

Edelweiss Global Wealth Management Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2016

Edelweiss Global Wealth Management Limited

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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 2016, 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.



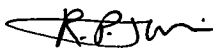
Opinion

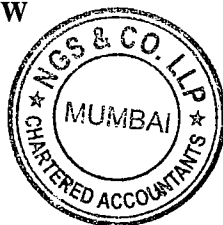
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit 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 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, 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.

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


R. P. Soni
Partner
Membership No.:104796

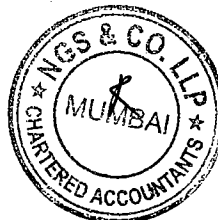


Place: Mumbai
Date: 11 May 2016

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 2016, 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 and warehouse receipts in respect of commodities 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, sales 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 and duty of custom.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, value added tax, service tax and cess were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except in case of works contract tax which are outstanding for more than six months of Rs. 106,980/- as at 31 March 2016, due to registration formalities in progress with respective statutory authorities, as mentioned in note no. 2.35 to financial statement.

- (b) According to the information and explanation given to us, there are no dues of sales 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	1,09,866	A.Y. 2011-12	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 give 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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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.

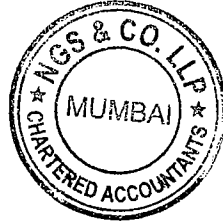


(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 11 May 2016

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 2016 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.

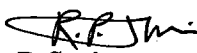
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 2016, 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: 11 May 2016

Edelweiss Global Wealth Management Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,00,00,000	1,00,00,000
Reserves and surplus	2.2	10,95,90,856	4,68,59,480
		11,95,90,856	5,68,59,480
Non-current liabilities			
Long-term borrowings	2.3	-	6,00,00,000
Long-term provisions	2.4	79,73,000	48,84,401
Current liabilities			
Short-term borrowings	2.5	50,35,50,400	18,60,62,892
Trade payables			
Total outstanding due of Micro, Small and Medium enterprises		-	-
Total outstanding due of creditors other than Micro, Small and Medium enterprises	2.34	5,75,96,544	2,70,91,759
Other current liabilities	2.6	9,11,77,535	10,60,91,872
Short-term provisions	2.7	97,44,563	67,33,164
TOTAL		78,96,32,898	44,77,23,568
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	1,34,60,458	1,14,99,246
Intangible assets		30,70,007	33,27,876
Intangible assets under development		6,69,750	2,75,000
Non-current investments	2.9	11,07,10,188	3,37,43,500
Deferred tax assets (net)	2.10	1,51,00,033	82,89,193
Long-term loans and advances	2.11	33,13,94,397	5,42,83,238
		47,44,04,833	11,14,18,053
Current assets			
Stock-in-trade	2.12	3,50,98,397	13,66,22,145
Trade receivables	2.13	6,63,62,698	10,12,39,682
Cash and cash equivalents	2.14	25,50,332	51,80,294
Short-term loans and advances	2.15	6,74,76,322	3,94,45,245
Other current assets	2.16	14,37,40,316	5,38,18,149
		31,52,28,065	33,63,05,515
TOTAL		78,96,32,898	44,77,23,568

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

11 May 2016



For and on behalf of the Board of Directors

Shailendra Maru

Shailendra Maru

Director

DIN 03290024

Mumbai

11 May 2016

Samir Doshi

Samir Doshi

Director

DIN 02020452

Edelweiss Global Wealth Management Limited

Statement of Profit and Loss

(Currency: Indian rupees)

