

• Edelweiss Global Wealth Management Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2017

Independent Auditors' Report

To
The Members of Edelweiss Global Wealth Management Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss Global Wealth Management Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 there under.

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

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

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



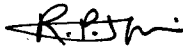
Opinion

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 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.34.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W


R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Global Wealth Management Limited ('the Company') on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, 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 nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, services tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

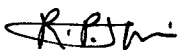
- (b) According to the information and explanation given to us, there are no dues of service tax, and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:



Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,09,866	A.Y. 2011-12	CIT (A)
Income Tax Act, 1961	Income Tax	3,44,033	A.Y. 2014-15	CIT (A)

- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 15 May 2017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Edelweiss Global Wealth Management Limited ("the Company")** as of 31 March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



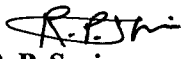
Inherent Limitations of Internal Financial Controls Over Financial Reporting

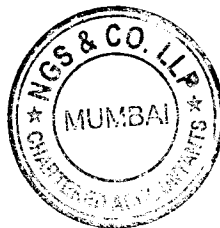
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W


R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 15 May 2017

Edelweiss Global Wealth Management Limited

Balance Sheet

(Currency: Indian rupees)

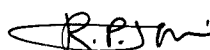
	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,00,00,000	1,00,00,000
Reserves and surplus	2.2	(4,58,14,263)	10,95,90,856
		41,85,737	11,95,90,856
Non-current liabilities			
Long-term provisions	2.3	1,14,43,872	79,73,000
Current liabilities			
Short-term borrowings	2.4	43,88,37,035	50,35,50,400
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.33	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,58,01,321	5,75,96,544
Other current liabilities	2.5	12,18,53,813	9,11,77,535
Short-term provisions	2.6	59,96,975	97,44,563
TOTAL		67,81,18,753	78,96,32,898
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.7	1,71,20,521	1,34,60,458
Intangible assets	2.7	49,14,335	30,70,007
Intangible assets under development		1,24,656	6,69,750
Non-current investments	2.8	9,46,20,896	11,07,10,188
Deferred tax assets (net)	2.9	2,21,61,812	1,51,00,033
Long-term loans and advances	2.10	34,35,73,343	33,13,94,397
		48,25,15,563	47,44,04,833
Current assets			
Stock-in-trade	2.11	-	3,50,98,397
Trade receivables	2.12	15,55,88,362	6,63,62,698
Cash and cash equivalents	2.13	14,38,917	25,50,332
Short-term loans and advances	2.14	3,54,41,234	6,74,76,322
Other current assets	2.15	31,34,677	14,37,40,316
		19,56,03,190	31,52,28,065
TOTAL		67,81,18,753	78,96,32,898

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

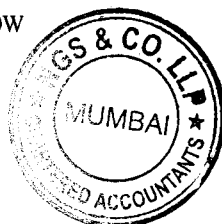
Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796

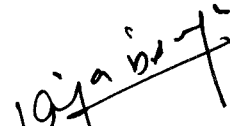


Mumbai

15 May 2017

For and on behalf of the Board of Directors


Gaurang Tailor
Director
DIN 00010292


Puja D'souza
Director
DIN 05136515

Mumbai

15 May 2017

Edelweiss Global Wealth Management Limited

Statement of Profit and Loss

(Currency: Indian rupees)

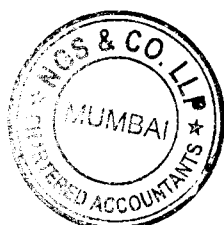
	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee and commission income	2.16	16,45,93,542	35,20,74,571
Income from treasury operations and investments	2.17	(6,46,80,774)	2,75,94,197
Sale of commodities		-	4,86,92,88,566
Other operating revenue	2.18	23,33,039	46,75,199
Other income	2.19	5,16,641	10,37,254
Total revenue		10,27,62,448	5,25,46,69,787
Expenses			
Purchases of commodities		-	4,76,78,23,894
Employee benefit expenses	2.20	39,02,52,981	24,84,54,694
Finance costs	2.21	6,97,86,011	4,18,43,785
Depreciation and amortization expenses	2.7	98,58,269	79,87,596
Other expenses	2.22	15,71,87,775	13,24,46,045
Total expenses		62,70,85,036	5,19,85,56,014
(Loss) / profit before tax		(52,43,22,588)	5,61,13,773
Tax expense:			
Current tax [including excess provisions for earlier year Rs.18,55,690, (Previous year: short provision of Rs. 3,29,268)]		(18,55,690)	1,60,32,325
Minimum alternate tax credit entitlement		-	(1,58,39,088)
Deferred tax benefit		(70,61,779)	(68,10,840)
(Loss) / profit for the year		(51,54,05,119)	6,27,31,376
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.25	(515.41)	62.73
Significant accounting policies and notes to the financial statements	1 & 2		

