

Edelweiss Securities (IFSC) Limited

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

Independent Auditors' Report

To
The Members of Edelweiss Securities (IFSC) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Edelweiss Securities (IFSC) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the 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 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.



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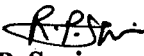
Opinion

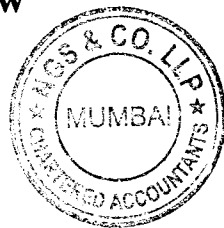
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer Note 2.19.

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


R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 12 May 2017

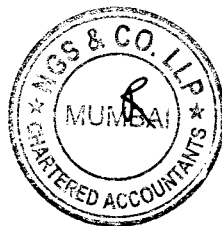
Annexure A to the Auditors' Report

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

- (i) Based on our examination of documents and records, the Company does not own any fixed assets at balance sheet date. Therefore, the provisions of clause 3(i)(a) to 3(i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (ii) Based on our examination of documents and records, the Company does not own any inventory during the year. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (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, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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, income-tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, provident fund, services tax, sales tax, value added tax, duty of excise and duty of custom.


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

(b) According to the information and explanation given to us, there are no dues of income tax, and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (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 period. 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 period, 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 notes to 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 period.
- (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: 12 May 2017

Annexure B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

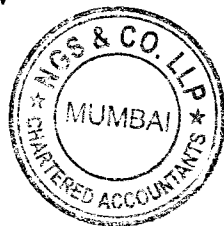
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

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


R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 12 May 2017

Edelweiss Securities (IFSC) Limited

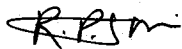
Balance Sheet

(Currency: Indian rupees)

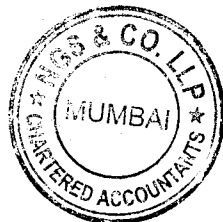
	Note	As at 31 March 2017
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2.1	108,461,440
Reserves and surplus	2.2	<u>(4,922,817)</u>
		103,538,623
Current liabilities		
Short-term borrowings	2.3	6,483,860
Trade payables	2.18	
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.4	38,100
Other current liabilities	2.5	<u>9,882,885</u>
		16,404,845
TOTAL		119,943,468
ASSETS		
Non-current assets		
Long-term loans and advances	2.6	<u>6,483,860</u>
		6,483,860
Current assets		
Cash and cash equivalents	2.7	101,738,660
Short-term loans and advances	2.8	50,000
Other current assets	2.9	<u>11,670,948</u>
		113,459,608
TOTAL		119,943,468
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's Registration No. 119850W

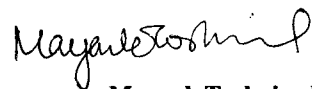


R. P. Soni
Partner
Membership No. 104796



Mumbai
12 May 2017

For and on behalf of the Board of Directors



Mayank Toshniwal
Director
DIN : 07030634



Amitava Pal
Director
DIN : 06710030

12 May 2017

Edelweiss Securities (IFSC) Limited

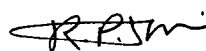
Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the period from 23 December 2016 to 31 March 2017
Revenue from operations		
Income from treasury operations	2.10	(4,619)
Other income	2.11	(2,363)
Total revenue		(6,982)
Expenses		
Finance costs	2.12	89,261
Other expenses	2.13	113,388
Total expenses		202,649
Loss before tax		(209,631)
Tax expense		
Current tax		-
Loss for the period		(209,631)
Earnings per ordinary share:		
Basic and diluted (face value of Rs. 10 each)		(0.02)
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's Registration No. 119850W



R. P. Soni
Partner
Membership No. 104796

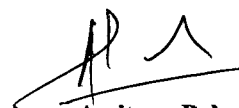


Mumbai
12 May 2017

For and on behalf of the Board of Directors



Mayank Toshniwal
Director
DIN : 07030634



Amitava Pal
Director
DIN : 06710030

12 May 2017

Edelweiss Securities (IFSC) Limited

Cash Flow Statement

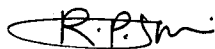
(Currency: Indian rupees)