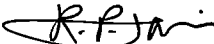
	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.17	35,20,74,571	19,75,75,249
Income from treasury operations and investments	2.18	2,75,94,197	(7,41,55,359)
Sale of commodities		4,86,92,88,566	27,37,21,710
Other operating revenue	2.19	46,75,199	1,99,10,994
Other income	2.20	10,37,254	1,53,367
Total revenue		5,25,46,69,787	41,72,05,961
Expenses			
Purchases of commodities		4,76,78,23,894	25,62,59,399
Employee benefit expenses	2.21	24,84,54,694	18,54,39,850
Finance costs	2.22	4,18,43,785	3,75,38,606
Depreciation and amortization expenses		79,87,596	53,92,256
Other expenses	2.23	13,24,46,045	9,84,08,498
Total expenses		5,19,85,56,014	58,30,38,609
Profit / (loss) before tax		5,61,13,773	(16,58,32,648)
Tax expense:			
Current tax [including short provisions for earlier years Rs. 329,268; (Previous year: excess provision of Rs. 447,799)]		1,60,32,325	(4,47,799)
Minimum alternate tax credit entitlement		(1,58,39,088)	-
Deferred tax benefit		(68,10,840)	(56,67,337)
Profit / (loss) for the year		6,27,31,376	(15,97,17,512)
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.26	62.73	(159.72)
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

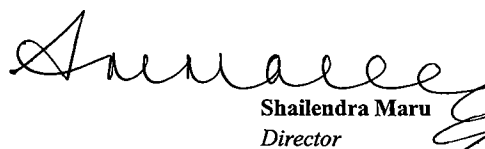
Membership No.: 104796

Mumbai

11 May 2016



For and on behalf of the Board of Directors


Shailendra Maru
Director
DIN 03290024


S. J. Doshi

Samir Doshi
Director
DIN 02020452

Mumbai

11 May 2016

Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit/(loss) before tax	5,61,13,773	(16,58,32,648)
Adjustments for:		
Profit on sale of fixed assets	(1,28,212)	(1,01,773)
Depreciation and amortisation expenses	79,87,596	53,92,256
Provision for compensated leave absences and gratuity	36,80,599	24,13,000
Provision for diminution in value of current investments	3,37,43,500	-
Provision for doubtful debts	(1,32,95,931)	1,32,98,431
Interest income	(38,05,652)	(31,10,065)
Interest expense	4,16,30,475	2,65,03,032
Operating cash flow before working capital changes	12,59,26,148	(12,14,37,767)
Adjustments for working capital changes		
Decrease in trade receivables	4,81,72,915	18,42,39,600
Decrease/(increase) in stock-in-trade	10,15,23,748	(13,66,22,145)
Increase in loans and advances	(2,21,576)	(3,82,28,704)
(Increase)/decrease in other current assets	(8,99,70,752)	7,76,37,862
Decrease/(increase) in current liabilities and provisions	(1,70,91,446)	8,32,96,344
Cash generated from operations	16,83,39,037	4,88,85,190
Income tax paid (net of refund received)	(39,56,402)	(5,19,94,629)
Net cash generated from/(used in) operating activities - A	16,43,82,635	(31,09,439)
B Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(1,03,06,242)	(1,23,78,826)
Sale of fixed assets	3,48,765	3,93,831
Purchase of investments	(11,07,10,188)	-
Interest received	38,54,237	27,86,740
Proceeds from unsecured loans given (net) (refer note 2)	8,95,771	-
Increase in long term capital advance	(29,96,33,868)	-
Net cash used in investing activities - B	(41,55,51,525)	(91,98,255)
C Cash flow from financing activities		
Proceeds from short term borrowings (net) (refer note 2)	31,74,87,508	7,39,91,892
Repayment of long term borrowings (unsecured) (refer note 2)	(6,00,00,000)	(4,00,00,000)
Interest paid	(3,94,53,366)	(2,57,45,465)
Net cash generated from financing activities - C	21,80,34,142	82,46,427
Net decrease in cash and cash equivalents (A+B+C)	(3,31,34,748)	(40,61,267)
Cash and cash equivalents as at the beginning of the year	51,80,294	92,41,561
Cash and cash equivalents as at the end of the year (refer note 1)	25,50,331	51,80,294

Notes:

1 Cash and cash equivalents include the following (refer note 2.14)

Cash in hand	7,388	6,459
Balances with banks:		
In current accounts	25,42,944	51,73,835
Cash and cash equivalents	25,50,332	51,80,294

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

11 May 2016



For and on behalf of the Board of Directors

Shailendra Maru

Director

DIN 03290024

Mumbai

11 May 2016

Samir Doshi

Director

DIN 02020452

S. S. 2016

Edelweiss Global Wealth Management Limited

Notes to the financial statements

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 (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.

