

Edelweiss Global Wealth Management Limited

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

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 2015, 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 thereunder.

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

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



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

Opinion

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

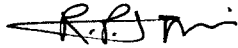
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company 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.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 12 May 2015

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 2015, 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 fixed assets have been physically verified by the management during the year as per the phased programme, designed to cover all the items 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.
- (ii) (a) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory at reasonable intervals during the year.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of inventories. No material discrepancies have been noticed on physical verification of stock in trade.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.
- (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 of the 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, wealth tax, service tax, value added 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, duty of excise, sales tax and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable except in case of value added tax amounting to Rs. 87,638 which is outstanding for more than six months as at 31 March 2015, due to registration formalities in progress with respective statutory authority.

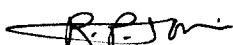


- (b) According to the information and explanation given to us, there are no dues of wealth tax, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:

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	19,689,575	A.Y.2010-11	CIT (A)
Income Tax Act, 1961	Income Tax	1,09,866	A.Y.2011-12	CIT (A)

- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year. However, in the immediately preceding financial year it has not incurred cash losses.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company does not owe any dues to a financial institution, bank or debenture holders. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, no term loan has been taken by the Company during the previous financial year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 12 May 2015

Edelweiss Global Wealth Management Limited

Balance Sheet

(Currency: Indian Rupees)

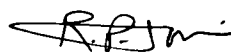
	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	10,000,000	10,000,000
Reserves and surplus	2.2	46,859,480	208,507,520
		<u>56,859,480</u>	<u>218,507,520</u>
Non-current liabilities			
Long-term borrowings	2.3	60,000,000	100,000,000
Long-term provisions	2.4	4,884,401	2,786,401
Current liabilities			
Short-term borrowings	2.5	186,062,892	112,071,000
Trade payables		27,091,759	3,585,506
Other current liabilities	2.6	106,091,872	45,544,215
Short-term provisions	2.7	6,733,164	46,311,589
		<u>447,723,568</u>	<u>528,806,231</u>
TOTAL			
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	11,499,246	8,202,278
Intangible assets	2.8	3,327,876	1,860,861
Intangible assets under development		275,000	275,000
Non-current investments	2.9	33,743,500	33,743,500
Deferred tax assets	2.10	8,289,193	2,621,856
Long-term loans and advances	2.11	54,283,238	37,953,646
		<u>111,418,053</u>	<u>84,657,141</u>
Current assets			
Inventories	2.12	136,622,145	-
Trade receivables	2.13	101,239,682	298,777,713
Cash and cash equivalents	2.14	5,180,294	9,241,561
Short-term loans and advances	2.15	39,445,245	4,997,130
Other current assets	2.16	53,818,149	131,132,686
		<u>336,305,515</u>	<u>444,149,090</u>
		<u>447,723,568</u>	<u>528,806,231</u>
TOTAL			

Significant accounting policies and notes to the financial statements

1 & 2

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
12 May 2015



For and on behalf of the Board of Directors


Shailendra Maru
Director
DIN No. 03290024

Mumbai
12 May 2015


Ajeet Lodha
Director
DIN No. 02867204

Edelweiss Global Wealth Management Limited

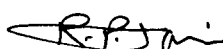
Statement of Profit and Loss

(Currency: Indian Rupees)

	Note	2014-2015	2013-2014
Revenue from operations			
Fee and commission income	2.17	197,575,249	85,793,335
Income from treasury operations and investments	2.18	(74,155,359)	296,272,147
Sale of commodities		273,721,710	-
Other operating revenue	2.19	19,910,994	5,811,380
Other income	2.20	153,367	2,162,464
Total revenue		417,205,961	390,039,326
Expenses			
Purchases of commodities		256,259,399	-
Employee benefit expenses	2.21	185,439,850	99,585,717
Finance costs	2.22	37,538,606	28,232,525
Depreciation and amortization expenses		5,392,256	2,824,544
Other expenses	2.23	98,408,498	38,565,929
Total expenses		583,038,609	169,208,715
Profit / (loss) before tax		(165,832,648)	220,830,611
Tax expense:			
Income tax (including excess provisions for earlier years Rs. 447,799; Previous year: Rs. Nil)		(447,799)	47,035,553
MAT credit entitlement		-	(11,041,094)
Deferred tax charge		(5,667,337)	81,047
Profit / (loss) for the year		(159,717,512)	184,755,105
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.26	(159.72)	184.76
Significant accounting policies and notes to the financial statements	1 & 2		

