Aggregate of unquoted stock in trade in equity shares						
- At book value			957			957
Aggregate of unquoted stock in trade in preference shares						
- At book value			131,180			131,180
Aggregate of unquoted stock in trade in mutual funds						
- At book value			925,387			780,925,387
- At net asset value			1,271,960			786,910,856

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.15 Trade / customer accounts receivables (Refer note 2.34)		
Outstanding for a period exceeding six months		
- Secured, considered good	2,254,726	38,214,745
- Unsecured, considered good	12,091	12,127
- Unsecured, considered doubtful	107,586,792	88,826,998
	<u>109,853,609</u>	<u>127,053,870</u>
Provision for doubtful debts	107,586,792	88,826,998
	<u>2,266,817</u>	<u>38,226,872</u>
Other debts		
- Unsecured, considered good	647,197,982	406,697,442
- Unsecured, considered doubtful	10,865,866	7,419,121
	<u>658,063,848</u>	<u>414,116,563</u>
Provision for doubtful debts	10,865,866	7,419,121
	<u>647,197,982</u>	<u>406,697,442</u>
	<u><u>649,464,799</u></u>	<u><u>444,924,314</u></u>
2.16 Cash and bank balances		
Cash and Cash equivalents		
Cash in hand	188,927	162,267
Cheques in hand	-	184,195,956
Balances with banks		
- in Current accounts	819,268,064	2,167,922,386
Other bank balances		
- Short term deposits with banks (Refer note 2.34) (Held as margin money or security against borrowings, guarantees)	7,084,176,555	6,130,854,760
	<u>7,903,633,546</u>	<u>8,483,135,369</u>

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

As at
31 March 2014

2.17 Short-term loans and advances

Unsecured, considered good

Loans and advances to related parties	-	85,511,486
Other loans and advances		
Deposits placed with/ for exchange/ depositories	24,711,710	475,000
Loans and advances to employees	17,788,873	14,246,296
Vendor advances	40,861,991	19,794,645
Intercompany deposits placed	-	2,180,000,000
Input tax credit	22,000,850	9,797,008
Advance tax and tax deducted at source (net of provision for taxation Rs.103,591,685 (Previous year Rs.48,777,486))	68,232,380	172,157,711
MAT credit entitlement	90,841,193	96,159,238
Advances recoverable in cash or in kind or for value to be received	32,490,105	38,448,494
	296,927,102	2,616,589,878

2.18 Other Current Assets

Accrued interest on fixed deposits	202,143,485	80,274,029
Accrued interest on Inter-company deposits	-	49,063,703
Accrued interest on loans given	566	-
Receivable from exchange / clearing house (net)	232,907,118	-
Receivable on account of acquisition of business	-	564,229,801
	435,051,169	693,567,533

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the period ended 31 March 2015	For the year ended 31 March 2014
2.19 Fee and commission income		
Income from broking (refer note 2.40)	1,510,726,681	1,115,830,612
Advisory and other fees	237,614,631	168,814,402
	<u>1,748,341,312</u>	<u>1,284,645,014</u>
2.20 Income from treasury operations and investments		
(Loss) / profit on trading of securities (net)	(46,113,752)	(111,907)
(Loss) on trading in equity derivative instruments (net)	(2,529,098)	(1,798,850)
Profit on trading in currency derivative instruments (net)	(7,592,287)	635,299,660
Dividend on stock in trade	190,942,793	46,275
Dividend on long term Investment	700,000	700,154
	<u>135,407,656</u>	<u>634,135,332</u>
2.21 Interest Income		
On loan	-	3,661
On Loan to subsidiary companies	1,895,104	300,459
On intercorporate deposits	484,321,436	505,366,258
On fixed deposits	1,557,705,580	1,237,529,485
On debt instrument	214,385	101,330
On others	3,929,305	3,461,915
	<u>2,048,065,810</u>	<u>1,746,763,108</u>
2.22 Other operating revenue		
Delayed payment charges	72,738,358	39,792,581
	<u>72,738,358</u>	<u>39,792,581</u>
2.23 Other income		
Miscellaneous income	1,199,274	1,062,845
Interest income - others	778,835	2,670,573
	<u>1,978,109</u>	<u>17,979,714</u>