As per our limited review report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W



R. P. Soni
Partner
Membership No.: 104796




Mumbai
15 May 2017

For and on behalf of the Board of Directors



Gaurang Tailor
Director
DIN 00010292



Puja D'souza
Director
DIN 05136515

Mumbai
15 May 2017

Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian rupees)

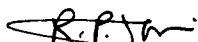
	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
(Loss)/profit before tax	(52,43,22,588)	5,61,13,773
Adjustments for:		
Profit on sale of fixed assets	(85,781)	(1,28,212)
Depreciation and amortisation	98,58,269	79,87,596
Provision for compensated leave absences and gratuity	40,89,872	36,80,599
Provision for diminution in value of current investments	-	3,37,43,500
Provision for doubtful debts	1,65,98,211	(1,32,95,931)
Profit on sale of long term investment	(43,29,053)	-
Interest income	(14,31,907)	(38,05,652)
Interest expense	6,79,78,132	4,16,30,476
Operating cash flow before working capital changes	(43,16,44,845)	12,59,26,149
Adjustments for working capital changes		
(Increase)/decrease in trade receivables	(11,30,43,357)	4,81,72,915
Decrease in stock-in-trade	3,50,98,397	10,15,23,748
Decrease/(increase) in loans and advances	53,34,455	(2,21,576)
Decrease/(increase) in other current assets	14,04,35,439	(8,99,70,752)
Increase in current liabilities and provisions	6,58,48,902	1,34,13,339
Cash (used in) / generated from operations	(29,79,71,008)	19,88,43,823
Income tax paid (net of refund received)	(2,01,93,440)	(39,56,402)
Net cash (used in) / generated from operating activities - A	(31,81,64,449)	19,48,87,421
B Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(1,51,39,854)	(1,03,06,242)
Sale of fixed assets	4,08,069	3,48,765
Proceeds from Sale/(payment for purchase of investments) (net) (refer note 2)	2,04,18,345	(11,07,10,188)
Interest received	16,02,107	38,54,237
Proceeds from unsecured loans given (net) (refer note 2)	3,22,04,229	8,95,771
Decrease/(increase) in long term capital advance	72,19,482	(29,96,33,868)
Net cash generated from / (used in) investing activities - B	4,67,12,378	(41,55,51,525)
C Cash flow from financing activities		
Proceeds from issue of preference shares (including securities premium)	40,00,00,000	-
(Repayment of)/proceeds from unsecured borrowings (net) (refer note 2)	(6,47,13,365)	25,74,87,508
Interest paid	(6,49,45,980)	(3,94,53,366)
Net cash generated from financing activities - C	27,03,40,655	21,80,34,142
Net decrease in cash and cash equivalents (A+B+C)	(11,11,415)	(26,29,962)
Cash and cash equivalents as at the beginning of the year	25,50,332	51,80,294
Cash and cash equivalents as at the end of the year (refer note 1)	14,38,917	25,50,332

Notes:

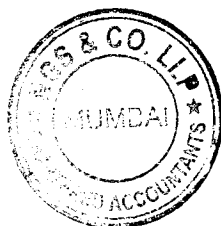
- 1 Cash and cash equivalents include the following (refer note 2.13)
Balances with scheduled banks - in current accounts
Cash and cash equivalents
- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.


For NGS & Co. LLP
Chartered Accountants
Firm's Registration No.: 119850W


R. P. Soni
Partner
Membership No.: 104796

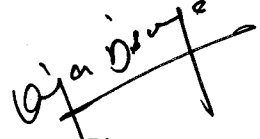
Mumbai
15 May 2017



For and on behalf of the Board of Directors


Gaurang Tailor
Director
DIN 00010292

Mumbai
15 May 2017


Puja D'souza
Director
DIN 05136515

778	7,388
14,38,139	25,42,944
14,38,917	25,50,332

Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), (hereinafter 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 generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current – non-current classification

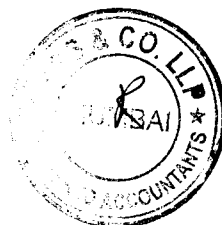
All assets and liabilities are classified into current and non-current.

Assets

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

Liabilities

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

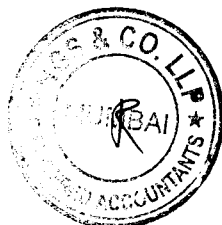


Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

1.4 Revenue recognition

- Interest income is recognised on accrual basis.
- Fee income is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- Commodity's sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Dividend income is recognised when the right to receive payment is established.
- Income from treasury comprises of profit/loss on sale of securities and profit/loss on derivative instruments.
 - i) Profit/ loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, 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.
- Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

1.5 Fixed assets and depreciation (Continued)

Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date

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

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

Nature of assets	Useful life
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	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.

Goodwill is amortised over a period of 5 years.