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
12 May 2015



For and on behalf of the Board of Directors



Shailendra Maru
Director
DIN No. 03290024

Mumbai
12 May 2015



Ajeet Lodha
Director
DIN No. 02867204

Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian Rupees)

	2014-2015	2013-2014
A Cash flow from operating activities		
Profit / (loss) before taxation	(165,832,648)	220,830,611
Adjustments for		
Depreciation	5,392,256	2,824,544
Provision for doubtful debts	-	(2,136,399)
Other interest income	(3,110,065)	(5,811,380)
Bad- debts and advances written off	-	1,892,661
(Profit) / loss on sale/ write-off of fixed assets (net)	(101,773)	212,612
Interest expense	26,503,032	9,999,951
Compensated leave absences and gratuity	2,413,000	1,835,357
	<u>(134,736,198)</u>	<u>229,647,957</u>
Operating cash flow before working capital changes		
Add / (Less): Adjustments for working capital changes		
Decrease / (increase) in trade receivables	197,538,031	(298,284,562)
Increase in inventories	(136,622,145)	-
(Increase) / decrease in loans and advances	(38,228,704)	3,014,912
Decrease / (increase) in other assets	77,637,862	(130,940,469)
Increase in liabilities and provisions	83,296,344	25,159,298
	<u>48,885,190</u>	<u>(171,402,864)</u>
Cash generated from / (used in) operations		
Income taxes paid	(51,994,629)	(4,041,889)
Net cash used in operating activities - A	<u>(3,109,439)</u>	<u>(175,444,753)</u>
B Cash flow from investing activities		
Proceeds from short-term loans and advances	-	38,455,900
Purchase of fixed assets	(12,378,826)	(4,358,021)
Sale of fixed assets	393,831	718,751
Interest received	2,786,740	5,714,946
	<u>(9,198,255)</u>	<u>40,531,576</u>
Net cash (used in) / generated from investing activities - B		
C Cash flow from financing activities		
(Repayment of) / Proceeds from long-term borrowings (net) (Refer note 2)	(40,000,000)	60,000,000
Proceeds from short-term borrowings (net) (Refer note 2)	73,991,892	86,553,310
Interest paid	(25,745,465)	(9,452,657)
	<u>8,246,427</u>	<u>137,100,653</u>
Net cash generated from financing activities - C		
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(4,061,267)</u>	<u>2,187,476</u>
Cash and cash equivalents as at the beginning of the year	9,241,561	7,054,085
Cash and cash equivalents as at the end of the year (Refer note 1)	5,180,294	9,241,561
Notes:		
1 Cash and cash equivalents include the following: (Refer note 2.14)		
In cash	6,459	14,865
Balances with scheduled banks:		
In current accounts	5,173,835	9,226,696
Total of cash and cash equivalents	<u>5,180,294</u>	<u>9,241,561</u>

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 Registration No.: 119850W

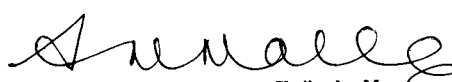

R. P. Soni

Partner
Membership No.: 104796

Mumbai
12 May 2015




For and on behalf of the Board of Directors



Shailendra Maru
Director
DIN No. 03290024

Mumbai
12 May 2015



Ajeet Lodha
Director
DIN No. 02867204

Edelweiss Global Wealth Management Limited

Notes to the financial statements

for the year ended 31 March 2015

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying 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), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

1.2 Use of estimates

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

1.3 Current – non-current classification

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

Assets

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

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

Current Assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) 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, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2015

1.4 Revenue recognition

- Interest income is recognised on accrual basis.
- Income from marketing and distribution services 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.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Dividend income is recognised when the right to receive payment is established.
- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity and currency 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.