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.24 Employee benefit expenses		
Salaries and wages (refer note 2.35)	1,188,192,780	1,048,338,955
Contribution to provident and other funds (refer note 2.37)	36,226,366	22,776,885
Staff welfare expenses	25,121,877	14,721,722
	1,249,541,023	1,085,837,562
2.25 Finance costs		
Interest on bank overdraft	240,793,691	250,119,439
Interest on loan from holding company	597,863,481	332,885,002
Interest on loan from fellow subsidiaries	1,493,078	43,853,766
Interest on margin	279,445,325	207,845,035
Interest - others	661,903	301,489
Discount on commercial paper	483,522,825	448,004,839
Financial and bank charges	31,752,024	70,448,913
	1,635,532,327	1,353,458,483

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.26 Other expenses		
Advertisement and business promotion (refer note 2.35)	45,336,305	43,907,236
Auditors' remuneration (refer note below)	2,027,400	1,985,100
Bad- debts and advances written (back) /off	492,284	4,401,326
Commission and brokerage	1,012,720	342,804
Communication	61,794,571	71,438,616
Computer expenses	14,774,112	14,832,447
Computer software	41,415,267	34,131,000
Contribution towards CSR	6,050,000	-
Clearing and custodian charges	35,000	(20,138)
Dematerialisation charges	3,192,106	4,745,656
Directors' sitting fees	180,000	60,000
Donation	5,000	16,500
Electricity charges (refer note 2.35)	31,773,765	27,547,863
Foreign exchange loss (net)	505,000	89,777
Insurance	24,232,586	31,931,012
Legal and professional fees (refer note 2.35)	82,854,069	46,477,385
Loss on sale/ write-off of fixed assets (net)	(230,514)	10,891,633
Membership and subscription	49,443,491	43,633,854
Office expenses	97,720,051	72,326,071
Postage and courier	1,463,550	1,399,031
Printing and stationery	9,820,062	8,744,706
Provision for doubtful debts	22,206,539	(32,459,837)
Rates and taxes	1,256,022	245,742
Rating support fees	22,050,000	66,150,000
Rent (refer note 2.35)	133,615,900	106,419,127
Repairs and maintenance - others	1,388,292	716,920
Security transaction tax	5,464	-
Seminar and conference	25,719,424	15,969,008
Service tax expenses	41,205,407	28,233,684
Site related expenses (refer note 2.35)	245,000	1,220,000
Stamp duty	19,019,698	7,537,084
Stock exchange expenses	1,878,141	2,906,783
Travelling and conveyance	88,449,700	55,045,006
Wealth Tax	277,000	-
Miscellaneous expenses	5,244,422	4,155,276
Commission to Non-Executive Directors	-	1,250,000
	836,457,834	676,270,672
Auditor's Remuneration		
As statutory auditor	1,836,000	1,800,000
For other services	85,000	122,100
For reimbursement of expenses	106,400	63,000
	2,027,400	1,985,100

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.27 Segment reporting

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 and advisory services
Capital based business	Income from treasury operations and income from investment and dividend

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable 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:

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Edelweiss Securities Limited
Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.27 Segment reporting (Continued)

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I Segment Revenue		
a) Agency business	3,559,369,106	2,669,487,370
b) Capital based business	447,162,139	1,147,908,542
c) Unallocated	-	-
Total Income	<u>4,006,531,245</u>	<u>3,817,395,912</u>
II Segment Results		
a) Agency business	121,086,487	217,271,099
b) Capital based business	79,393,399	312,036,075
c) Unallocated	(2,027,400)	(1,985,100)
Total	<u>198,452,486</u>	<u>527,322,074</u>
Profit before taxation	198,452,486	527,322,074
Less : Provision for taxation	3,728,927	107,935,388
Profit after taxation	<u>194,723,559</u>	<u>419,386,686</u>
Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
III Segment Assets		
a) Agency business	16,008,612,130	11,297,087,699
b) Capital based business	3,043,371,454	5,961,361,957
c) Unallocated	1,156,710,686	999,913,883
Total	<u>20,208,694,271</u>	<u>18,258,363,539</u>
IV Segment Liabilities		
a) Agency business	13,465,350,190	9,137,666,975
b) Capital based business	2,071,564,289	4,465,954,856
c) Unallocated	312,192,440	236,481,270
Total	<u>15,849,106,918</u>	<u>13,840,103,101</u>
V Capital Expenditure		
a) Agency business	99,623,612	59,830,002
b) Capital based business	13,234,420	11,351,135
c) Unallocated	-	-
Total	<u>112,858,032</u>	<u>71,181,137</u>
VI Depreciation and Amortisation		
a) Agency business	76,398,480	55,626,943
b) Capital based business	10,149,095	10,553,719
c) Unallocated	-	-
Total	<u>86,547,575</u>	<u>66,180,662</u>
VII Non cash expenditure other than depreciation		
a) Agency business	32,638,744	(23,187,737)
b) Capital based business	1,320,461	1,163,190
c) Unallocated	-	-
Total	<u>33,959,205</u>	<u>(22,024,547)</u>