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

1.6 Investments

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

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

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

1.7 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.

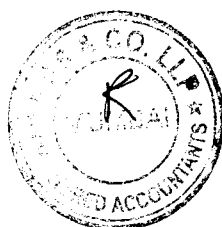
Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated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

1.8 Stock in trade

The securities held as stock-in-trade are valued at lower of weighted average cost or market value. Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.

1.9 Impairment of assets

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

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

Gratuity

The 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, that 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 recognises 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.

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

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

1.11 Taxation

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

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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

1.11 Taxation (continued)

Minimum alternative tax (MAT) Credit

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

1.12 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.

1.13 Earnings per share

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

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

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
(i) Authorised :		
2,00,00,000 (Previous year: 2,00,00,000) equity shares of Rs. 10 each	2,00,00,000	2,00,00,000
5,00,00,000 (Previous year: Nil) preference shares of Rs.10 each	5,00,00,000	-
	7,00,00,000	2,00,00,000
(ii) Issued, subscribed and paid up:		
1,00,00,000 (Previous year: 1,00,00,000) equity shares of Rs. 10 each, fully paid-up	1,00,00,000	1,00,00,000
4,00,00,000 (Previous year: Nil) 0.01% Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 each, fully paid-up	4,00,00,000	-
	5,00,00,000	1,00,00,000

(iii) **Movement in share capital:**

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10 each fully paid up				
Outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
0.01% Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 each, fully paid-up				
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	40,00,000	4,00,00,000	-	-
Outstanding at the end of the year	40,00,000	4,00,00,000	-	-

(iv) **Shares held by holding / ultimate holding company and / or their subsidiaries / associates:**

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	%	No. of Shares	%
Equity Shares				
Edelweiss Financial Services Limited, the holding company and its nominees	10,00,000	100%	10,00,000	100%
	10,00,000	100%	10,00,000	100%
0.01% Non-cumulative Non-convertible Redeemable Preference Shares				
EC Commodity Limited, fellow subsidiary	15,00,000	37.50%	-	-
Edelweiss Securities Limited, fellow subsidiary	25,00,000	62.50%	-	-
	40,00,000	100.00%	-	-

(v) **Details of shareholders holding more than 5% shares in the Company:**

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	%	No. of Shares	%
Equity Shares				
Edelweiss Financial Services Limited, the holding company and its nominees	10,00,000	100%	10,00,000	100%
	10,00,000	100%	10,00,000	100%
0.01% Non-cumulative Non-convertible Redeemable Preference Shares				
EC Commodity Limited, fellow subsidiary	15,00,000	37.50%	-	-
Edelweiss Securities Limited, fellow subsidiary	25,00,000	62.50%	-	-
	40,00,000	100.00%	-	-

Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 each. 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.

Terms/rights attached to 0.01% non-cumulative non-convertible redeemable preference shares:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 100 per share. The preference shares were allotted on 31 March, 2017. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 0.01%. The preference shares will be redeemed at Rs. 100 per share at the end of 5 years from the date of allotment.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.5 Other current liabilities		
Interest accrued and due on borrowings	65,14,123	34,81,970
Income received in advance	6,38,727	-
Premium received on exchange traded options	-	22,09,913
Other payables		
Accrued salaries and benefits	9,86,21,675	5,84,42,905
Withholding taxes, service tax and other statutory dues payable	92,04,615	1,74,80,432
Bank overdraft	24,57,643	55,48,553
Others	44,17,030	40,13,762
	12,18,53,813	9,11,77,535

2.6 Short-term provisions

Provision for employee benefits		
Gratuity	16,18,000	11,20,000
Compensated leave absences	5,04,000	3,83,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	38,74,975	82,41,563
	59,96,975	97,44,563



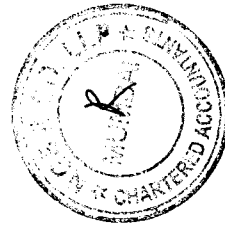
Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.7 Fixed assets

Description of assets	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017
Tangible assets								
Leasehold improvements	54,73,899	4,34,758	18,89,792	40,18,865	25,90,842	6,63,458	18,89,787	26,54,352
Furniture and fixtures	11,50,471	2,97,741	74,850	13,73,362	2,26,340	2,97,765	72,700	9,21,957
Vehicles	1,25,36,235	79,04,856	14,12,866	1,90,28,225	70,07,526	29,51,789	12,30,582	1,02,99,492
Office equipment	59,78,690	1,34,239	3,01,156	58,11,773	48,74,595	5,38,732	2,96,604	6,95,050
Computers	1,37,30,152	22,08,873	6,75,095	1,52,63,930	1,07,09,686	25,46,372	5,41,798	25,49,670
Total : A	3,88,69,447	1,09,80,467	43,53,759	4,54,96,155	2,54,08,989	69,98,116	40,31,471	1,71,20,521
Intangible assets								
Computer software	51,76,910	47,04,481	-	98,81,391	24,06,103	25,60,953	-	49,14,335
Goodwill	14,96,000	-	-	14,96,000	11,96,800	2,99,200	-	-
Total : B	66,72,910	47,04,481	-	1,13,77,391	36,02,903	28,60,153	-	49,14,335
Grand total [A+B]	4,55,42,357	1,56,84,948	43,53,759	5,68,73,546	2,90,11,892	98,58,269	40,31,471	2,20,34,856
Previous year	3,62,28,142	99,11,492	5,97,277	4,55,42,357	2,14,01,020	79,87,596	3,76,724	1,65,30,465