1.5 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready 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 for calculating the depreciation. The useful lives of the fixed assets is as follows:

Nature of assets	Useful life
Furniture and fittings	10 years
Motor 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

Goodwill is amortised over a period of 5 years, other intangibles such as software is amortised over a period of 3 years or its estimated useful life.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2015

1.6 *Investments*

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

Long-term 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 investment. In case of investment 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 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 *Inventories*

The securities held as inventories under current assets are valued at lower of weighted average cost or market value. In case of units of mutual funds, net asset value is considered as market value.

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

1.10 *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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2015

1.10 *Employee benefits (continued)*

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 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) and deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

Provision for income 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 taxation

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

Minimum 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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2015

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” notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by 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 2015	As at 31 March 2014
2.1 Share capital		
Authorised :		
2,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid up:		
1,000,000 (Previous year: 1,000,000) equity shares of Rs. 10 each, fully paid-up	<u>10,000,000</u>	<u>10,000,000</u>
	<u>10,000,000</u>	<u>10,000,000</u>

The entire paid up capital is held by Edelweiss Financial Services Limited, the holding company and its nominees.
There is no change in share capital in the number of shares outstanding during the year

a) 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.

b) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	31 March 2015		31 March 2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares:				
Outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>

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

	31 March 2015		31 March 2014	
	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	1,000,000	100%	1,000,000	100%
	<u>1,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>

d) Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

	31 March 2015		31 March 2014	
	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	1,000,000	100%	1,000,000	100%
	<u>1,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>

2.2 Reserves and surplus

Securities premium account	35,625,000	35,625,000
Surplus / (deficit) in the statement of profit and loss		
Opening balance	172,882,520	(11,872,585)
Less: Adjustment on account of Accumulated Depreciation (refer note 2.8)	(1,930,529)	-
Add: (Loss) / profit for the year	(159,717,512)	184,755,105
Closing balance	<u>11,234,480</u>	<u>172,882,520</u>
	<u>46,859,480</u>	<u>208,507,520</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

	31 March 2015	31 March 2014
2.3 Long-term borrowings		
<u>Unsecured</u>		
Loans and advances from related party	60,000,000	100,000,000
(The loan is at varied interest rate ranging from 10.25 to 12.00 per cent per annum, repayable after the end of one year but before the end of three years, as mutually agreed)		
	60,000,000	100,000,000
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	3,951,401	2,348,401
Compensated leave absences	933,000	438,000
	4,884,401	2,786,401
2.5 Short-term borrowings		
<u>Unsecured, repayable on demand</u>		
(Due within one year, unless otherwise stated)		
Loans and advances from holding company	185,591,892	-
Loans and advances from fellow subsidiary company	471,000	112,071,000
	186,062,892	112,071,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.6 Other current liabilities		
Interest accrued but not due on borrowings	-	547,294
Interest accrued and due on borrowings	1,304,861	-
Premium received on exchange traded options	-	1,798,435
Other payables		
Accrued salaries and benefits	85,689,067	22,381,296
Withholding taxes, service tax and other statutory dues payable	12,909,939	3,127,980
Bank overdraft	-	16,045,837
Others	6,188,005	1,643,373
	106,091,872	45,544,215
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity (Refer note 2.27)	656,000	451,000
Compensated leave absences	255,000	145,000
Others		
Provision for taxation (Net of advance tax and tax deducted at source Rs. 71,409,901; Previous year: Rs. 32,009,400)	5,822,164	45,715,589
	6,733,164	46,311,589



