

**Edelweiss International (Singapore) Pte.
Limited**

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

Independent Auditors' Report

To the Directors of
Edelweiss International (Singapore) Pte. Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss International (Singapore) Pte. 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 year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

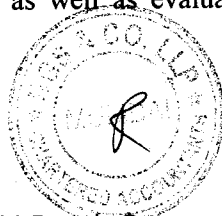
The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding 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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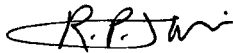
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 profit and its cash flows for the year 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 International (Singapore) Pte. Limited

Balance Sheet

(Currency: Indian rupees)

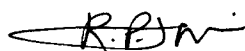
	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,608,621,100	613,149,862
Reserves and surplus	2.2	439,138,472	434,009
		<u>2,047,759,572</u>	<u>613,583,871</u>
Non-current liabilities			
Deferred tax liabilities	2.3	2,871,938	3,121,548
Long term provisions	2.4	389,369	90,997
		<u>3,261,307</u>	<u>3,212,545</u>
Current liabilities			
Short-term borrowings	2.5	1,068,470,136	1,031,506,045
Trade payables		30,676,236	18,454,454
Other current liabilities	2.6	920,613,810	347,179,993
Short-term provisions	2.7	69,556,958	4,367,856
		<u>2,089,317,140</u>	<u>1,401,508,348</u>
TOTAL		<u>4,140,338,019</u>	<u>2,018,304,764</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	25,932,298	3,241,676
Intangible assets	2.8	1,320,325	1,191,582
Long-term loans and advances	2.9	6,109,660	1,511,134
		<u>33,362,283</u>	<u>5,944,392</u>
Current assets			
Current investments	2.10	395,960,773	246,966,443
Stock-in-trade	2.11	136,101,377	96,207,328
Cash and cash equivalents	2.12	348,664,432	222,144,085
Short-term loans and advances	2.13	6,105,869	4,666,288
Other current assets	2.14	3,220,143,285	1,442,376,227
		<u>4,106,975,736</u>	<u>2,012,360,372</u>
TOTAL		<u>4,140,338,019</u>	<u>2,018,304,764</u>

Significant accounting policies and notes to the financial statements

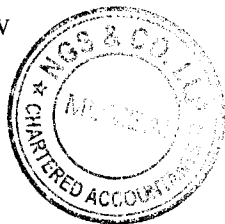
1 & 2

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



Navin Amarnani
Director



Sahil Joshi
Director

11 May 2016

Edelweiss International (Singapore) Pte. Limited

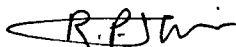
Statement of Profit and Loss

(Currency: Indian rupees)

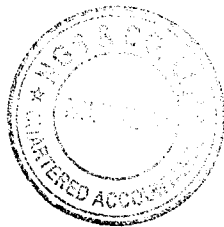
Particulars	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Income from treasury operations	2.15	721,852,501	142,494,481
Interest income	2.16	6,968,426	107,244,110
Total revenue		728,820,927	249,738,591
Expenses			
Employee benefit expenses	2.17	47,363,281	53,775,534
Finance costs	2.18	84,651,731	48,156,796
Depreciation and amortization expenses	2.8	3,739,844	3,262,519
Other expenses	2.19	136,900,672	46,775,084
Total expenses		272,655,528	151,969,934
Profit before tax		456,165,399	97,768,657
Tax expense			
Current tax		72,947,047	4,502,281
Deferred tax (benefit) / charge		(434,941)	3,251,486
Profit for the year		383,653,293	90,014,890
Earnings per ordinary share:			
Basic and diluted (par value SGD 1)	2.22	20.84	10.33
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



Navin Amarnani
Director



Sahil Joshi
Director

11 May 2016

Edelweiss International (Singapore) Pte. Limited

Cash Flow Statement

(Currency: Indian Rupees)

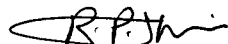
	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit before taxation	456,165,399	97,768,657
<i>Adjustments for</i>		
Depreciation and amortization	3,739,844	3,262,519
Provision for compensated absences	335,704	142,177
Profit on sale and mark to market of current investments	(3,283,238)	(10,116,103)
Interest received on current investments	(3,630,142)	(6,578,501)
Interest received on loans given	(2,773,431)	-
Interest paid	55,213,036	30,867,640
Operating cash flow before working capital changes	505,767,172	115,346,389
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in other current assets	(1,778,067,691)	(1,284,932,997)
Increase in inventories	(39,894,048)	(96,207,328)
Increase in loans and advances	(6,038,107)	(3,158,306)
Increase in current liabilities and provisions	604,549,246	304,526,335
Cash used in operations	(713,683,428)	(964,425,907)
Income taxes paid	(7,810,835)	-
Net cash used in operating activities - A	(721,494,263)	(964,425,907)
B Cash flow from investing activities		
Purchase of fixed assets	(25,991,417)	(2,021,667)
Purchase of current investments	(395,960,773)	(846,344,692)
Sale of current investments	250,249,659	646,117,190
Interest received on debt instruments	3,930,774	4,899,537
Interest received on loans given	2,773,431	-
Net cash used in investing activities - B	(164,998,326)	(197,349,632)
C Cash flow from financing activities		
Proceeds from issue of ordinary shares	995,471,238	510,266,224
Proceeds from short term borrowings (net) (refer note 1)	36,964,092	911,873,889
Interest paid on short term borrowings	(74,106,683)	(10,335,860)
Net cash generated from financing activities - C	958,328,647	1,411,804,253
D Foreign exchange translation reserve - D	54,684,289	(72,083,149)
Net increase in cash and cash equivalents (A+B+C+D)	126,520,347	177,945,565
Cash and cash equivalent as at the beginning of the year	222,144,085	44,198,520
Cash and cash equivalent as at the end of the year (refer note 2.12)	348,664,432	222,144,085