1.5 Fixed assets and depreciation

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
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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

1.5 Fixed assets and depreciation (Continued)

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.

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.

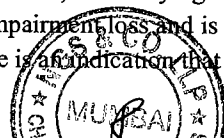
Non monetary assets and liabilities are carried at historical cost using exchange rate on the date of the transaction.

1.8 Stock-in-trade

The securities held as stock-in-trade are valued at lower of weighted average cost or market value. Stock-in-trade 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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

1.9 Impairment of assets (Continued)

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.

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

Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

1.11 Taxation (continued)

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.

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 2016	As at 31 March 2015
Share capital		
Authorised :		
2,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each	2,00,00,000	2,00,00,000
Issued, subscribed and paid up:		
1,000,000 (Previous year: 1,000,000) equity shares of Rs. 10 each, fully paid-up	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000

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:

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares:				
Outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares 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

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

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	%	No. of 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%

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

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	%	No. of 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%

2.2 Reserves and surplus

Securities premium reserves	3,56,25,000	3,56,25,000
Surplus in the statement of profit and loss		
Opening balance	1,12,34,480	17,28,82,521
Less: Adjustment on account of accumulated depreciation	-	(19,30,529)
Add: Profit/(loss) for the year	6,27,31,376	(15,97,17,512)
Closing balance	7,39,65,856	1,12,34,480
	10,95,90,856	4,68,59,480



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings		
Unsecured		
Loans from a related party	-	6,00,00,000
(The loan is repayable after the end of one year but before the end of 3 years, as mutually agreed, having interest @ 12%)		
	-	6,00,00,000
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	65,12,000	39,51,401
Compensated leave absences	14,61,000	9,33,000
	79,73,000	48,84,401
2.5 Short-term borrowings		
Unsecured		
Loan from holding company	50,35,50,400	18,55,91,892
Loan from fellow subsidiary company	-	4,71,000
	50,35,50,400	18,60,62,892
(Repayable on demand, at variable rate of interest ranging from 8.47% to 11.50% per annum)		

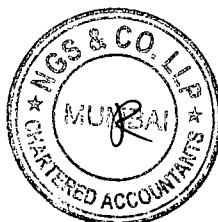


Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.6 Other current liabilities		
Interest accrued and due on borrowings	34,81,970	13,04,861
Premium received on exchange traded options	22,09,913	-
Other payables		
Accrued salaries and benefits	5,84,42,905	8,56,89,067
Withholding taxes, service tax and other statutory dues payable	1,74,80,432	1,29,09,939
Book overdraft	55,48,553	-
Others	40,13,762	61,88,005
	9,11,77,535	10,60,91,872
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity	11,20,000	6,56,000
Compensated leave absences	3,83,000	2,55,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	82,41,563	58,22,164
	97,44,563	67,33,164



delweiss Global Wealth Management Limited

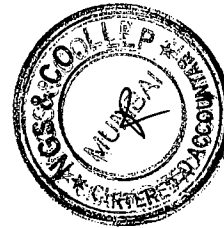
Notes to the financial statements (continued)

currency: Indian rupees)

8. Fixed assets

ventories	Gross block				Depreciation			Net block		
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Adjustment in Opening Reserve	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
angible assets										
asehold improvements	20,46,269	34,27,630	-	54,73,899	20,45,877	-	5,44,965	-	25,90,842	392
urniture and fittings	93,846	10,56,625	-	11,50,471	89,055	-	1,56,287	19,002	2,26,340	4,791
otor vehicles	1,30,79,785	16,450	5,60,000	1,25,36,235	47,29,248	-	26,03,641	3,25,363	70,07,526	83,50,537
ice equipments	46,44,688	13,71,279	37,277	59,78,690	41,40,560	-	7,66,394	32,359	48,74,595	5,04,128
omputers	1,11,84,626	25,45,526	-	1,37,30,152	85,45,228	-	21,64,458	-	1,07,09,686	26,39,398
total : A	3,10,49,214	84,17,510	5,97,277	3,88,69,447	1,95,49,968	-	62,35,745	3,76,724	2,54,08,989	1,14,99,246
tangible assets										
omputer software	36,82,928	14,93,982	-	51,76,910	9,53,452	-	14,52,651	-	24,06,103	27,29,476
odwill	14,96,000	-	-	14,96,000	8,97,600	-	2,99,200	-	11,96,800	5,98,400
total : B	51,78,928	14,93,982	-	66,72,910	18,51,052	-	17,51,851	-	36,02,903	33,27,876
and total [A+B]	3,62,28,142	99,11,492	5,97,277	4,55,42,357	2,14,01,020	-	79,87,596	3,76,724	2,90,11,892	1,48,27,122
vious year	2,45,50,926	1,23,78,826	7,01,610	3,62,28,142	1,44,87,786	1,930,529*	53,92,256	4,09,552	2,14,01,020	1,48,27,122