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.8 Fixed assets

Description of Assets	Gross block			As at 31 March 2015	Adjustment in Opening Reserve (Refer note below)	Depreciation		Net block	
	As at 1 April 2014	Additions during the year	Deductions during the year			As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015
Tangible assets									
Leasehold improvements	2,046,269	-	-	2,046,269	-	1	-	2,045,877	392
Furniture and fixtures	93,846	-	-	93,846	-	2,390	-	89,055	4,791
Vehicles	7,591,746	6,182,849	694,810	13,079,785	-	2,480,984	402,752	4,729,248	8,350,537
Office equipments	4,220,407	431,081	6,800	4,644,688	1,661,042	261,184	6,800	4,140,560	504,128
Computers	7,998,133	3,186,493	-	11,184,626	269,487	1,536,310	-	8,545,228	2,639,398
Total : A	21,950,401	9,800,423	701,610	31,049,214	1,930,529	4,280,869	409,552	19,549,968	11,499,246
Intangible assets									
Computer software	1,104,525	2,578,403	-	3,682,928	-	812,188	-	953,452	2,729,476
Goodwill	1,496,000	-	-	1,496,000	-	299,200	-	897,600	598,400
Total : B	2,600,525	2,578,403	-	5,178,928	-	1,111,388	-	1,851,052	3,327,876
Grand total [A+B]	24,550,926	12,378,826	701,610	36,228,142	1,930,529	5,392,256	409,552	21,401,020	14,827,122
Previous year	23,169,017	4,083,021	2,701,112	24,550,926	-	2,824,544	1,769,749	14,487,786	10,063,139

Note

As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 1,172,713 and an amount of Rs. 1,930,529 has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life has expired as at 1 April 2014.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.9 Non-current investments - at cost		
Others (unquoted)		
Investments in warrants	33,743,500	33,743,500
A. T. Invofin Private Limited (Partly paid-up) (539,896 Warrants of face value of Rs. 10 each)		
	<u>33,743,500</u>	<u>33,743,500</u>
Aggregate value of unquoted investments At carrying value	33,743,500	33,743,500



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.10 Deferred tax asset		
Tax effect of timing differences on account of:		
Difference between book and tax depreciation	1,799,199	1,470,308
Provision for doubtful debts/advances	4,520,137	1,870
Disallowances under section 43B of the Income Tax Act, 1961	1,969,857	1,149,678
	8,289,193	2,621,856
2.11 Long-term loans and advances		
<i>Unsecured, considered good</i>		
Security deposits		
Rental deposits	4,416,986	2,245,050
Other deposits	21,530	21,530
Other loans and advances		
Advance income taxes (Net of provision for taxation Rs. 53,862,810; Previous year: Rs. 53,862,810)	39,188,782	24,645,972
MAT credit entitlement	10,655,940	11,041,094
	54,283,238	37,953,646



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	31 March 2015			31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.12 Inventories						
<i>Securities</i>						
Equity shares (quoted)						
Mahindra & Mahindra Limited	5	49,419	58,699,888	-	-	-
Jyoti Structures Limited	2	1,455,600	37,336,140	-	-	-
Safari Industries (India) Limited	10	7,000	5,562,239	-	-	-
WPIL Limited	10	60,654	35,023,878	-	-	-
			<u>136,622,145</u>			<u>-</u>
Aggregate value of quoted securities						
At carrying value			136,622,145			-
At market value			136,856,175			-



