

**Edelweiss Financial Services (UK)
Limited**

Financial Statements
together with Auditors' Report
for the period from 27 August 2015 to
31 March 2016

Independent Auditors' Report

To the Directors of
Edelweiss Financial Services (UK) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss Financial Services (UK) Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period 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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records 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 conducted our audit in accordance with the Standards on Auditing, which requires 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.

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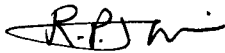


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Companies Act, 2013 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 loss and its cash flows for the period ended on that date.

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



R.P.Soni
Partner
Membership No. 104796
Place: Mumbai
Date: 11 May 2016



Edelweiss Financial Services (UK) Limited

Notes to the financial statements

for the period from 27 August 2015 to 31 March 2016

(Currency: Indian Rupees)

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Edelweiss Financial Services (UK) Limited

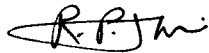
Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2.1	7,177,244
Reserves and surplus	2.2	<u>(905,036)</u>
		6,272,208
Current liabilities		
Trade payables		<u>855,794</u>
		855,794
TOTAL		<u><u>7,128,002</u></u>
ASSETS		
Current assets		
Cash and cash equivalents	2.3	<u>7,128,002</u>
		7,128,002
TOTAL		<u><u>7,128,002</u></u>
Significant accounting policies and notes to the financial statements	1 & 2	

As per our report of even date attached.

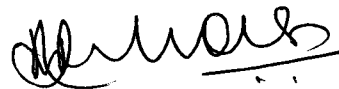
For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W



R. P. Soni
Partner
Membership No.: 104796
Mumbai
11 May 2016



For and on behalf of the Board of Directors



Ranganathan Purushothaman
Director

11 May 2016

Edelweiss Financial Services (UK) Limited

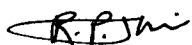
Statement of Profit and Loss

(Currency: Indian rupees)

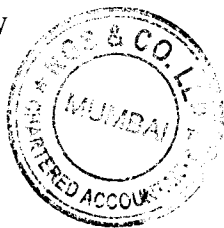
	Note	For the period from 27 August 2015 to 31 March 2016
Total revenue		-
Expenses		
Finance costs	2.4	3,759
Other expenses	2.5	890,266
Total expenses		<u>894,025</u>
Loss before tax		(894,025)
Tax expense		-
Loss for the period		<u>(894,025)</u>
Earnings per equity share:		
Basic and diluted (par value of GBP 1)	2.8	(112.97)
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



Ranganathan Purushothaman
Director

11 May 2016

Edelweiss Financial Services (UK) Limited

Cash Flow Statement

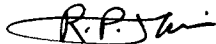
(Currency: Indian rupees)

For the period from
27 August 2015 to
31 March 2016

A Cash flow from operating activities	
Loss before taxation	(894,025)
<i>Adjustments for non-cash/non-operating items</i>	-
Operating cash flow before working capital changes	(894,025)
<i>Add / (Less): Adjustments for working capital changes</i>	
Increase in trade payables	855,794
Cash used in operations	(38,231)
Income taxes paid	-
Net cash used in operating activities - A	(38,231)
B Cash flow from investing activities - B	-
C Cash flow from financing activities	
Proceeds from issue of share capital	7,177,244
Net cash generated from financing activities - C	7,177,244
D Change in foreign exchange translation reserve - D	(11,011)
Net increase in cash and cash equivalents (A+B+C+D)	7,128,002
Cash and cash equivalents as at the beginning of the period	-
Cash and cash equivalents as at the end of the period (refer note 2.3)	7,128,002

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



Ranganathan Purushothaman
Director

11 May 2016

Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016

(Currency: Indian Rupees)

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), (hereinafter referred to as ‘the Act’) and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

The entity being a foreign company, the assets and liabilities for the purpose of preparation of these financial statements, are translated into Indian Rupees at the rate of exchange prevailing as at the Balance Sheet date. Further, revenue and expense are translated into Indian Rupees at the average exchange rate prevailing during the year and the resulting net translation adjustment has been disclosed as Foreign Exchange Translation Reserve in Reserves and Surplus. The same is in compliance with Accounting Standard 11 issued by the Institute of Chartered Accountants of India on “The Effects of Changes in Foreign Exchange Rates”.

1.2 Use of estimates

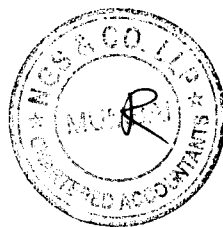
The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities on date of the financial statements and reported amount of revenue 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 and 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.



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016
(Continued)

(Currency: Indian Rupees)

1. Significant accounting policies (Continued)

1.3 Current and Non-current classification (Continued)

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.