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.8 Non-current investments - at cost						
Trade (quoted)						
Investments in equity instruments						
J Kumar Infraprojects Limited	5	1,70,000	6,29,87,712	5	1,70,000	6,29,87,712
Claris Lifesciences Limited	10	1,16,000	3,16,33,184	10	1,75,000	4,77,22,476
Unquoted						
Investments in warrants						
AT InvoFin Private Limited (partly paid-up)	10	5,39,896	3,37,43,500	10	5,39,896	3,37,43,500
Less : Diminution in value of investments			(3,37,43,500)			(3,37,43,500)
			<u>9,46,20,896</u>			<u>11,07,10,188</u>
Aggregate value of quoted investments						
At carrying value			9,46,20,896			11,07,10,188
At market value			8,11,23,000			6,94,00,500
Aggregate value of unquoted investments						
At carrying value			3,37,43,500			3,37,43,500



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.9 Deferred tax assets (net)		
Deferred tax asset		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	23,02,356	22,04,667
Provision for doubtful debts and diminution in value of investment	1,55,56,361	1,11,56,614
	41,91,855	31,33,050
Others	1,11,240	-
	2,21,61,812	1,64,94,331
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Unrealised gain on derivatives (net)	-	13,94,298
	-	13,94,298
	2,21,61,812	1,51,00,033
2.10 Long-term loans and advances		
Unsecured, considered good		
Capital advances	29,24,14,386	29,96,33,868
Security deposits		
Rental deposits	45,73,136	44,16,986
Other deposits	21,530	21,530
Other loans and advances		
Advance income tax and tax deducted at source (net of provision for taxation)	3,59,08,351	1,65,30,043
MAT credit entitlement	1,06,55,940	1,07,91,970
	34,35,73,343	33,13,94,397



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.11 Stock-in-trade						
<i>Securities</i>						
Equity shares (quoted)						
Kirloskar Pneumatic Company Limited	-	-	-	10	16,847	1,12,91,702
WPIL Limited	-	-	-	10	60,654	2,38,06,695
						<u>3,50,98,397</u>
Aggregate value of quoted securities						
At carrying value			-			3,50,98,397
At market value			-			3,50,98,397



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.12 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	1,66,00,711	2,500
Less : Provision for doubtful debts	1,66,00,711	2,500
	-	-
Other debts		
Unsecured, considered good	15,55,88,364	6,63,62,698
	15,55,88,364	6,63,62,698
2.13 Cash and cash equivalents		
Cash in hand	778	7,388
Balances with banks in current accounts	14,38,139	25,42,944
	14,38,917	25,50,332
2.14 Short-term loans and advances		
Unsecured, considered good		
Loans to related parties	-	3,22,04,229
Other loans and advances		
Deposits- others	1,00,000	1,00,000
Prepaid expenses	42,56,194	26,20,538
Loans and advances to employees	2,69,239	13,00,265
Vendor advances	36,70,265	20,81,955
Advance income tax (net of provision for taxation)	1,13,06,449	1,30,02,215
MAT credit entitlement	1,58,39,087	1,57,03,057
Advances recoverable in cash or in kind or for value to be received	-	4,64,063
	3,54,41,234	6,74,76,322
2.15 Other current assets		
Accrued interest on loans given	-	1,70,200
Accrued interest on margin	-	63,732
Cenvat and VAT assets	6,41,690	-
Currency options premium paid	-	13,85,000
Margin placed with broker	24,92,987	14,21,21,384
	31,34,677	14,37,40,316