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.13 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	13,298,431	5,501
Provision for doubtful debts	13,298,431	5,501
	-	-
Other debts		
Unsecured, considered good	101,239,682	298,777,713
Provision for doubtful debts	-	-
	101,239,682	298,777,713
	<u>101,239,682</u>	<u>298,777,713</u>
2.14 Cash and cash equivalents		
Cash in hand	6,459	14,865
Balances with banks		
- in current accounts	5,173,835	9,226,696
	<u>5,180,294</u>	<u>9,241,561</u>
2.15 Short-term loans and advances		
<i>Unsecured, considered good</i>		
Loans and advances to fellow subsidiary companies	33,100,000	-
Other loans and advances		
Deposits- others	100,000	85,000
Prepaid expenses	246,034	16,534
Loans and advances to employees	1,634,532	235,652
Vendor advances	4,282,456	765,643
Input tax credit	82,223	1,543,844
Advance income tax	-	1,608,653
Advances recoverable in cash or in kind or for value to be received	-	741,804
	<u>39,445,245</u>	<u>4,997,130</u>
2.16 Other current assets		
Accrued interest on loans given	218,785	1,417
Accrued interest on margin	296,757	190,800
Currency options premium paid	2,250,000	-
Equity index/stock options premium account	-	4,679,913
Margin placed with broker	51,052,607	126,260,556
	<u>53,818,149</u>	<u>131,132,686</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	2014-2015	2013-2014
2.17 Fee and commission income		
Advisory and other fees	197,575,249	85,793,335
	<u>197,575,249</u>	<u>85,793,335</u>
2.18 Income from treasury operations and investments		
Loss on trading of securities (net)	(25,190,619)	(55,517,203)
Profit on trading in equity derivative instruments (net)	4,970,302	78,252,817
Profit on trading in commodity derivative instruments (net)	-	77,950,000
Profit / (loss) on trading in currency derivative instruments (net)	(55,624,276)	195,586,533
Profit on sale of current investment	1,524,951	-
Dividend on stock in trade	164,283	-
	<u>(74,155,359)</u>	<u>296,272,147</u>
2.19 Other operating revenue		
Interest income on loan to subsidiary companies	2,895,353	2,795,989
Interest income on fixed deposits	194,648	-
Interest income on debt instrument	20,064	258,950
Interest income on margin with brokers	7,077,201	2,756,441
Interest income on overdue accounts	9,723,728	-
	<u>19,910,994</u>	<u>5,811,380</u>
2.20 Other income		
Provision for doubtful debts, advances, excess provision written back	-	2,136,399
Profit on sale of fixed assets (net)	101,773	-
Miscellaneous income	51,594	26,065
	<u>153,367</u>	<u>2,162,464</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	2014-2015	2013-2014
2.21 Employee benefit expenses		
Salaries and wages	180,100,492	96,401,451
Contribution to provident and other funds	3,947,059	2,582,633
Staff welfare expenses	1,392,299	601,633
	<u>185,439,850</u>	<u>99,585,717</u>
2.22 Finance costs		
Interest on term loan	11,142,740	-
Interest on loan from holding company	13,813,206	4,871,720
Interest on loan from fellow subsidiaries	1,547,086	5,128,231
Interest - others	11,035,540	18,232,312
Financial and bank charges	34	262
	<u>37,538,606</u>	<u>28,232,525</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	2014-2015	2013-2014
2.23 Other expenses		
Advertisement and business promotion	3,313,480	2,155,514
Auditors' remuneration (refer note below)	347,500	300,000
Bad- debts and advances written off	-	1,892,661
Commission and brokerage	22,772,982	31,508
Communication	2,660,363	2,027,977
Computer expenses	27,462	23,365
Clearing and custodian charges	275,000	60,000
Contribution towards CSR	50,000	-
Donation	2,622,700	-
Electricity charges (refer note 2.31)	1,114,656	1,233,841
Insurance	764,834	99,047
Legal and professional fees	16,989,663	3,106,000
Loss on sale/ write-off of fixed assets (net)	-	212,612
Membership and subscription	600,000	105,000
Office expenses	1,445,472	91,849
Printing and stationery	415,736	204,414
Provision for doubtful debts	13,292,930	-
Rates and taxes	78,325	15,597
Rent (refer note 2.31)	10,994,358	17,224,641
Repairs and maintenance - others	1,274,314	48,924
Security transaction tax	3,827,111	4,031,804
Seminar and conference	59,664	-
Service tax expenses	4,461,142	(91,610)
Stamp duty	3,332,241	936,792
Travelling and conveyance	7,721,671	4,855,856
Warehousing charges	(197,204)	-
Wealth Tax	54,000	-
Miscellaneous expenses	110,098	137
	98,408,498	38,565,929
Note:		
Auditors' remuneration:		
As auditor	287,500	250,000
For taxation matters	60,000	50,000
	347,500	300,000