* e
er 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
eciation charge for the year ended 31 March 2015 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 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.9 Non-current investments - at cost						
Trade (quoted)						
Investments in equity instruments (fully paid up)						
J Kumar Infraprojects Limited	5	1,70,000	6,29,87,712	-	-	-
Claris Lifesciences Limited	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 : Provision for diminution in value of investments			(3,37,43,500)			-
			<u>11,07,10,188</u>			<u>3,37,43,500</u>
Aggregate value of quoted investments						
At carrying value			11,07,10,188			-
At market value			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 2016	As at 31 March 2015
2.10 Deferred tax assets (net)		
Deferred tax asset		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	22,04,667	17,99,199
Provision for doubtful debts/advances	1,11,56,614	45,20,137
Disallowances under section 43B of the Income Tax Act, 1961	31,33,050	19,69,857
	<u>1,64,94,331</u>	<u>82,89,193</u>
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Provision for diminution in value of non-current investments	13,94,298	-
	<u>13,94,298</u>	<u>-</u>
	<u>1,51,00,033</u>	<u>82,89,193</u>
2.11 Long-term loans and advances		
Unsecured, considered good		
Capital advances	29,96,33,868	-
Security deposits		
Rental deposits	44,16,986	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)	1,65,30,043	3,91,88,782
MAT credit entitlement	1,07,91,970	1,06,55,940
	<u>33,13,94,397</u>	<u>5,42,83,238</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.12 Stock-in-trade						
<i>Securities</i>						
Equity shares (quoted)						
Mahindra & Mahindra Limited	-	-	-	5	49,419	5,86,99,888
Jyoti Structures Limited	-	-	-	2	14,55,600	3,73,36,140
Kirloskar Pneumatic Company Limited	10	16,847	1,12,91,702	10	7,000	55,62,239
WPIL Limited	10	60,654	2,38,06,695	10	60,654	3,50,23,878
			<u>3,50,98,397</u>			<u>13,66,22,145</u>
Aggregate value of quoted securities						
At carrying value			3,50,98,397			13,66,22,145
At market value			3,50,98,397			13,68,56,175