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Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.28 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

(A) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited Holding company

(B) Key Management Personnel

Vikas Khemani Executive Director (upto March 30, 2015)
Deepak Mundra Executive Director

(C) (i) Subsidiaries/entities which are controlled by the Company

Edelweiss Comtrade Limited
Edelweiss Securities (Hong Kong) Private Limited
Edelweiss Financial Services Inc
Edelweiss Custodial Services Limited
Burlington Business Solutions Limited (w.e.f. October 31, 2014)

(C) (ii) Fellow subsidiaries with whom transactions have taken place during the year:

Edelweiss Retail Finance Limited
Edelweiss Web Services Limited
Edelcap Securities Limited
EC Commodity Limited
Ecap Equities Limited
ECL Finance Limited
Edel Commodities Limited
Edel Commodities Trading Limited
Edel Finance Company Limited
Edel Investments Limited
Edel Land Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Broking Limited
Edelweiss Capital Markets Limited
Edelweiss Commodities Services Limited
Edelweiss Finance and Investments Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
Edelweiss Integrated Commodity Management Limited
Edelweiss Investment Advisors Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Web Services Limited

Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.28 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (*Continued*) :

(ii) Fellow subsidiaries with whom transactions have taken place during the year:

(Continued)

EFSL Commodities Limited

EFSL Comtrade Limited

(C) (iii) Associate companies with whom transactions have taken place during the year:

Magnolia Commodities Services Private Limited

Dahlia Commodities Services Private Limited

Arum Investments Private Limited

Allium Finance Private Ltd.

(C) (iv) Relatives of Key Management Personnel:

Vijay Khemani

Sushiladevi Khemani

Swati Khemani

Edelweiss Financial Advisors Limited (“Transferor Company”), has been amalgamated with Edelweiss Broking Limited (“Transferee Company”) with effect from 01 October 2013 (“the Appointed Date”) vide a court order. All related party transactions transacted during the year and the outstanding balances thereof as at the end of the year relating to the Transferor Company are considered to be transacted with the Transferee Company and accordingly included in the related party transactions disclosure of the Company.

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

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
Capital account transactions during the year				
1	Issue of preference shares to	Edelweiss Financial Services Limited	95,750	-
2	Consideration payable in preference shares to	Edelweiss Financial Services Limited	-	95,750
3	Investment in equity shares of	Edelweiss Custodial Services Limited	3,90,00,000	-
		Burlington Business Solutions Limited	18,21,05,000	-
		Edelweiss Securities (Hong Kong) Private Limited	-	4,65,55,837
		Edelweiss Financial Services Inc	-	6,27,39,500
4	Purchase of investment from	Edelweiss Financial Services Limited	-	51,75,00,000
5	Investment in preference shares of	Edelcap Securities Limited	45,00,00,000	-
Current account transaction				
6	Short term loans taken from (Refer note 1)	Edelweiss Financial Services Limited	13,49,68,05,742	2,34,31,06,971
		Others - Fellow Subsidiaries	-	6,39,29,935
7	Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited	11,16,94,82,754	8,34,04,70,157
		Others - Fellow Subsidiaries	2,23,32,202	23,40,00,000
8	Short term loans given to (Refer note 1)	Edelweiss Custodial Services Limited	-	8,55,00,000
		Edelweiss Securities (Hong Kong) Private Limited	-	3,08,78,750
		Burlington Business Solutions Limited	1,81,588	-
		Others - Associates	-	18,55,991
9	Short term loans repaid by (Refer note 1)	Edelweiss Securities (Hong Kong) Private Limited	-	3,08,78,750
		Edelweiss Custodial Services Limited	8,55,00,000	3,25,00,000
		Others - Subsidiaries	1,81,588	-
		Others - Associates	-	18,55,991
10	Commercial papers issued to	Edelweiss Commodities Services Limited	54,00,00,00,000	49,50,00,00,000
11	Commercial papers redeemed by	Edelweiss Commodities Services Limited	50,00,00,00,000	15,20,00,00,000
Secondary market transaction				
12	Margin received from (Refer note 1)	ECL Finance Limited	1,89,27,32,293	2,17,29,36,286
		Ecap Equities Limited	1,65,72,94,338	1,50,89,44,968
		Edelweiss Capital Markets Limited	1,51,83,16,994	27,29,07,533
		EFSL Comtrade Limited	62,51,44,226	1,51,25,13,133
		Edelweiss Web Services Limited	5,85,15,82,866	14,21,26,122
		Others - Holding	5,83,01,862	20,45,08,544
		Others - Subsidiaries	4,40,95,794	-
		Others - Fellow Subsidiaries	3,01,00,43,795	3,86,13,52,155
		Others - Associates	29,58,93,884	63,68,208
		Others - Key Management Personnel	10,98,66,638	7,48,09,618
13	Margin paid to (Refer note 1)	Edelweiss Commodities Services Limited	4,16,72,041	2,92,33,18,585
		ECL Finance Limited	1,70,47,29,713	2,15,92,59,752
		Ecap Equities Limited	1,93,60,92,647	1,19,89,83,739
		EFSL Comtrade Limited	91,36,86,217	1,14,29,32,371
		Edel Investments Limited	1,36,03,29,650	4,57,58,464
		Edelweiss Web Services Limited	1,73,72,80,170	14,21,26,122
		Others - Holding	14,87,313	24,69,69,305
		Others - Fellow Subsidiaries	3,22,29,79,292	3,44,28,25,839
		Others - Associates	18,23,87,465	43,199
		Others - Key Management Personnel	10,98,66,638	7,43,23,900
14	Purchase of debt instruments from	ECL Finance Limited	50,79,72,303	83,05,96,707
		Edelweiss Finance & Investments Limited	31,95,73,315	20,62,65,918
15	Sale of debt instruments to	ECL Finance Limited	-	28,52,86,750
		Edelweiss Finance & Investments Limited	-	4,59,85,444