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

for the year ended 31 March 2015

(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 March 31, 2015	For the Year Ended March 31, 2014
I Segment Revenue		
a) Agency business	197,575,249	87,929,734
b) Capital based business	219,477,345	302,083,527
c) Unallocated	153,367	26,065
Total Income	417,205,961	390,039,326
II Segment Results		
a) Agency business	(39,643,739)	(25,501,661)
b) Capital based business	(117,210,433)	253,770,027
c) Unallocated	(8,978,476)	(7,437,754)
Total	(165,832,648)	220,830,612
Profit before taxation	(165,832,648)	220,830,612
Less : Provision for taxation	6,115,136	36,075,506
Profit after taxation	(159,717,512)	184,755,106
Particulars	As at March 31, 2015	As at March 31, 2014
III Segment Assets		
a) Agency business	117,511,804	27,459,130
b) Capital based business	266,123,949	451,647,429
c) Unallocated	64,087,815	49,699,671
Total	447,723,568	528,806,230
IV Segment Liabilities		
a) Agency business	98,418,269	24,359,838
b) Capital based business	246,547,897	207,612,009
c) Unallocated	45,897,922	78,326,863
Total	390,864,088	310,298,710
V Capital Expenditure (Including Capital Work-In-Progress)		
a) Agency business	10,274,426	3,388,908
b) Capital based business	1,856,824	612,453
c) Unallocated	247,576	81,660
Total	12,378,826	4,083,021
VI Depreciation and Amortisation		
a) Agency business	4,526,437	2,395,235
b) Capital based business	763,958	378,802
c) Unallocated	101,861	50,507
Total	5,392,256	2,824,544
VII Significant Non-Cash Expenses Other than Depreciation and Amortisation		
a) Agency business	13,292,930	-
b) Capital based business	-	-
c) Unallocated	-	-
Total	13,292,930	-



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.25 Disclosure as required by Accounting Standard 18 - Related Party Disclosure

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 Broking Limited ECap Equities Limited Edel Commodities Trading Limited Edelweiss Comtrade Limited Edelweiss Capital Markets Limited Edelweiss Web Services Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Alternative Asset Advisors Limited Forefront Alternative Investment Advisors LLP (from April 30, 2014) Edelweiss Integrated Commodity Management Limited (from July 24, 2014) Edelgive Foundation

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
	Current account transactions			
1	Long term loans taken from (Refer Note 1)	Edelweiss Comtrade Limited	-	60,000,000
2	Long term loans repaid to (Refer Note 1)	ECL Finance Limited	40,000,000	-
3	Short term loans taken from (Refer Note 1)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	315,799,365 -	235,726,595 139,971,000
4	Short term loans repaid to (Refer Note 1)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	130,207,473 111,600,000	261,244,285 27,900,000
5	Short term loans given to (Refer Note 1)	ECap Equities Limited Edelweiss Commodities Services Limited	- 33,100,000	361,600,000 -
6	Short term loans repaid by (Refer Note 1)	ECap Equities Limited	-	397,700,000
7	Margin paid to (Refer Note 1)	Edelweiss Securities Limited	50,944,485	230,458,588
8	Margin repaid by (Refer Note 1)	Edelweiss Securities Limited	162,457,460	65,242,417
9	Net amount earned on settlement of forward contracts	Edelweiss Commodities Services Limited Edelweiss Capital Markets Limited ECap Equities Limited	- - -	40,050,000 18,100,000 19,800,000
10	Profit on currency derivatives received from	Edel Commodities Trading Limited	-	225,502,559
11	Interest expenses on loans from	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited ECL Finance Limited Edelweiss Comtrade Limited	13,813,206 1,547,086 3,942,740 7,200,000	4,871,720 771,748 4,100,045 256,438
12	Interest income on margin placed with	Edelweiss Securities Limited	7,077,201	2,756,441
13	Interest income on loans given to	ECap Equities Limited Edelweiss Commodities Services Limited	- 2,895,353	2,795,989 -



ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2014-15	2013-14
14	Clearing charges paid to	Edelweiss Securities Limited	275,000	60,000
15	Cost reimbursements paid to	Edelweiss Commodities Services Limited	10,850,562	17,586,888
		Edelweiss Financial Services Limited	475,166	-
		Edelweiss Integrated Commodity Management Limited	32,296	-
		ECap Equities Limited	953,700	-
		Edelweiss Web Services Limited	55,080	14,250
16	Reimbursements paid to	Edelweiss Financial Services Limited	81,964,411	20,167,511
17	Interest expenses paid to	ECap Equities Limited	7,548,802	-
18	Contribution towards CSR	EdelGive Foundation	50,000	-
19	Referral fees earned from	Forefront Alternative Investment Advisors LLP	50,129,098	-
Balances with related parties				
20	Long term loans taken from	ECL Finance Limited	-	40,000,000
		Edelweiss Comtrade Limited	60,000,000	60,000,000
21	Short term loans taken from	Edelweiss Financial Services Limited	185,591,892	-
		Edelweiss Commodities Services Limited	471,000	112,071,000
22	Trade payables to	Edelweiss Broking Limited	-	20,000
		Edelweiss Web Services Limited	44,768	14,586
		ECL Finance Limited	-	40,439
		Edelweiss Integrated Commodity Management Limited	29,066	-
		Edelweiss Financial Services Limited	857,710	-
		Edelweiss Commodities Services Limited	13,069,882	-
		Edelweiss Securities Limited	520	-
		Edelweiss Alternative Asset Advisors Limited	72,000	-
23	Accrued interest expenses on loans taken from	Edelweiss Financial Services Limited	858,467	144,167
		ECL Finance Limited	70,767	111,207
		Edelweiss Comtrade Limited	372,822	195,287
		Edelweiss Commodities Services Limited	2,805	96,633
24	Trade receivables from	Edelweiss Financial Services Limited	-	42,819
		Edelweiss Broking Limited	45,000	6,738
		Edelweiss Securities Limited	4,068,573	39,422,615
		Edelweiss Tokio Life Insurance Company Limited	-	5,000
		Edel Commodities Trading Limited	-	225,502,559
		ECap Equities Limited	-	19,800,000
		Forefront Alternative Investment Advisors LLP	44,707,242	-
		Edelweiss Commodities Services Limited	2,820	-
25	Short term loans given to	Edelweiss Commodities Services Limited	33,100,000	-
26	Accrued interest income on loans given to	ECap Equities Limited	-	1,417
		Edelweiss Commodities Services Limited	218,785	-
27	Accrued interest income on margin placed with	Edelweiss Securities Limited	296,757	190,800
28	Margin receivable from	Edelweiss Securities Limited	51,052,607	126,260,556
Note:				
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.				
1				



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.26 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.

	2014-2015	2013-2014
A Net amount attributable to the equity shareholders (as per statement of profit and loss)	(159,717,512)	184,755,105
B Calculation of weighted average number of Equity Shares of Rs. 10 each		
- Number of shares at the beginning of the year	1,000,000	1,000,000
- Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,000,000	1,000,000
Weighted average number of equity shares outstanding during the period	1,000,000	1,000,000
C Basic and diluted earnings per share (in Rupees) (A/B)	(159.72)	184.76

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

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

A) Defined contribution plan (Provident fund):

An amount of Rs. 3,947,059 (Previous year: Rs. 2,582,633) is recognised as expenses and included in "Employee benefit expenses" – as per note 2.21 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)

	2014-2015	2013-2014
Current service cost	1,091,000	743,000
Interest on defined benefit obligation	249,000	151,000
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gain) or losses	410,000	222,000
Expense recognised in statement of profit and loss	1,750,000	1,116,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.27 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.