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.13 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	2,500	1,32,98,431
Provision for doubtful debts	2,500	1,32,98,431
	-	-
Other debts		
Unsecured, considered good	6,63,62,698	10,12,39,682
	<u>6,63,62,698</u>	<u>10,12,39,682</u>
2.14 Cash and cash equivalents		
Cash in hand	7,388	6,459
Balances with banks		
in current accounts	25,42,944	51,73,835
	<u>25,50,332</u>	<u>51,80,294</u>
2.15 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties	3,22,04,229	3,31,00,000
Other loans and advances		
Deposits- others	1,00,000	1,00,000
Prepaid expenses	26,20,538	2,46,034
Loans and advances to employees	13,00,265	16,34,532
Vendor advances	20,81,955	42,82,456
Input tax credit	-	82,223
Advance income tax and tax deducted at source (net of provision for taxation)	1,30,02,215	-
MAT credit entitlement	1,57,03,057	-
Advances recoverable in cash or in kind or for value to be received	4,64,063	-
	<u>6,74,76,322</u>	<u>3,94,45,245</u>
2.16 Other current assets		
Accrued interest on loans given	1,70,200	2,18,785
Accrued interest on margin	63,732	2,96,757
Currency options premium paid	13,85,000	22,50,000
Margin placed with broker	14,21,21,384	5,10,52,607
	<u>14,37,40,316</u>	<u>5,38,18,149</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.17 Fee and commission income		
Advisory and other fees	35,20,74,571	19,75,75,249
	35,20,74,571	19,75,75,249
2.18 Income from treasury operations and investments		
Loss on trading of securities (net)	(2,39,14,152)	(2,51,90,619)
(Loss)/profit on trading in equity derivative instruments (net)	(61,42,975)	49,70,302
Profit on trading in commodity derivative instruments (net)	7,12,35,501	-
Loss on trading in currency derivative instruments (net)	(1,49,31,651)	(5,56,24,276)
Profit on trading in interest rate derivative (net)	5,64,209	-
Loss on foreign exchange movement on trade	(49,000)	-
Profit on sale of current investment	-	15,24,951
Dividend on stock in trade	8,32,265	1,64,283
	2,75,94,197	(7,41,55,359)
2.19 Other operating revenue		
Interest income on loan	38,05,652	28,95,353
Interest income on fixed deposits	-	1,94,648
Interest income on debt instrument	-	20,064
Interest income on margin with brokers	8,69,547	70,77,201
Interest income on delayed payments	-	97,23,728
	46,75,199	1,99,10,994
2.20 Other income		
Profit on sale of fixed assets (net)	1,28,212	1,01,773
Miscellaneous income	2,32,460	51,594
Interest income - others	6,76,582	-
	10,37,254	1,53,367



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.21 Employee benefit expenses		
Salaries and wages	23,39,96,652	18,01,00,492
Contribution to provident and other funds	64,96,259	39,47,059
Staff welfare expenses	79,61,783	13,92,299
	<u>24,84,54,694</u>	<u>18,54,39,850</u>
2.22 Finance costs		
Interest on loan from holding company	3,83,45,229	1,38,13,206
Interest on loan from fellow subsidiaries	32,85,246	1,26,89,826
Interest - others	59,528	1,10,35,540
Financial and bank charges	1,53,782	34
	<u>4,18,43,785</u>	<u>3,75,38,606</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.23 Other expenses		
Advertisement and business promotion	42,14,546	33,13,480
Auditors' remuneration (refer note below)	3,58,400	3,47,500
Commission and brokerage	3,89,63,330	2,27,72,982
Communication	35,01,978	26,60,363
Computer expenses	95,748	27,462
Computer software	14,29,513	-
Clearing and custodian charges	3,32,125	2,75,000
Dematerialisation charges	2,247	-
Provision for diminution in value of non-current investments	3,37,43,500	-
Donation	-	26,72,700
Electricity charges (refer note 2.31)	16,68,330	11,14,656
Insurance	70,000	7,64,834
Legal and professional fees	1,35,73,917	1,69,89,663
Membership and subscription	8,62,262	6,00,000
Office expenses	15,49,284	14,45,472
Postage and courier	2,100	-
Printing and stationery	15,90,220	4,15,736
Provision for doubtful debts	(1,32,95,931)	1,32,92,930
Rates and taxes	51,827	78,325
Rent (refer note 2.31)	1,80,97,912	1,09,94,358
Repairs and maintenance - others	6,37,854	12,74,314
Security transaction tax	34,10,395	38,27,111
Seminar and conference	7,10,648	59,664
Service tax expenses	90,83,767	44,61,142
Stamp duty	27,77,358	33,32,241
Transportation charges	1,21,507	-
Travelling and conveyance	77,12,053	77,21,671
Warehousing charges	46,410	(1,97,204)
Wealth tax	-	54,000
Miscellaneous expenses	1,21,456	1,10,098
Housekeeping and security charges	10,13,289	-
	13,24,46,045	9,84,08,498
Note :		
Auditors' remuneration:		
As auditor	3,40,000	2,87,500
For taxation matters	-	60,000
For reimbursement of expenses	18,400	-
	3,58,400	3,47,500



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

(Currency: Indian rupees)