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

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
16	Brokerage income earned from	ECL Finance Limited	1,49,401	3,04,30,083
		Edelcap Securities Limited	3,57,822	8,95,33,032
		Ecap Equities Limited	5,38,10,159	5,34,78,543
		Edelweiss Capital Markets Limited	4,64,46,529	74,83,939
		Edelweiss Financial Services Limited	2,39,858	7,33,40,249
		Edelweiss Web Services Limited	6,04,20,236	12,601
		Others - Subsidiaries	20,879	-
		Others - Fellow Subsidiaries	3,31,07,910	4,84,93,014
		Others - Associates	13,16,799	9,34,138
	Others - Key Management Personnel	1,52,844	70,806	
17	Clearing charges income received from	Edelcap Securities Limited	1,00,000	4,90,000
		Ecap Equities Limited	3,70,000	4,35,000
		Edelweiss Broking Limited	2,20,000	2,70,000
		Edelweiss Capital Markets Limited	4,10,000	1,90,000
		EFSL Commodities Limited	2,65,000	3,10,000
		EFSL Comtrade Limited	2,10,000	2,70,000
		Others - Holding	1,35,000	55,000
		Others - Subsidiaries	15,000	-
		Others - Fellow Subsidiaries	15,95,000	6,65,000
	Others - Associates	3,15,000	-	
18	Brokerage and commission expenses paid to	Ecap Equities Limited	50,93,725	40,74,154
		Edelweiss Broking Limited	3,28,70,360	12,15,82,143
		Others - Fellow Subsidiaries	2,74,299	2,50,754
19	Interest income on loan given to	Edelweiss Custodial Services Limited	18,93,845	1,34,692
		Others - Subsidiaries	1,259	-
		Others - Fellow Subsidiaries	-	3,661
20	Interest income on inter corporate deposit placed with	Edelweiss Commodities Services Limited	-	8,77,24,109
21	Interest expenses on loan taken from	Edelweiss Financial Services Limited	59,78,63,487	33,28,85,002
		Others - Fellow Subsidiaries	14,93,072	2,58,96,402
22	Warehousing income received from	Edelweiss Commodities Services Limited	12,86,12,973	3,65,93,238
		Others - Subsidiaries	50,293	1,08,846
		Others - Fellow Subsidiaries	75,13,962	24,10,837
23	Interest expenses on margin placed by	Edelweiss Commodities Services Limited	42,75,608	3,09,75,059
		ECL Finance Limited	5,14,38,271	3,65,51,936
		Ecap Equities Limited	2,66,91,462	3,16,82,245
		Edelcap Securities Limited	3,282	2,10,88,904
		Edelweiss Capital Markets Limited	3,57,38,768	68,98,683
		EFSL Comtrade Limited	1,02,67,160	2,73,26,040
		Edelweiss Web Services Limited	6,77,23,058	7,10,158
		Others - Holding	13,83,138	46,10,384
		Others - Subsidiaries	6,493	-
Others - Fellow Subsidiaries	4,26,09,722	2,25,33,506		
	Others - Associates	56,34,833	11,327	
24	Interest expenses on commercial papers issued to	Edelweiss Commodities Services Limited	38,07,66,000	33,92,72,000
25	Interest expenses on lease	Edel Finance Company Limited	1,58,751	1,71,961
26	Management fees income on NLD received	ECL Finance Limited (on behalf of clients)	67,97,347	79,02,245
		Edelweiss Finance and Investments Limited (on behalf of clients)	43,72,332	-
27	Dividend income received from	Edelweiss Commodities Services Limited	7,00,000	7,00,000
		Others - Associates	-	154
28	Rating fees expenses paid to	Edelweiss Financial Services Limited	2,20,50,000	6,61,50,000