1.4 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 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

1.5 Taxation

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

Income 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.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively 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 carry forward losses under taxation laws, a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable / probable (as the case may be) to be realised.



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016
(Continued)

(Currency: Indian Rupees)

1. Significant accounting policies (Continued)

1.6 Earnings per share

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

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

1.7 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.

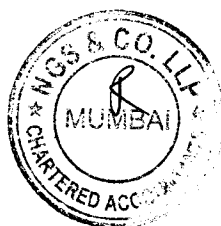


Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016 (Continued)

(Currency: Indian rupees)

		As at 31 March 2016	
2.1	Share capital		
(a)	Issued, subscribed and paid up:		
	75,000 ordinary shares of GBP 1 each, fully paid-up	7,177,244	
		<u>7,177,244</u>	
	(The entire capital is held by Edelweiss Securities Limited, the holding company, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited)		
(b)	Movement in share capital		
		As at 31 March 2016	
		No of shares	Amount
	Outstanding at the beginning of the period	-	-
	shares issued during the period	75,000	7,177,244
	As at the end of the period	<u>75,000</u>	<u>7,177,244</u>
(c)	Terms / rights attached to ordinary shares:		
	The Company has only one class of ordinary shares having a par value of GBP 1. Each holder of ordinary shares is entitled to one vote per share held.		
	In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.		
2.2	Reserves and surplus		
	Foreign exchange translation reserve		(11,011)
	Deficit in the statement of profit and loss		
	Opening balance		-
	Add: Loss for the period		(894,025)
	Closing balance		<u>(894,025)</u>
			<u>(905,036)</u>



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016 (*Continued*)

(Currency: Indian rupees)

As at
31 March 2016

2.3 Cash and cash equivalents

Balances with banks
- in current accounts

7,128,002

7,128,002



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016 (*Continued*)

(Currency: Indian rupees)

For the period from
27 August 2015 to
31 March 2016

2.4 Finance costs

Bank charges	3,759
	<hr/>
	<hr/> 3,759

2.5 Other expenses

License fees	148,378
Director's fees	741,888
	<hr/>
	<hr/> 890,266



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016
(Continued)

(Currency: Indian Rupees)

2.6 Segment reporting

Since the company has not commenced business, there is no reportable business segment within the meaning of Accounting Standard 17 – Segment reporting

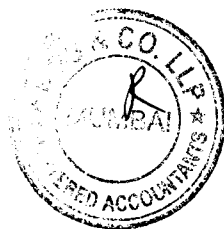
2.7 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

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

Edelweiss Securities Limited	Holding company
Edelweiss Financial Services Limited	Ultimate holding company

(B) Transactions with related party

Particulars	For the period from 27 August 2015 to 31 March 2016
<i>Capital accounts transactions</i>	
Issue of ordinary shares	
Edelweiss Securities Limited	7,177,244



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016
(Continued)

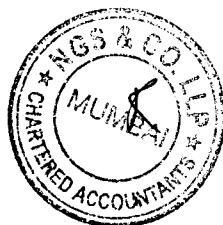
(Currency: Indian Rupees)

2.8 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:

Particulars	For the period from 27 August 2015 to 31 March 2016
a) Net loss attributable to Shareholders (as per statement of profit and loss)	(894,025)
b) Calculation of weighted average number of ordinary shares of GBP each:	
– Number of common stock at the beginning of the period	-
– Number of common stock issued during the period	75,000
Total number of common stock outstanding at the end of the period	75,000
Weighted average number of common stock outstanding during the period (based on the date of issue of ordinary shares)	7,914
c) Basic and diluted earnings per share (in Rupees) (a/b)	(112.97)

The basic and diluted earnings per share are the same as there are no dilutive potential common stocks.



Edelweiss Financial Services (UK) Limited

Notes to the financial statements for the period from 27 August 2015 to 31 March 2016
(Continued)

(Currency: Indian Rupees)

2.9 Capital commitments and contingent liabilities

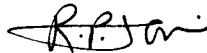
The Company has Rs. Nil capital commitments and contingent liabilities as at the balance sheet date.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No:
119850W

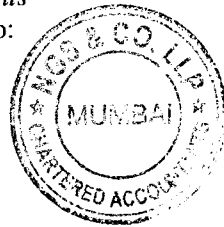


R. P. Soni

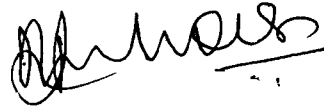
Partner

Membership No: 104796

11 May 16



For and on behalf of the Board of Directors



Ranganathan Purushothaman

Director

11 May 16