For the period from
23 December 2016 to
31 March 2017

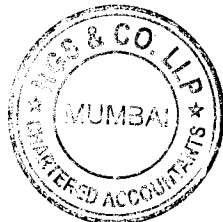
A	Cash flow from operating activities	
	Loss before taxation	(209,631)
	Adjustments for	
	Interest paid	84,202
	Operating cash flow before working capital changes	(125,429)
	Add / (Less): Adjustments for working capital changes	
	Increase in other current assets	(11,670,948)
	Increase in loans and advances	(6,533,860)
	Increase in trade payables and other current liabilities	9,839,420
	Net cash used in operating activities - A	(8,490,817)
B	Cash flow from investing activities	-
	Net cash used in investing activities - B	-
C	Cash flow from financing activities	
	Proceeds from issue of ordinary shares	108,461,440
	Proceeds from short term borrowings	6,483,860
	Interest paid on short term borrowings	(2,637)
	Net cash generated from financing activities - C	114,942,663
D	Foreign exchange translation reserve - D	(4,713,186)
	Net increase in cash and cash equivalents (A+B+C+D)	101,738,660
	Cash and cash equivalent as at the beginning of the period	-
	Cash and cash equivalent as at the end of the period (refer note 2.7)	101,738,660

As per our report of even date attached.

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

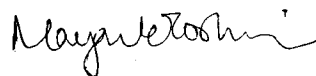


R. P. Soni
Partner
Membership No. 104796



Mumbai
12 May 2017

For and on behalf of the Board of Directors



Mayank Toshniwal
Director
DIN : 07030634



Amitava Pal
Director
DIN : 06710030

12 May 2017

Edelweiss Securities (IFSC) Limited

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

(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 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/ Non-current classification

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

Asset

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 Securities (IFSC) Limited

Notes to the financial statements *(Continued)* for the period ended 31 March 2017

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.3 *Current/ 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 *Revenue recognition*

a) Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, transaction charges and stock exchange expenses.

b) Income from treasury operations comprises of profit/loss on derivatives.

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, market intermediary quotes are 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 *Tax*

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

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

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



Edelweiss Securities (IFSC) Limited

Notes to the financial statements *(Continued)* for the period ended 31 March 2017

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.5 *Tax (Continued)*

Minimum alternative tax (MAT)

MAT credit asset is recognised where there is convincing evidence that the asset can be realised 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.

1.6 *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 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 earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity 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 Securities (IFSC) Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2017

2.1 Share capital

(a) Authorised : 15,000,000 equity shares of Rs. 10 each	<u>150,000,000</u>
(b) Issued, subscribed and paid up: 10,846,144 equity shares of Rs. 10 each, fully paid-up (The entire share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees)	<u>108,461,440</u>
	<u>108,461,440</u>

(c) Movement in Share capital

	31 March 2017	
	No of shares	Amount
Outstanding at beginning of the period	-	-
Issued during the period	10,846,144	108,461,440
As at the end of the period	<u>10,846,144</u>	<u>108,461,440</u>

(d) Terms/rights attached to ordinary shares

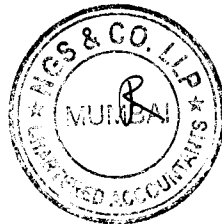
The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share held.

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 ordinary shares held by the shareholders.

2.2 Reserves and surplus

Foreign exchange translation reserve	<u>(4,713,186)</u>
Deficit in statement of profit and loss	
Add: Loss for the period	<u>(209,631)</u>
Closing balance	<u>(209,631)</u>
	<u>(4,922,817)</u>

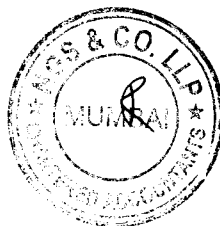


Edelweiss Securities (IFSC) Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2017
2.3 Short-term borrowings	
Unsecured	
Loan from Edelweiss Financial Services Limited, the holding company (Monthly compounded interest rate loan at quarterly average one year Government of India Securities yield @ 6.18% p.a and for a tenure of one year from the date of loan)	6,483,860
	<u>6,483,860</u>
2.4 Trade payables	
Trade payables (Including sundry creditors and provision for expenses)	38,100
	<u>38,100</u>
2.5 Other current liabilities	
Withholding tax payable	6,500
Interest accrued but not due on borrowings	81,565
Margin payable to client	9,794,820
	<u>9,882,885</u>
2.6 Long-term loans and advances (Unsecured, considered good)	
Deposits placed with exchange	6,483,860
	<u>6,483,860</u>
2.7 Cash and cash equivalents	
Balances with banks - in current accounts	101,738,660
	<u>101,738,660</u>
2.8 Short-term loans and advances (Unsecured, considered good)	
Other loans and advances - Other advances	50,000
	<u>50,000</u>
2.9 Other current assets	
Margin placed with exchange	11,670,948
	<u>11,670,948</u>