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

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
29	Legal and professional fees expenses paid to	Edelweiss Financial Services Limited	-	23,71,222
30	Advertisement expenses paid to	Edelweiss Financial Services Limited	-	61,00,336
31	Database charges expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	6,815	-
32	Communication expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	10,43,205	15,91,893
33	Computer expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	10,63,157	19,72,026
34	Electricity expenses paid to	Edelweiss Commodities Services Limited	1,79,48,696	1,27,67,928
35	Insurance expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	51,67,229	1,02,92,105
36	Insurance expenses paid to	Edelweiss Financial Services Limited	47,07,910	-
37	Membership & subscription expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	9,080	-
38	Office expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	2,14,164	5,26,608
39	Printing & stationary expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	5,025	-
40	Repairs & maintenance expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	251	-
41	Cost reimbursements paid to	Edelweiss Financial Services Limited	1,79,00,000	1,85,00,000
42	Cost reimbursements recovered from	Edelcap Securities Limited	35,00,000	63,60,000
		Edel Commodities Limited	15,00,000	27,60,000
		Edelweiss Broking Limited	3,64,00,000	-
		Others - Fellow Subsidiaries	30,00,000	30,00,000
		Others - Associates	10,00,000	10,00,000
43	Dividend paid on equity shares of	Edelweiss Financial Services Limited	20,18,45,305	-
44	Software charges expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	2,00,652	-
45	Remuneration paid to	Key Management Personnel	1,35,38,313	4,08,19,667
46	Rent expenses paid to	Edelweiss Commodities Services Limited	9,76,21,604	7,28,15,863
47	Processing fees expenses paid to	Edelweiss Web Services Limited	6,73,730	1,90,325
48	Web site related expenses paid to	Edelweiss Web Services Limited	2,33,000	12,20,000
49	Rent recovered from	Edelweiss Tokio Life Insurance Company Limited	30,00,000	57,00,000
		Others - Fellow Subsidiaries	-	25,048
50	Transfer of gratuity liability to	Edelweiss Broking Limited	8,61,000	-
		Edelweiss Tokio Life Insurance Company Limited	8,63,000	-
		Others - Holding	5,000	-
		Others - Subsidiaries	2,26,000	-
		Others - Fellow Subsidiaries	8,66,000	-
		Others - Associates	2,62,000	-
51	Transfer of gratuity assets to	EC Commodity Limited	1,56,000	-
		ECL Finance Limited	3,11,000	-
		Others - Fellow Subsidiaries	43,000	-
		Others - Associates	6,000	-
52	Nomination deposit received from	Edelweiss Financial Services Limited	5,00,000	-
		Edelweiss Custodial Services Limited	1,00,000	-
53	Nomination deposit paid to	Edelweiss Financial Services Limited	3,00,000	-
		Edelweiss Custodial Services Limited	1,00,000	-