2.24 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

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 EC Commodity Limited Edelweiss Comtrade Limited Edelcap Securities Limited Edelweiss Web Services Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Alternative Asset Advisors Limited Forefront Alternative Investment Advisors LLP Edelweiss Agri Value Chain Limited (Formerly known as Integrated Commodity Management Limited) Forefront Capital Management Private Limited Edelgive Foundation Olive Business Centre Limited

ii. Transactions with related parties

Sr. No.	Nature of Transaction	Related Party Name	2015-16	2014-15
	Current account transactions			
1	Long term loans repaid to (Refer note below)	ECL Finance Limited	-	4,00,00,000
		Edelweiss Comtrade Limited	6,00,00,000	-
2	Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	5,23,79,94,378	31,57,99,365
		Edelweiss Commodities Services Limited	4,44,000	-
3	Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	4,92,00,35,870	13,02,07,473
		Edelweiss Commodities Services Limited	9,15,000	11,16,00,000
4	Short term loans given to (Refer note below)	Edelweiss Commodities Services Limited	-	3,31,00,000
5	Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	9,00,000	-
6	Margin paid to (Refer note below)	Edelweiss Securities Limited	22,91,65,756	5,09,44,485
7	Margin repaid by (Refer note below)	Edelweiss Securities Limited	13,91,59,228	16,24,57,460
8	Purchase of commodities from	ECap Equities Limited	-	25,62,59,399
9	Sale of commodities to	Edelweiss Commodities Services Limited	4,81,65,46,520	-
		Edel Commodities Trading Limited	4,54,83,546	-
10	Sale -others	Edelweiss Tokio Life Insurance Company Limited	34,538	-
11	Interest expenses on loans from	Edelweiss Financial Services Limited	3,82,53,344	1,38,13,206
		Edelweiss Commodities Services Limited	91,885	15,47,086
		ECL Finance Limited	-	39,42,740
		Edelweiss Comtrade Limited	32,85,246	72,00,000
12	Interest income on margin placed with	Edelweiss Securities Limited	8,69,547	70,77,201
13	Interest income on loans given to	Edelweiss Commodities Services Limited	38,05,652	28,95,353
14	Clearing charges paid to	Edelweiss Securities Limited	3,32,125	2,75,000
15	Processing charges paid to	Edelweiss Web Services Limited	84,840	-
16	Cost reimbursements paid to	Edelweiss Commodities Services Limited	1,31,84,136	1,08,50,562
		Edelweiss Financial Services Limited	17,37,077	4,75,166
		Edelweiss Agri Value Chain Limited	-	32,296
		ECap Equities Limited	-	9,53,700
		Edelweiss Web Services Limited	23,68,297	55,080
		Olive Business Centre Limited	9,500	-