	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	2,799,000	1,398,000
Transfer in/(out)	58,000	513,000
Interest cost	249,000	151,000
Current service cost	1,091,000	743,000
Benefits paid	-	(228,000)
Actuarial (gain)/loss	410,000	222,000
Liability at the end of the year	4,607,000	2,799,000

Amount recognised in the balance sheet:

Particulars	2015	2014	2013	2012	2011
Liability at the end of the year	4,607,000	2,799,000	1,398,044	1,136,691	298,142
Amount recognized in balance sheet - liability	4,607,000	2,799,000	1,398,044	1,136,691	298,142

Experience adjustment:

Particulars	2015	2014	2013	2012	2011
On plan liabilities: (gain) / loss	2,000	334,000	(56,247)	575,218	298,142

Principle actuarial assumptions at the balance sheet date:

	2014-2015	2013-2014
Discount rate	7.80%	8.70%
Salary escalation	7%	6%
Employee attrition rate	13% -60%	13% -60%



Edelweiss Global Wealth Management Limited

Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.28 *Foreign currency*

The Company has undertaken the following transactions in foreign currency:

	2015	2014
Expenditure incurred in foreign currency (on accrual basis)		
Travel expenses – Foreign travel	24,250	-
Total	24,250	-

2.29 *Contingent liabilities and commitments*

i. **Contingent liabilities**

The Company has pending taxation matters of Rs. 19,702,702 as at the balance sheet date (Previous year: Rs. 19,702,702).

ii. **Commitments**

The Company has capital commitments of Rs. 101,230,500 towards balance amount due on investments in warrants of A.T. Invofin Private Limited as at the balance sheet date (Previous year: Rs. 101,230,500) and towards fixed assets Rs. 1,828,000 (Previous year: Rs. 275,000)

2.30 *Operating leases*

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2015 aggregated to Rs. 10,994,358 (Previous year: Rs. 17,224,641) which has been included under the head other expenses – Rent in note 2.23 of the statement of profit and loss.

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

2.31 *Cost sharing*

During the year, the Company carried out its operations from premises leased by Edelweiss Commodities Services Limited being fellow subsidiary. The Company has entered into an memorandum of understanding with these entities for reimbursement of costs 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 2.23 are gross of the reimbursements made.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.32 Details of purchase, sale and change in inventory:

a) Securities:

Particulars	2014- 2015	2013- 2014
Opening stock		
Equity shares	-	-
Others	-	-
Subtotal (a)	-	-
Purchase		
Equity shares	3,468,148,467	1,317,198,003
Others	-	-
Subtotal (b)	3,468,148,467	1,317,198,003
Sales		
Equity shares	3,306,335,703	1,261,680,800
Others	-	-
Subtotal (c)	3,306,335,703	1,261,680,800
Closing stock		
Equity shares	136,622,145	-
Others	-	-
Subtotal (d)	136,622,145	-
Loss on trading of securities (a+b-c-d)	25,190,619	55,517,203

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

Sr. no.	Name of future	For the year ended 31 March 2015		For the year ended 31 March 2014	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position – EURINR	3,000	3,000,000	-	-
2	Short position – USDINR	9,785	9,785,000	-	-

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

Sr. no.	Name of future	For the year ended 31 March 2015		For the year ended 31 March 2014	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position	-	-	143	85,800
2	Short position	-	-	61	31,875



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

The following option contracts are outstanding as on balance sheet date

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Total premium carried forward (Net of provision made)	2,250,000	3,379,585

2.34 Details of dues to micro small and medium enterprises

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

As per our report of even date attached.

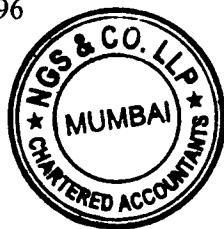
For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W


R. P. Soni

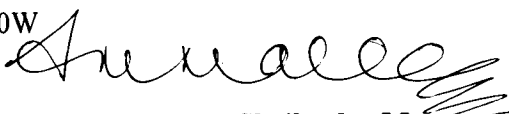
Partner

Membership No.: 104796

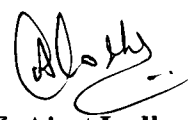
Mumbai
12 May 2015



For and on behalf of the Board of Directors


Shailendra Maru
Director
DIN No. 03290024

Mumbai
12 May 2015


Ajeet Lodha
Director
DIN No. 02867204