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

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
	Balances with related parties			
54	Other long term liabilities payable to	Edel Finance Company Limited	3,40,092	12,40,591
55	Short term loans taken from	Edelweiss Financial Services Limited	2,40,61,29,028	7,88,06,041
		Edelweiss Retail Finance Limited	75,00,000	2,75,00,000
		Others - Fellow Subsidiaries	97,734	24,29,935
56	Trade payables to	ECL Finance Limited	20,66,89,243	33,76,11,003
		Edelweiss Broking Limited	-	17,62,28,434
		EFSL Comtrade Limited	13,54,074	9,68,26,541
		Edelweiss Web Services Limited	7,92,78,335	14,41,587
		Others - Holding	2,72,21,712	2,37,38,712
		Others - Subsidiaries	14,45,095	6,80,000
		Others - Fellow Subsidiaries	2,41,48,895	22,40,85,875
		Others - Associates	30,39,904	57,62,697
57	Accrued interest expenses on loan taken	Edelweiss Financial Services Limited	1,81,58,440	83,15,995
		Others - Fellow Subsidiaries	76,571	95,263
58	Margins payable to clients	Ecap Equities Limited	11,31,66,622	1,30,97,11,920
		Edelweiss Broking Limited	1,52,81,46,861	1,24,76,41,494
		Edelweiss Web Services Limited	4,03,52,71,559	-
		Others - Holding	6,29,23,515	80,27,242
		Others - Subsidiaries	4,26,50,699	-
		Others - Fellow Subsidiaries	1,72,60,56,475	74,10,67,643
		Others - Associates	11,62,64,492	-
59	Accrued interest expenses on margin placed by	Ecap Equities Limited	3,11,921	19,60,656
		ECL Finance Limited	19,15,511	13,10,760
		Edelweiss Capital Markets Limited	18,49,269	109
		Edelweiss Web Services Limited	85,32,139	-
		Others - Holding	97,988	23,365
		Others - Subsidiaries	5,844	-
		Others - Fellow Subsidiaries	28,65,856	13,05,640
		Others - Associates	2,41,832	10,194
60	Other payables (others) to	Edelweiss Broking Limited	8,61,000	-
		Edelweiss Tokio Life Insurance Company Limited	8,63,000	-
		Others - Holding	5,000	-
		Others - Subsidiaries	2,26,000	-
		Others - Fellow Subsidiaries	8,66,000	-
		Others - Associates	2,62,000	-
61	Short-term provisions (others - proposed dividend)	Edelweiss Commodities Services Limited	1,82,000	-
		Others - Holding	8,618	-
62	Investments in preference shares in	Edelweiss Commodities Services Limited	1,00,00,00,000	1,00,00,00,000
		Edelcap Securities Limited	45,00,00,000	-
		Others - Associates	3,85,52,000	3,85,52,000
63	Investments in equity shares	ECL Finance Limited	53,28,77,435	53,28,77,435
		Edelweiss Custodial Services Limited	58,90,00,000	55,00,00,000
		Burlington Business Solutions Limited	18,21,05,000	-
		Others - Subsidiaries	15,94,73,423	15,94,73,423
		Others - Associates	3,26,36,948	3,26,36,948
64	Trade receivables from	Edelweiss Finance & Investments Limited	19,07,37,483	-
		Edelweiss Commodities Services Limited	2,97,51,512	9,11,98,967
		Edelweiss Broking Limited	5,17,34,830	-
		Edelweiss Tokio Life Insurance Company Limited	-	1,51,83,334
		Others - Subsidiaries	5,86,487	2,86,990
		Others - Fellow Subsidiaries	1,22,29,424	47,84,231
		Others - Associates	4,56,484	5,62,312

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

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2015	2014
65	Consideration payable in equity shares	Edelweiss Financial Services Limited	-	95,750
66	Short term loans and advances	Edelweiss Custodial Services Limited	-	8,55,00,000
		Others - Fellow Subsidiaries	-	11,486
67	Advances recoverable in cash or in kind from	EC Commodity Limited	1,56,000	-
		ECL Finance Limited	3,11,000	-
		Others - Fellow Subsidiaries	43,000	-
		Others - Associates	6,000	-
67	Other current assets	EC Commodity Limited	-	56,42,29,801
		Others - Subsidiaries	566	-
68	Accrued salaries and benefits payable	Key Management Personnel	41,50,000	3,27,00,000
69	Corporate guarantee given by	Edelweiss Financial Services Limited	2,00,00,00,000	9,90,00,00,000

Note - 1 : Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.29 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	2015	2014
a) Shareholders earnings (as per statement of profit and loss)	194,723,559	419,386,687
Less: Preference dividend declared by the Company (including dividend distribution tax)	228,730	-
Net profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share	194,494,829	419,386,687
b) <i>Calculation of weighted average number of equity shares of Rs 10 each:</i>		
– Number of shares at the beginning of the year	26,213,676	26,213,676
Total number of equity shares outstanding at the end of the year	26,213,676	26,213,676
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	26,213,676	26,213,676
c) Basic and diluted earnings per share (in Rupees) (a/b)	7.42	16.00

2.30 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency during the year.