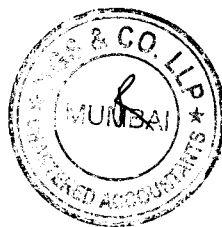


Edelweiss Securities (IFSC) Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the period from 23 December 2016 to 31 March 2017
2.10 Income from treasury	
Loss from trading in equity derivative instruments (net)	(4,619)
	<u>(4,619)</u>
2.11 Other income	
Net foreign exchange loss	(2,363)
	<u>(2,363)</u>
2.12 Finance costs	
Interest on loan from holding company	84,202
Finance and bank charges	5,059
	<u>89,261</u>
2.13 Other expenses	
Auditors' remuneration (refer note below)	20,647
Legal and professional fees	92,741
	<u>113,388</u>
Note:	
Auditors remuneration:	
As auditor	20,647
For reimbursement of expenses	-
	<u>20,647</u>



Edelweiss Securities (IFSC) Limited

Notes to the financial statements (Continued) for the period ended 31 March 2017

(Currency: Indian rupees)

2.14 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Accounting Standard 17 on Segment Reporting.

2.15 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 Financial Services Limited Holding company

(B) Transaction with related parties:

Sr. No.	Nature of transaction	Related party name	For the period from 23 December 2016 to 31 March 2017
(I)	Capital account transactions during the year		
	Issue of equity shares to	Edelweiss Financial Services Limited	108,461,440
(II)	Current account transactions during the year		
	Short term borrowing taken from (Refer note below)	Edelweiss Financial Services Limited	6,693,534
	Interest expenses on loans taken from	Edelweiss Financial Services Limited	84,202
(III)	Balances with related parties		
	Short-term borrowings from	Edelweiss Financial Services Limited	6,483,860
	Accrued interest on loans taken from	Edelweiss Financial Services Limited	81,565

Note:
Loan taken from related parties are disclosed based on the maximum incremental amount taken during the reporting period.



Edelweiss Securities (IFSC) Limited

Notes to the financial statements (Continued) for the period ended 31 March 2017

(Currency: Indian rupees)

2.16 Earnings per share

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

Particulars	For the period from 23 December 2016 to 31 March 2017
a) Shareholders earnings (as per statement of profit and loss)	(209,631)
b) Calculation of weighted average number of equity shares of Rs. 10 each:	
– Number of shares at the beginning of the period	Nil
– Number of shares issued during the period	10,846,144
Total number of equity shares outstanding at the end of the period	10,846,144
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares)	10,846,144
c) Basic and diluted earnings per share (in rupees) (a/b)	(0.02)

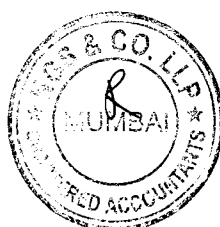
The basic and diluted earnings per share are the same as there are no dilutive potential equity shares.

2.17 Contingent liabilities and capital commitments

The Company has no contingent liabilities and capital commitment as at the balance sheet date.

2.18 Details of dues to Micro, Small and Medium enterprises

Trade Payables includes 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 period 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 Securities (IFSC) Limited

Notes to the financial statements (Continued) for the period ended 31 March 2017

(Currency: Indian rupees)

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016*	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

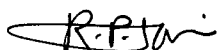
* Since the entity was incorporated on 23 December 2016, there is no balance/ transactions related to specified bank notes.

2.20 Prior period comparative

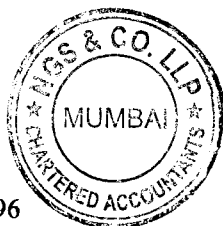
The Company presents its first financial statements which cover a period from the date of its incorporation till the balance sheet date and hence previous year's figures are not available for comparative presentation. The financial statements have been prepared for the period from 23 December 2016 to 31 March 2017.

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



For and on behalf of the Board of Directors



Mayank Toshniwal
Director
DIN : 07030634



Amitava Pal
Director
DIN : 06710030

Mumbai
12 May 2017

12 May 2017