

Ref No.: EW/Sec/2014/138

May 17, 2014

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Dear Sirs,

Ref.: Symbol - EDELWEISS
Sub: Outcome of the Board Meeting

This is to inform you that the Board of Directors of the Company at their meeting held today, have:

1) approved the following Audited Results for the year ended March 31, 2014:-

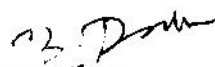
- a) Consolidated Financial Results of the Company; and
- b) Standalone Financial Results of the Company.

The copies of the results are enclosed;

- 2) recommended payment of Final Dividend of Re. 0.15/- per share (on the face value of Re. 1/-) for the financial year 2013-14. The payment of Final Dividend is subject to the approval of the members at the ensuing Annual General Meeting of the Company. The dividend, if declared, will be credited/dispatched between August 5, 2014 to August 12, 2014. The Register of Members be closed from July 15, 2014 to July 25, 2014 (both days inclusive);
- 3) re-appointed Mr. Himanshu Kaji as an Executive Director, subject to the approval of the members; and
- 4) increase in limits of Foreign Institutional Investors' holding in the Equity Shares of the Company from 28% to 40%.

Kindly take the same on record.

Thanking you,
For Edelweiss Financial Services Limited


B. Renganathan
Executive Vice President & Company Secretary

Encl: as above

Edelweiss Financial Services Limited

Corporate Identity Number: L99999MH1995PLC094641

Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098

Tel: +91-22-40094400 Fax: +91-22-40863610

Website : www.edelweissfin.com


Consolidated Financial Results for the quarter and year ended 31 March 2014
Part I

(₹ in Crores)

	Particulars	Quarter Ended			Year Ended	
		March 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)	March 31, 2013 (Unaudited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
1	Income from operations					
	(a) Fee and commission	99.69	87.38	90.03	355.63	319.37
	(b) Fund based activities	543.43	523.25	467.98	2,050.06	1,772.52
	(c) Premium from life insurance business	48.48	24.78	32.33	106.21	52.48
	(d) Other operating income	5.25	5.97	5.12	21.90	24.34
	Total income from operations	696.85	641.38	595.46	2,533.80	2,168.71
2	Expenses					
	(a) Employee benefits expense	129.82	122.16	104.65	458.02	363.91
	(b) Depreciation and amortisation expense	14.73	11.38	14.31	52.41	51.43
	(c) Change in life insurance policy liability - actuarial	29.83	13.12	21.67	60.87	31.49
	(d) Other expenses	120.53	109.88	94.29	422.06	364.54
	Total expenses	294.91	256.54	234.92	993.36	811.37
3	Profit / (Loss) from operations before other income and finance costs (1-2)	401.94	384.84	360.54	1,540.44	1,357.34
4	Other income	0.96	3.63	1.50	9.32	6.75
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	402.90	388.47	362.04	1,549.76	1,364.09
6	Finance costs	298.70	309.10	290.80	1,210.67	1,113.33
7	Profit / (Loss) before tax (5-6)	104.20	79.37	71.24	339.09	250.76
8	Tax expense	46.05	29.92	28.82	134.61	88.15
9	Net Profit / (Loss) after tax (7-8)	58.15	49.45	42.42	204.48	162.61
10	Share of profit / (Loss) of associates	1.30	4.45	2.99	12.41	8.57
11	Minority interest	(1.24)	(3.90)	(5.67)	(3.35)	(7.29)
12	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (9+10-11)	60.69	57.80	51.08	220.24	178.47
13	Paid-up equity share capital (Face Value of ₹ 1/- Per Share)	76.90	76.90	76.38	76.90	76.38
14	Reserves excluding Revaluation Reserves				2,656.91	2,383.44
15	Earnings Per Share (EPS) in Rupees (Face Value of ₹ 1/- Per Share)					
	- Basic (See note 7)	0.79	0.75	0.67	2.86	2.35
	- Diluted (See note 7)	0.78	0.74	0.66	2.85	2.31

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

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

Edelweiss Financial Services Limited

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Standalone Financial Results for the quarter and year ended 31 March 2014
Part I

(₹ in Crores)