	2015	2014
Expenditure incurred in foreign currency (on accrual basis)		
Advertisement	-	621,160
Membership & subscription charges	482,228	-
Seminar & conference expenses	5,103,210	-
Computer software	10,251,684	5,024,615
Travel	5,849,632	2,929,687
Professional fees	28,662,165	22,449,051
Computer expenses	8,417	-
Capital expenses	3,613,024	7,530,309
Total	53,970,360	44,218,522
Income earned in foreign currency (on accrual basis)		
Research fee income	58,277,859	51,397,819
Advisory Fees income	-	3,040,373
Total	58,277,859	54,438,192

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Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.31 Operating leases

The Company has taken various premises on operating lease. Gross rental expenses for the year ended 31 March 2015 aggregated to Rs. 133,615,900 (Previous year Rs. 106,419,127) which has been included under the head Operating and other expenses – Rent in the statement of profit and loss.

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

	2015	2014
Minimum lease payments for non cancellable lease		
- not later than one year	7,570,242	9,252,000
- later than one year and not later than five years	1,972,083	3,230,490
Total	9,542,325	12,482,490

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

2.32 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs.7,832,000 (net of advances) (Previous year: Rs. 1,328,000).

2.33 Contingent liabilities

- a) The Company has provided bank guarantees aggregating to Rs. 2,980,000,000 (Previous year: Rs. 3,000,000,000) as on 31 March 2015 to The National Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of Rs. 1,490,000,000 (Previous year: Rs. 1,500,005,000) for obtaining the above bank guarantees.

- b) The Company has provided bank guarantees aggregating to Rs. 100,000,000 (Previous year: Rs. 100,000,000) as on 31 March 2015 to The Bombay Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of Rs. 50,000,000 (Previous year: Rs. 50,000,000) for obtaining the above bank guarantees.

- c) Taxation matters in respect of which appeal is pending – Rs. 300,231,423 (Previous year: Rs. 459,930,121).

Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

2.34 Additional disclosure on fixed deposits, debtors and property

- a) Fixed deposits aggregating to Rs. 9,314,320,000 (previous year: Rs. 4,880,130,000) have been pledged with exchanges for meeting base capital requirement.
- b) Fixed deposits aggregating to Rs. 14,601,900,000 (previous year: Rs. 3,758,400,000) have been pledged with banks for securing bank overdrafts.
- c) Fixed deposits aggregating to Rs. 1,540,000,000 (previous year: Rs. 1,550,005,000) have been pledged with banks for availing bank guarantees.
- d) Fixed deposits aggregating to Rs. 62,919 (Previous year: Rs. 62,919) have been pledged with Commissioner of Value Added Tax for VAT Registration.
- e) Fixed deposits aggregating to Rs. 31,458 (Previous year: Rs. 31,458) have been pledged with Commissioner of Sales Tax for Sales Tax Registration.
- f) As at 31 March 2015, receivables aggregating to Rs. Nil (Previous year: Rs. 1,875,000,000) were hypothecated against bank overdraft.
- g) As at 31 March 2015, property aggregating to Rs. 364,800,000 (Previous year: Rs. 364,800,000) were hypothecated against bank overdraft.
- h) Other Non Current Assets comprises of Long Term Fixed Deposits with banks aggregating to Rs. 6,490,568,780 (Previous year: Rs. 1,700,094,377). The Company has the ability to liquidate these fixed deposits before the maturity date, if and when needed, to meet its obligation.

2.35 Cost Sharing

Edelweiss Financial Services Limited, being the holding company within the Edelweiss Group along with fellow subsidiaries Edelweiss Commodities Services Limited and Edelweiss Web Services Limited incurs expenditure like common senior management compensation cost, advertisement cost, rent expenditure, electricity expenses, professional fees and site related expenses etc. which is for the common benefit of itself and certain fellow subsidiary companies. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. On the same lines, operational cost expended by the Company for the benefit of fellow subsidiaries and associate companies is recovered as reimbursement by the Company from the subsidiaries and associate companies on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in notes 2.24 and 2.26 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.36 Quantitative details of inventories