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.16 Fee and commission income		
Advisory and other fees	16,45,93,542	35,20,74,571
	<u>16,45,93,542</u>	<u>35,20,74,571</u>
2.17 Income from treasury operations and investments		
Loss on trading of securities (net)	(2,69,28,362)	(2,39,14,152)
Loss on trading in equity derivative instruments (net)	(1,58,62,456)	(61,42,975)
Profit on trading in commodity derivative instruments (net)	-	7,12,35,501
Loss on trading in currency derivative instruments (net)	(2,75,04,552)	(1,49,31,651)
Profit on trading in interest rate derivative (net)	-	5,64,209
Gain/(loss) on foreign exchange movement on trade	28,818	(49,000)
Profit on sale of long term investment	43,29,053	-
Dividend on stock in trade	12,56,725	8,32,265
	<u>(6,46,80,774)</u>	<u>2,75,94,197</u>
2.18 Other operating revenue		
Interest income on loan	14,31,907	38,05,652
Interest income on margin with brokers	9,01,132	8,69,547
	<u>23,33,039</u>	<u>46,75,199</u>
2.19 Other income		
Profit on sale of fixed assets (net)	85,781	1,28,212
Miscellaneous income	96,174	2,32,460
Interest income - others	3,34,686	6,76,582
	<u>5,16,641</u>	<u>10,37,254</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.20 Employee benefit expenses		
Salaries and wages	37,45,21,997	23,39,96,652
Contribution to provident and other funds	98,51,731	64,96,259
Staff welfare expenses	58,79,253	79,61,783
	39,02,52,981	24,84,54,694
2.21 Finance costs		
Interest on loan from holding company	12,16,028	3,83,45,229
Interest on loan from fellow subsidiaries	6,67,62,103	32,85,246
Interest - others	17,87,952	59,528
Financial and bank charges	19,928	1,53,782
	6,97,86,011	4,18,43,785



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.22 Other expenses		
Advertisement and business promotion	77,00,566	42,14,546
Auditors' remuneration (refer note below)	5,22,500	3,58,400
Commission and brokerage	5,49,66,381	3,89,63,330
Communication	41,67,395	35,01,978
Computer expenses	2,44,444	95,748
Computer software	41,52,986	14,29,513
Clearing and custodian charges	1,89,500	3,32,125
Contribution towards corporate social responsibilities	50,000	-
Dematerialisation charges	-	2,247
Diminution in value of current investments	-	3,37,43,500
Donation	8,50,000	-
Electricity charges (refer note 2.30)	29,15,549	16,68,330
Insurance	(8,866)	70,000
Legal and professional fees	1,16,14,696	1,35,73,917
Membership and subscription	1,62,407	8,62,262
Office expenses	16,25,806	15,49,284
Postage and courier	46,324	2,100
Printing and stationery	15,69,422	15,90,220
Provision for doubtful debts	1,65,98,211	(1,32,95,931)
Rates and taxes	6,32,860	51,827
Rent (refer note 2.30)	2,26,13,320	1,80,97,912
Repairs and maintenance - others	5,34,037	6,37,854
ROC expenses	3,88,600	-
Security transaction tax	48,71,284	34,10,395
Seminar and conference	8,86,859	7,10,648
Service tax expenses	59,99,062	90,83,767
Stamp duty	1,25,175	27,77,358
Stock exchange expenses	9,09,705	-
Transportation charges	1,78,621	1,21,507
Travelling and conveyance	1,11,07,150	77,12,053
Warehousing charges	(25,864)	46,410
Miscellaneous expenses	2,31,707	1,21,456
Housekeeping and security charges	13,67,938	10,13,289
	15,71,87,775	13,24,46,045
Auditors' remuneration:		
As auditor	5,02,000	3,40,000
For reimbursement of expenses	20,500	18,400
	5,22,500	3,58,400



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.23 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:

i. List of related parties and relationship:

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited
Fellow subsidiaries with whom transactions have taken place	Edelweiss Securities Limited Edelweiss Commodities Services Limited ECL Finance Limited Edelweiss Investment Advisors Limited Edelweiss Asset Reconstruction Company Limited (w.e.f 16th September 2016) Edelweiss Insurance Brokers Limited Edelweiss Custodial Services Limited Edel Commodities Trading Limited (till 17th November 2016) Edelweiss Broking Limited ECap Equities Limited EC Commodity Limited Edelweiss Comtrade Limited Edelcap Securities Limited Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited) Edelweiss Tokio Life Insurance Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Multi Strategy Fund Advisors LLP(formerly known as Forefront Alternative Investment Advisors LLP) Edelweiss Agri Value Chain Limited Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited) Edelgive Foundation Eternity Business Centre Limited Olive Business Centre Limited

ii. Transactions with related parties:

Nature of Transaction	Related Party Name	2016-17	2015-16
Current account transactions			
Issue of preference shares to	EC Commodity Limited	15,00,00,000	-
	Edelweiss Securities Limited	25,00,00,000	-
Long term loans repaid to (Refer note below)	Edelweiss Comtrade Limited	-	6,00,00,000
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	73,50,823	5,23,79,94,378
	Edelweiss Commodities Services Limited	78,31,77,259	4,44,000
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	51,09,01,223	4,92,00,35,870
	Edelweiss Commodities Services Limited	44,43,40,224	9,15,000
Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	3,22,00,000	9,00,000
Margin placed with (Refer note below)	Edelweiss Securities Limited	7,59,49,142	22,91,65,756
	Edelweiss Custodial Services Limited	3,73,82,734	
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	22,00,90,484	13,91,59,228
	Edelweiss Custodial Services Limited	3,50,02,598	-
Sale of commodities to	Edelweiss Commodities Services Limited	-	4,81,65,46,520
	Edel Commodities Trading Limited	-	4,54,83,546
Sale -others	Edelweiss Tokio Life Insurance Company Limited	-	34,538