	Particulars	Quarter Ended			Year Ended	
		March 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)	March 31, 2013 (Unaudited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
1	Income from operations					
	(a) Income from operations	86.26	47.38	45.61	207.38	147.36
	(b) Other operating income	11.52	0.10	2.19	7.53	9.45
	Total income from operations	97.78	47.48	47.80	214.91	156.81
2	Expenses					
	(a) Employee benefits expense	8.22	6.26	10.55	31.12	38.89
	(b) Depreciation and amortisation expense	0.94	0.64	0.59	2.71	1.95
	(c) Other expenses	12.21	3.70	6.87	39.79	29.88
	Total expenses	21.37	10.60	18.01	73.62	70.72
3	Profit / (Loss) from operations before other income and finance costs (1-2)	76.41	36.88	29.79	141.29	86.09
4	Other income	0.02	0.12	0.05	0.17	0.06
5	Profit / (Loss) from ordinary activities before finance costs (3+4)	76.43	37.00	29.84	141.46	86.15
6	Finance costs (net)	25.97	20.49	12.09	61.18	39.04
7	Profit / (Loss) before tax (5-6)	50.46	16.51	17.75	80.28	47.11
8	Tax expense	3.51	2.76	0.32	6.98	0.32
9	Net Profit / (Loss) after tax (7-8)	46.95	13.75	17.43	73.30	46.79
10	Paid-up equity share capital (Face Value of ₹ 1/- Per Share)	76.90	76.90	76.38	76.90	76.38
11	Reserves excluding Revaluation Reserves				1,145.34	1,118.86
12	Earnings Per Share (EPS) in Rupees (Face Value of ₹ 1/- Per Share)					
	- Basic (See note 7)	0.61	0.18	0.23	0.95	0.62
	- Diluted (See note 7)	0.61	0.18	0.22	0.95	0.60
13	Debt Service Coverage Ratio (DSCR) *				0.23	0.20
14	Interest Service Coverage Ratio (ISCR) **				2.43	2.42

* DSCR = Profit before interest and tax / (Gross interest expense + Principal repayment in next six months)

** ISCR = Profit before interest and tax / Gross Interest expense

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

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

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**Notes:**

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

8 Consolidated Segment Results

(₹ in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)	March 31, 2013 (Unaudited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
1 Segment revenue [Total income]					
Agency	109.15	143.82	128.25	507.47	494.13
Capital Based	528.16	471.88	428.97	1,884.76	1,590.55
Life Insurance	60.83	44.07	41.91	159.84	98.17
Unallocated	0.97	(10.31)	0.82	3.45	1.18
Total income	699.11	649.46	599.95	2,555.53	2,184.03
2 Segment results [Profit / (Loss) before tax and interest]					
Agency	24.78	17.52	15.65	78.81	42.29
Capital Based	99.42	87.53	97.58	364.43	307.25
Life Insurance	(14.00)	(13.60)	(25.92)	(67.82)	(64.72)
Unallocated	-	-	-	-	-
Profit / (Loss) before tax	110.20	91.45	87.31	375.42	284.82
Less:					
(a) Interest	-	-	-	-	-
(b) Unallocated net expenditure	(4.70)	(7.63)	(13.08)	(23.92)	(25.49)
Total Profit before tax	105.50	83.82	74.23	351.50	259.33
3 Capital employed [Segment assets - Segment liabilities]					
Agency	703.83	584.63	453.56	703.83	453.56
Capital Based	1,206.07	1,087.00	1,271.25	1,206.07	1,271.25
Life Insurance	629.44	653.74	455.83	629.44	455.83
Unallocated	190.00	421.14	276.94	190.00	276.94
Total capital employed	2,729.34	2,746.51	2,457.58	2,729.34	2,457.58

The Company has adopted consolidated segment reporting to meaningfully represent its business lines. Agency includes broking, advisory, product distribution and other fee based businesses; Capital includes income from treasury operations, investment income and wholesale financing; Life insurance represents life insurance business. Segment data for previous financial year/period has been reclassified to conform to current financial year/period presentation.