Particulars	2015	2014
	Amount	Amount
Opening stock		
Equity shares	1,187	1,187
Preference shares	131,180	131,180
Debentures	-	-
Mutual fund (unquoted)	780,925,387	925,387
Subtotal (a)	781,057,754	1,057,754
Purchase		
Equity shares	546,329,721	562,854,104
Preference shares	-	-
Debentures	1,525,618,850	2,397,812,550
Mutual fund (unquoted)	3,069,999,999	860,000,000
Subtotal (b)	5,141,948,570	3,820,666,654
Sales		
Equity shares	546,159,440	563,120,691
Preference shares	-	-
Debentures	1,525,837,260	2,397,306,200
Mutual fund (unquoted)	3,803,838,116	80,127,856
Subtotal (c)	5,875,834,816	3,040,554,747
Closing stock		
Equity shares	1,187	1,187
Preference shares	131,180	131,180
Debentures	-	-
Mutual fund (unquoted)	925,387	780,925,387
Subtotal (d)	1,057,754	781,057,754
Profit / (Loss) on sale of securities	(46,113,753)	(111,907)

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

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

A) Defined contribution plan (Provident fund)

Amount of Rs. 29,045,984 (Previous year: Rs. 15,866,753) is recognised as expenses in "Employee benefit expenses" – note 2.24 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

The following tables summarise the components of the net employee benefit expenses recognised in the statement of profit and loss, the funded status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Net employee benefit expenses (recognized in employee cost)

	2015	2014
Current service cost	10,086,000	9,360,000
Interest on defined benefit obligation	4,573,000	3,472,000
Expected return on plan assets	(4,042,000)	(3,416,000)
Past service cost		
Actuarial (gain) / loss	(2,761,000)	(2,711,000)
Total included in 'Employee Benefit Expense'	7,856,000	6,705,000

Balance Sheet

Details of provision for gratuity

	2015	2014
Liability at the end of the year	67,974,000	53,969,000
Fair value of plan assets at the end of the year	68,149,000	49,317,000
Amount recognized in Balance Sheet –(Assets)/Liability	(175,000)	4,652,000

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

	2015	2014
Liability at the beginning of the year	53,969,000	45,985,194
Transfer In/(Out)	(2,583,000)	(2,040,000)
Interest cost	4,573,000	3,472,000
Current service cost	10,086,000	9,360,000
Past service cost (non vested benefit)		
Past service cost (vested benefit)		
Benefits paid	(4,013,000)	(2,291,000)
Actuarial (gain)/loss	5,942,000	(517,000)
Liability at the end of the year	67,974,000	53,969,000

Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

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

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

	2015	2014
Fair value of plan assets at the Beginning of the year	49,317,000	40,198,391
Acquisition Adjustment	-	-
Expected Return on Plan Asset	4,042,000	3,416,000
Contributions	10,100,000	5,800,000
Benefits paid	(4,013,000)	(2,291,000)
Actuarial gain/(loss)	8,703,000	2,194,000
Fair value of plan assets at the end of the year	68,149,000	49,317,000

Experience Adjustment :	2015	2014	2013	2012	2011
Particulars					
On Plan Liabilities: (Gain)/ Loss	377,000	1,926,000	14,619,617	(6,116,272)	(9,411,519)
On Plan Assets: Gain/ (Loss)	8,703,000	2,194,000	2,088,000	81,391	79,524
Estimated Contribution for next year	Nil	4,500,000	6,000,000	Nil	Nil

Principal actuarial assumptions at the balance sheet date:

	2015	2014
Discount rate	7.8%	8.9%
Salary escalation	7%	6%
Employee attrition rate	13%-25%	13%-25%

2.38 Details of dues to micro, small and medium enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

2.39 Securities received from clients as collateral for margins are held by the Company in its own name in fiduciary capacity

2.40 Brokerage income is disclosed net of related (i) sub-brokerage expense Rs. 6,359,849 (previous year Rs. 5,309,859), (ii) service tax Rs. Nil (previous year Rs. 59,132,255) and (iii) stock exchange expenses Rs. 262,146,779 (previous year Rs. 167,127,487).

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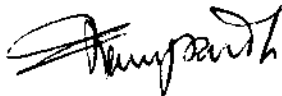
Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

(Currency: Indian Rupees)

- 2.41 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A (2) of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

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

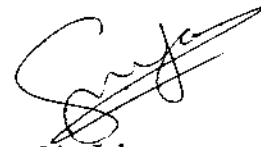


N Sampath Ganesh
Partner
Membership No: 042554

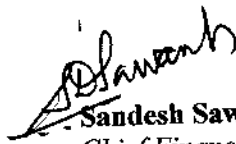
For and on behalf of the Board of Directors



Vidya Shah
Director
DIN : 00274831



Sachin Jain
Director
DIN : 02863123



Sandesh Sawant
Chief Financial Officer



Pooja Doshi
Company Secretary

Mumbai
14 May 2015

Mumbai
14 May 2015