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.23 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:

Transactions with related parties (continued)			
Nature of Transaction	Related Party Name	2016-17	2015-16
Interest expenses on loans from	Edelweiss Financial Services Limited	12,16,028	3,82,53,344
	Edelweiss Commodities Services Limited	6,67,62,103	91,885
	Edelweiss Comtrade Limited	-	32,85,246
Interest income on margin placed with	Edelweiss Securities Limited	8,37,487	8,69,547
	Edelweiss Custodial Services Limited	63,645	-
Interest income on loans given to	Edelweiss Commodities Services Limited	14,31,907	38,05,652
Clearing charges paid to	Edelweiss Securities Limited	1,89,500	3,32,125
Brokerage	Edelweiss Securities Limited	22,56,302	28,04,981
Processing charges paid to	Edelweiss Business Services Limited	50,660	84,840
Cost reimbursements paid to	Edelweiss Commodities Services Limited	1,49,71,264	1,31,84,136
	Edelweiss Financial Services Limited	32,36,126	17,37,077
	Edelweiss Broking Limited	86,712	-
	Eternity Business Centre Limited	37,32,510	-
	Edelweiss Business Services Limited	-	23,68,297
	Olive Business Centre Limited	-	9,500
Reimbursements paid to	Edelweiss Financial Services Limited	2,54,11,860	10,78,49,882
	Edelweiss Commodities Services Limited	3,22,55,325	1,31,001
	Edelweiss Business Services Limited	1,89,29,553	1,22,48,765
Reimbursements recovered from	Edelweiss Financial Services Limited	57,89,314	-
Contribution towards CSR	EdelGive Foundation	50,000	-
Referral fees earned from	Edelweiss Multi Strategy Fund Advisors LLP	4,45,92,183	1,43,57,729
	Edelweiss Multi Strategy Funds Management pvt Ltd	6,08,85,999	3,80,89,968
Sale of fixed assets to	Edelweiss Broking Limited	-	8,000
	Edelweiss Agri Value Chain Limited	85,758	-
	Edelweiss Commodities Services Limited	-	8,630
	Edelweiss Securities Limited	-	7,88,741
	Edelweiss Asset Reconstruction Company Limited	45,405	-
Net amount recovered on settlement of forward contracts	EC Commodity Limited	-	36,41,330
	ECap Equities Limited	-	2,11,12,471
	Edelcap Securities Limited	-	1,96,36,108
	Edelweiss Business Services Limited	-	7,72,360



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.23 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:

Balances with related parties -(Liabilities)			
Short term loans taken from	Edelweiss Financial Services Limited	-	50,35,50,400
	Edelweiss Commodities Services Limited	33,88,37,035	-
Trade payables to	Edelweiss Business Services Limited	1,90,739	88,658
	Edelweiss Financial Services Limited	24,276	24,276
	Edelweiss Commodities Services Limited	8,61,666	8,61,665
	Edelweiss Securities Limited	721	15
	Edelweiss Alternative Asset Advisors Limited	-	8,000
	Edelweiss Investment Advisors Limited	8,000	-
	Olive Business Centre Limited	-	12,00,831
Accrued interest expenses on loans taken from	Edelweiss Financial Services Limited	-	34,81,970
	Edelweiss Commodities Services Limited	50,67,959	-
Balances with related parties -(Assets)			
Trade receivables from	Edelweiss Broking Limited	37,000	8,000
	Edelweiss Securities Limited	544	24,80,530
	Edelweiss Business Services Limited	-	7,47,731
	Edelweiss Financial Services Limited	26,766	77,792
	Edelweiss Multi Strategy Fund Advisors LLP	4,90,51,401	52,59,570
	Edelweiss Multi Strategy Funds Management pvt Ltd	6,57,25,065	3,20,71,686
	Edelweiss Insurance Brokers Limited	7,198	-
	Edelweiss Custodial Services Limited	939	-
Short term loans given to	Edelweiss Commodities Services Limited	-	3,22,00,000
	Edelweiss Financial Services Limited	-	5,291
	Edelweiss Comtrade Limited	-	1,15,000
Accrued interest income on loans given to	Edelweiss Commodities Services Limited	-	1,70,200
Accrued interest income on margin placed with	Edelweiss Securities Limited	-	63,732
Margin receivable from	Edelweiss Securities Limited	1,12,851	14,21,21,384
	Edelweiss Custodial Services Ltd	23,80,136	-
Other receivables from	Edelweiss Financial Services Limited	-	1,063
	Edelweiss Comtrade Limited	-	1,15,000
	Edelweiss Securities Limited	-	3,48,000
Note: The Intra group company loans are generally in the nature of revolving demand loans. 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. Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.			