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

ii. Transactions with related parties (continued)				
Sr. No.	Nature of Transaction	Related Party Name	2015-16	2014-15
17	Reimbursements paid to	Edelweiss Financial Services Limited	10,78,49,882	8,19,64,411
		Edelweiss Commodities Services Limited	1,31,001	-
		Edelweiss Web Services Limited	1,22,48,765	-
18	Interest expenses paid to	ECap Equities Limited	-	75,48,802
19	Contribution towards CSR	EdelGive Foundation	-	50,000
20	Referral fees earned from	Forefront Alternative Investment Advisors LLP	1,43,57,729	5,01,29,098
		Forefront Capital Management Private Limited	3,80,89,968	-
21	Sale of fixed assets to	Edelweiss Broking Limited	8,000	-
		Edelweiss Financial Services Limited	-	-
		Edelweiss Commodities Services Limited	8,630	-
		Edelweiss Securities Limited	7,88,741	-
22	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 Web Services Limited	7,72,360	-
Balances with related parties -(Liabilities)				
23	Long term loans taken from	Edelweiss Comtrade Limited	-	6,00,00,000
25	Long term loans repaid to (Refer Note below)	ECL Finance Limited	-	-
24	Short term loans taken from	Edelweiss Financial Services Limited	50,35,50,400	18,55,91,892
		Edelweiss Commodities Services Limited	-	4,71,000
25	Trade payables to	Edelweiss Web Services Limited	88,658	44,768
		ECL Finance Limited	-	-
		Edelweiss Agri Value Chain Limited	-	29,066
		Edelweiss Financial Services Limited	24,276	8,57,710
		Edelweiss Commodities Services Limited	8,61,665	1,30,69,882
		Edelweiss Securities Limited	15	520
		Edelweiss Alternative Asset Advisors Limited	8,000	72,000
		Edelweiss Investment Advisors Limited	-	-
		Olive Business Centre Limited	12,00,831	-
26	Accrued interest expenses on loans taken from	Edelweiss Financial Services Limited	34,81,970	8,58,467
		ECL Finance Limited	-	70,767
		Edelweiss Comtrade Limited	-	3,72,822
		Edelweiss Commodities Services Limited	-	2,805
Balances with related parties -(Assets)				
27	Trade receivables from	Edelweiss Broking Limited	8,000	45,000
		Edelweiss Securities Limited	24,80,530	40,68,573
		Edelweiss Web Services Limited	7,47,731	-
		Edelweiss Financial Services Limited	77,792	-
		ECap Equities Limited	-	-
		Forefront Alternative Investment Advisors LLP	52,59,570	4,47,07,242
		Forefront Capital Management Private Limited	3,20,71,686	-
		Edelweiss Commodities Services Limited	-	2,820
28	Short term loans given to	Edelweiss Commodities Services Limited	3,22,00,000	3,31,00,000
		Edelweiss Financial Services Limited	5,291	-
		Edelweiss Comtrade Limited	1,15,000	-
29	Accrued interest income on loans given to	Edelweiss Commodities Services Limited	1,70,200	2,18,785
30	Accrued interest income on margin placed with	Edelweiss Securities Limited	63,732	2,96,757
31	Margin receivable from	Edelweiss Securities Limited	14,21,21,384	5,10,52,607
32	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 guarantees have been given for general business purpose.



Edelweiss Global Wealth Management Limited

Schedules to the financial statements (continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

2.25 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, 2016	For the Year Ended March 31, 2015
I	Segment revenue		
	a) Agency business	35,23,26,571	19,75,75,249
	b) Capital based business	4,90,16,41,387	21,94,77,345
	c) Unallocated	7,01,829	1,53,367
	Total income	5,25,46,69,787	41,72,05,961
II	Segment results		
	a) Agency business	3,10,83,613	-3,96,43,739
	b) Capital based business	4,68,87,327	-11,72,10,433
	c) Unallocated	-2,18,57,167	-89,78,476
	Total	5,61,13,773	-16,58,32,648
	Profit/ (loss) before taxation	5,61,13,773	(16,58,32,648)
	Less : Provision for taxation	-66,17,603	61,15,136
	Profit/(loss) after taxation	6,27,31,376	(15,97,17,512)
Particulars		As at 31 March 2016	As at 31 March 2015
III	Segment assets		
	a) Agency business	38,67,18,752	11,75,11,804
	b) Capital based business	32,73,08,989	26,61,23,949
	c) Unallocated	7,56,05,157	6,40,87,815
	Total	78,96,32,898	44,77,23,568
IV	Segment liabilities		
	a) Agency business	16,25,59,098	9,84,18,269
	b) Capital based business	46,83,95,233	24,65,47,897
	c) Unallocated	3,90,87,711	4,58,97,922
	Total	67,00,42,042	39,08,64,088
V	Capital expenditure (Including Capital Work-In-Progress)		
	a) Agency business	82,26,538	1,02,74,426
	b) Capital based business	9,91,149	18,56,824
	c) Unallocated	6,93,804	2,47,576
	Total	99,11,492	1,23,78,826
VI	Depreciation and amortisation		
	a) Agency business	66,80,569	45,26,437
	b) Capital based business	7,68,840	7,63,958
	c) Unallocated	5,38,188	1,01,861
	Total	79,87,596	53,92,256
VII	Significant non-cash expenses Other than Depreciation		
	a) Agency business	30,54,897	1,32,92,930
	b) Capital based business	3,41,44,360	-
	c) Unallocated	2,24,842	-



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(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.

S. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A	Net amount attributable to the equity shareholders (as per statement of profit and loss)	62,731,376	(159,717,512)
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)	62.73	(159.72)

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. 6,400,259 (Previous year: Rs. 3,947,059) 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)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	1,853,000	1,091,000
Interest on defined benefit obligation	396,000	249,000
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gain) or losses	740,000	410,000
Expense recognised in statement of profit and loss	2,989,000	1,750,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(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.