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9 Standalone Segment Results

(₹ in Crores)

Particulars	Quarter Ended			Year Ended	
	March 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)	March 31, 2013 (Unaudited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
1 Segment revenue [Total income]					
Agency	26.51	21.82	6.94	64.96	31.11
Holding Company activities	71.29	25.78	40.91	150.12	125.76
Unallocated	-	-	-	-	-
Total income	97.80	47.60	47.85	215.08	156.87
2 Segment results [Profit / (Loss) before tax and interest]					
Agency	20.31	15.75	0.47	37.54	7.51
Holding Company activities (after interest expenses)	33.45	2.07	19.47	51.36	51.88
Unallocated	-	-	-	-	-
Profit / (Loss) before tax	53.76	17.82	19.94	88.90	59.39
Less:					
(a) Interest	-	-	-	-	-
(b) Unallocated net expenditure	(3.30)	(1.31)	(2.19)	(8.62)	(12.28)
Total Profit before tax	50.46	16.51	17.75	80.28	47.11
3 Capital employed [Segment assets - Segment liabilities]					
Agency	4.21	22.28	5.88	4.21	5.88
Holding Company activities	1,151.34	1,142.10	1,121.23	1,151.34	1,121.23
Unallocated	62.22	58.52	65.89	62.22	65.89
Total capital employed	1,217.77	1,222.90	1,193.00	1,217.77	1,193.00

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries/associates and investment activities.

10 Consolidated statement of assets and liabilities as at 31 March 2014

(₹ in Crores)

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

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**11 Standalone statement of assets and liabilities as at 31 March 2014**

(₹ in Crores)

	As at	
	March 31, 2014 (Audited)	March 31, 2013 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	72.42	71.89
(b) Reserves and surplus	1,145.34	1,118.86
Sub-total - Shareholders' funds	1,217.76	1,190.75
2 Share application money pending allotment	0.01	2.25
3 Non-current liabilities		
(a) Long-term borrowings	305.71	230.41
(b) Long-term provisions	0.31	1.35
Sub-total - Non-current liabilities	306.02	231.76
4 Current liabilities		
(a) Short-term borrowings	543.18	672.85
(b) Trade payables	6.54	6.58
(c) Other current liabilities	15.65	39.85
(d) Short-term provisions	24.93	15.02
Sub-total - Current liabilities	590.30	734.30
TOTAL - EQUITY AND LIABILITIES	2,114.09	2,159.06
B ASSETS		
1 Non-current assets		
(a) Fixed assets	5.95	6.48
(b) Non-current investments	1,363.95	1,429.80
(c) Deferred tax assets (net)	7.53	2.75
(d) Long-term loans and advances	141.77	53.67
(e) Other non-current assets	0.41	-
Sub-total - Non-current assets	1,519.61	1,492.70
2 Current assets		
(a) Trade receivables	21.37	12.29
(b) Cash and cash equivalents	14.63	19.39
(c) Short-term loans and advances	522.55	606.25
(d) Other current assets	35.93	28.43
Sub-total - Current assets	594.48	666.36
TOTAL - ASSETS	2,114.09	2,159.06

12 The previous year/period figures have been regrouped/reclassified wherever necessary to conform to current period's presentation.

13 The standalone and consolidated results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

Ramesh Shah
Chairman

Mumbai, 17 May 2014.

B S R & Associates LLP

Chartered Accountants

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

Telephone +91 22 3989 6000
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Auditor's Report

To the Board of Directors of Edelweiss Financial Services Limited

Report on the Financial Results

We have audited the accompanying annual financial results of Edelweiss Financial Services Limited ('the Company') for the year ended 31 March 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement with The BSE Limited ('BSE') and The National Stock Exchange of India Limited ('NSE') (together referred to as the 'Stock Exchanges') except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

Management's Responsibility for the Financial Results

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results of the Company for each of the three quarters. Management is responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial results 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 results based on our audit of the annual financial statements of the Company for the year ended 31 March 2014. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant



Auditor's Report (*Continued*)

Edelweiss Financial Services Limited

estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us these financial results:

(i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

17 May 2014

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



N Sampath Ganesh
Partner

Membership No: 042554