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

(Currency: Indian Rupees)

2.24 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	Advisory and product distribution services
Capital based business	Income from treasury operations, income from investments and dividend income

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

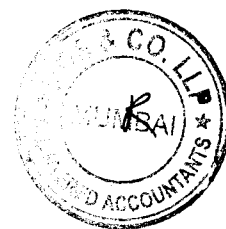
Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Particulars	For the Year Ended 31 March , 2017	For the Year Ended 31 March, 2016
I Segment Revenue		
a) Agency business	16,47,46,384	35,23,26,571
b) Capital based business	(6,23,18,623)	4,90,16,41,387
c) Unallocated	3,34,687	7,01,829
Total Income	10,27,62,448	5,25,46,69,787
II Segment Results		
a) Agency business	(30,03,25,086)	3,10,83,613
b) Capital based business	(22,21,33,660)	4,68,87,327
c) Unallocated	(18,13,842)	(2,18,57,167)
Total	(52,42,72,588)	5,61,13,773
Profit/ (loss) before taxation	(52,42,72,588)	5,61,13,773
Less : Provision for taxation	(89,17,469)	(66,17,603)
Profit/(loss) after taxation	(51,53,55,119)	6,27,31,376
Particulars	As at 31 March 2017	As at 31 March 2016
III Segment Assets		
a) Agency business	47,62,41,409	38,67,18,752
b) Capital based business	10,24,12,987	32,73,08,989
c) Unallocated	9,94,64,357	7,56,05,157
Total	67,81,18,753	78,96,32,898
IV Segment Liabilities		
a) Agency business	23,12,95,050	16,25,59,098
b) Capital based business	43,17,68,634	46,83,95,233
c) Unallocated	1,08,69,332	3,90,87,711
Total	67,39,33,016	67,00,42,042
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Agency business	1,33,32,206	82,26,538
b) Capital based business	23,52,742	9,91,149
c) Unallocated	-	6,93,804
Total	1,56,84,948	99,11,491
VI Depreciation and Amortisation		
a) Agency business	83,28,817	66,80,569
b) Capital based business	15,29,452	7,68,840
c) Unallocated	-	5,38,188
Total	98,58,269	79,87,597
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Agency business	2,00,33,703	30,54,897
b) Capital based business	6,54,380	3,41,44,360
c) Unallocated	(85,781)	2,24,842
Total	2,06,02,302	3,74,24,099



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.25 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below.

S. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A	Net amount attributable to the equity shareholders (as per statement of profit and loss)	(51,54,05,119)	6,27,31,376
B	Calculation of weighted average number of equity shares of Rs. 10 each		
	- Number of shares at the beginning of the year	10,00,000	10,00,000
	- Number of shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	10,00,000	10,00,000
	Weighted average number of equity shares outstanding during the period	10,00,000	10,00,000
C	Basic and diluted earnings per share (in rupees) (A/B)	(515.41)	62.73

The basic and diluted earnings per share are the same as there is no dilutive/ potential equity shares issued.

2.26 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

A) Defined contribution plan (Provident fund):

An amount of Rs. 98,20,036 (Previous year: Rs. 64,00,259) is recognised as expenses and included in "Employee benefit expenses" – as per note 2.20 in the statement of profit and loss.

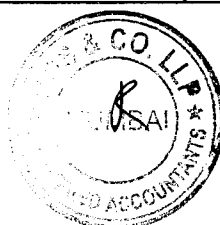
B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Net employee benefit expenses (recognised in employee cost)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	25,42,872	18,53,000
Interest on defined benefit obligation	5,65,000	3,96,000
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gain) or losses	3,16,000	7,40,000
Expense recognised in statement of profit and loss	34,23,872	29,89,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.26 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

Balance sheet

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

Particulars	As at 31 March 2017	As at 31 March 2016
Liability at the beginning of the year	76,32,000	46,07,000
Transfer in/(out)	6,000	4,64,000
Interest cost	5,65,000	3,96,000
Current service cost	25,42,872	18,53,000
Benefits paid	(81,000)	(4,28,000)
Actuarial (gain)/loss	3,16,000	7,40,000
Liability at the end of the year	1,09,80,872	76,32,000

Amount recognised in the balance sheet:

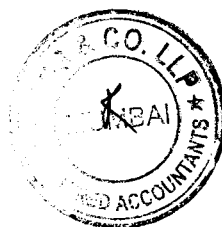
Particulars	2017	2016	2015	2014	2013
Liability at the end of the year	1,09,80,872	76,32,000	46,07,000	27,99,000	13,98,044
Amount recognized in balance sheet - liability	1,09,80,872	76,32,000	46,07,000	27,99,000	13,98,044