Particulars	As at 31 March 2016	As at 31 March 2015
Liability at the beginning of the year	4,607,000	2,799,000
Transfer in/(out)	464,000	58,000
Interest cost	396,000	249,000
Current service cost	1,853,000	1,091,000
Benefits paid	(428,000)	-
Actuarial (gain)/loss	740,000	410,000
Liability at the end of the year	7,632,000	4,607,000

Amount recognised in the balance sheet:

Particulars	2016	2015	2014	2013	2012
Liability at the end of the year	7,632,000	4,607,000	2,799,000	1,398,044	1,136,691
Amount recognized in balance sheet - liability	7,632,000	4,607,000	2,799,000	1,398,044	1,136,691

Experience adjustment:

Particulars	2016	2015	2014	2013	2012
On plan liabilities: (gain) / loss	586,000	2,000	334,000	(56,247)	575,218

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	7.40%	7.80%
Salary escalation	7%	7%
Employee attrition rate	13% -60%	13% -60%

2.28 Earnings and expenditure in foreign currency:

S. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A	Earnings in foreign exchange received	-	-
B	Expenditure in foreign currency		
	Travel expenses – foreign travel	-	24,250
	Legal and professional expenses	2,637,455	-



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.29 Contingent liabilities and commitments

i. Contingent liabilities

The Company has pending taxation matters of Rs. 13,127 as at the balance sheet date (Previous year: Rs. 19,702,702).

ii. Commitments

The Company has capital commitments of Rs. Nil 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.1,115,000 (Previous year: Rs. 1,828,000)

2.30 Operating leases

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2016 aggregated to Rs 18,097,912 (Previous year: Rs. 10,994,358) 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

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.

2.32 Details of purchase, sale and change in Stock-in-trade:

a) Securities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock		
Equity shares	136,622,146	-
Subtotal	136,622,146	-
Purchase		
Equity shares	3,649,560,316	3468,148,467
Subtotal	3,649,560,316	34681,48,467
Sales		
Equity shares	3,727,169,913	3,306,335,703
Subtotal	3,727,169,913	3,306,335,703



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

Closing stock		
Equity shares	35,098,397	136,622,145
Subtotal	-	136,622,145
Loss on trading of securities	23,914,152	25,190,619

b. Commodities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Commodities		
Opening stock		
Bullion	-	-
Agri	-	-
Arts and painting	-	-
Subtotal		
Purchase		
Bullion	4,764,120,770	-
Agri	-	25,62,59,399
Arts and painting	2,992,125	-
Subtotal	4,767,112,895	25,62,59,399
Sale		
Bullion	4,862,030,066	-
Agri	-	273,721,710
Arts and painting	7,258,500	-
Subtotal	4,869,288,566	273,721,710
Closing stock		
Bullion	-	-
Agri	-	-
Arts and painting	-	-
Subtotal	-	-
Profit on trading in commodities	102,175,671	1,7,462,311

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

S. No.	Name of future	As at 31 March 2016		As at 31 March 2015	
		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	9,433	9,433,000	9,785	9,785,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

S. No.	Name of future	As at 31 March 2016		As at 31 March 2015	
		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	As at 31 March 2016	As at 31 March 2015
Total premium carried forward	2,209,913	2,250,000

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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

- 2.35** Out of the total amount payable on account of work contract tax as on 31 March 2016, a sum of Rs. 106,980 is outstanding for more than six months where the registration formalities are in progress. The same shall be deposited on obtaining the registration.

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

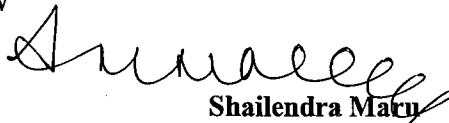
Membership No.: 104796

Mumbai

11 May 2016



For and on behalf of the Board of Directors



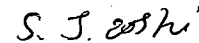
Shailendra Maru

Director

DIN 03290024

Mumbai

11 May 2016



Samir Doshi

Director

DIN 02020452