Experience adjustment:

Particulars	2017	2016	2015	2014	2013
Plan liabilities: (gain)/loss	(1,34,000)	5,86,000	2,000	3,34,000	(56,247)

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discount rate	6.60%	7.40%
Salary escalation	7%	7%
Employee attrition rate	13% -60%	13% -60%



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.27 Earnings and expenditure in foreign currency:

S. No	Particulars	For the year ended 31 March 2017	For the year Ended 31 March 2016
A	Earnings in foreign exchange received	-	-
B	Expenditure in foreign currency		
	Legal and professional expenses	16,54,199	26,37,455
	Software licence fees	45,03,532	-
	Seminar and conference fees	8,55,647	-

2.28 Contingent liabilities and commitments

i. Contingent liabilities

The Company has pending taxation matters of Rs. 3,57,160 as at the balance sheet date (Previous year: Rs. 13,127).

ii. Commitments

The Company has capital commitments as at the balance sheet date towards fixed assets Rs. 41,90,000 (Previous year: Rs. 11,15,000)

2.29 Operating leases

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2017 aggregated to Rs. 2,26,13,320 (Previous year: Rs. 1,80,97,912) which has been included under the head other expenses – Rent in note 2.22 of the statement of profit and loss.

There are no future minimum lease payments due on account of non-cancellable operating lease.

2.30 Cost sharing

Company carried out its operations from premises leased by Edelweiss Commodities Services Limited and Eternity Business Consultants Limited being fellow subsidiary. The Company has entered into an memorandum of understanding with these entities for reimbursement of costs like electricity and rent 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 note 2.22 are gross of the reimbursements made.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.31 Details of purchase, sale and change in inventory:

a) Securities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock		
Equity shares	3,50,98,397	13,66,22,146
Subtotal	3,50,98,397	13,66,22,146
Purchase		
Equity shares	6,33,21,99,889	3,64,95,60,316
Subtotal	6,33,21,99,889	3,64,95,60,316
Sales		
Equity shares	6,34,03,69,924	3,72,71,69,913
Subtotal	6,34,03,69,924	3,72,71,69,913
Closing stock		
Equity shares	-	3,50,98,397
Subtotal	-	3,50,98,397
Loss on trading of securities	2,69,28,362	2,39,14,152

b. Commodities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Commodities		
Opening stock		
Bullion	-	-
Subtotal	-	-
Purchase		
Bullion	-	4,76,41,20,770
Arts and painting	-	29,92,125
Subtotal	-	4,76,41,20,770
Sale		
Bullion	-	4,86,20,30,066
Arts and painting	-	72,58,500
Subtotal	-	4,86,20,30,066
Closing stock		
Bullion	-	-
Subtotal	-	-
Profit on trading in commodities	-	10,21,75,671



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.32 The following Currency Futures have open interests as on the balance sheet date

S. No.	Name of future	For the year ended 31 March 2017		For the year ended 31 March 2016	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Short position – USDINR	-	-	9,433	94,33,000

The following Equity Index/Stock Futures have open interests as on the balance sheet date

S. No.	Name of future	For the year ended 31 March 2017		For the year ended 31 March 2016	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position	-	-	79	5,925

The following option contracts are outstanding as on balance sheet date:

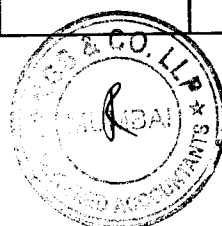
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Total premium carried forward	-	22,09,913

2.33 Details of dues to micro enterprise and small 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.

2.34 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	8,000	778	8,778
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	8,000	-	8,000
Closing cash in hand as on 30.12.2016	-	778	778



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.35 Corporate social responsibility (CSR):

As per the provisions of Section 135 of the Companies Act, 2013:

a) Gross amount required to be spent by the Company during the year was Rs.740,745

b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	50,000	-	50,000

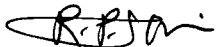
The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 115,684,300/- (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended 31March, 2017, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31March, 2017.

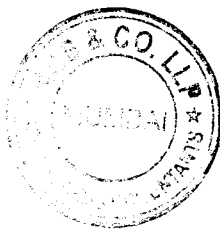
2.36 Previous year comparatives

Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W


R. P. Soni
Partner
Membership No.: 104796

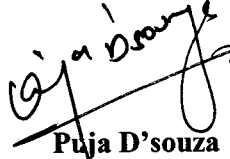


Mumbai
15 May 2017

For and on behalf of the Board of Directors


Gaurang Tailor
Director
DIN 00010292

Mumbai
15 May 2017


Puja D'souza
Director
DIN 05136515