Note:

1 Net figures have been reported on account of volume of transactions.


As per our report of even date attached.


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


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



For and on behalf of the Board of Directors


Navin Amarnani
Director


Sakil Joshi
Director

11 May 2016

Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements

(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

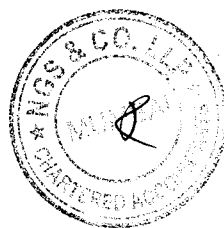
The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities on date of the financial statements 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/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 International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(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

- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on commodity, equity and currency derivative instruments and profit/loss on interest rate swaps.

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 / swaps 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.

- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit/loss earned on sale of investment is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

1.5 Fixed asset and depreciation

Tangible fixed assets

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



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (*Continued*)

(Currency: Indian rupees)

1. Significant accounting policies (*continued*)

1.5 Fixed asset and depreciation (*continued*)

Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Class of asset	Life of asset
Office equipments	3 years
Lease hold improvements	Period of lease
Computer	3 years
Furniture and fixtures	3 years

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 amortisation and impairment, if any.

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

1.6 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.

1.7 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value.

1.8 Investments

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

Long term investments are carried at cost less other than any temporary diminution in value, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment.



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (*Continued*)

(Currency: Indian rupees)

1. Significant accounting policies (*continued*)

1.9 Taxation

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

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 tax laws applicable.

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 by 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.

1.10 Employee benefits

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Singapore FRS, which is also in accordance with Accounting Standard 15 (revised 2005), is set out below:

Compensated Absences

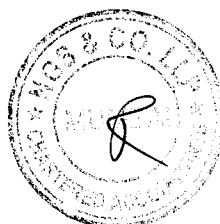
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement as per IAS 19 and AS 15 – Accounting for employee benefits, based on a valuation by an independent actuary.

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 are recognised immediately in the statement of profit and loss.

1.11 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.



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (*Continued*)

(Currency: Indian rupees)

1. Significant accounting policies (*continued*)

1.12 *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 for the year 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 for the year 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.

1.13 *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 International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.1 Share capital		
(a) Issued, subscribed and paid up:		
33,011,907 (Previous year: 12,567,321) ordinary shares of SGD 1 each, fully paid-up	1,608,621,100	613,149,862
	<u>1,608,621,100</u>	<u>613,149,862</u>

(The entire share capital is held by Edelweiss Capital (Singapore) Pte. Limited, the holding company, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited.)

(c) **Movement in Share capital**

	31 March 2016		31 March 2015	
	No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year	12,567,321	613,149,862	2,006,000	102,883,638
Issued during the year	<u>20,444,586</u>	<u>995,471,238</u>	<u>10,561,321</u>	<u>510,266,224</u>
As at the end of the year	<u>33,011,907</u>	<u>1,608,621,100</u>	<u>12,567,321</u>	<u>613,149,862</u>

(d) **Terms/rights attached to ordinary shares**

The Company has only one class of ordinary shares having a par value of SGD 1. Each holder of ordinary shares is entitled to one vote per share held. The Company declares and pays dividend in SGD.

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	12,028,203	(43,022,967)
Surplus in statement of profit and loss		
Opening balance	43,456,976	(46,557,914)
Add: Profit for the year	<u>383,653,293</u>	<u>90,014,890</u>
Closing balance	<u>427,110,269</u>	<u>43,456,976</u>
	<u>439,138,472</u>	<u>434,009</u>



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Deferred tax liability (net)		
Deferred tax liability		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	2,954,857	3,121,548
Deferred tax asset		
Tax effect of the timing differences on account of:		
Disallowances under Section 15 of Singapore Income Tax Act	(82,919)	-
	<u>2,871,938</u>	<u>3,121,548</u>
2.4 Long term provisions		
Compensated leave absences	389,369	90,997
	<u>389,369</u>	<u>90,997</u>

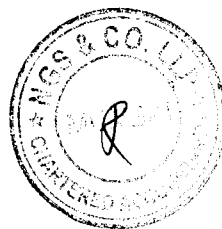


Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.5 Short-term borrowings		
<u>Unsecured</u>		
Loan from Edelweiss Capital Singapore Pte Ltd, the holding company (Variable interest rate loan ranging from 3.95% p.a to 5.67% p.a (previous year: ranging from 2.82% p.a to 8.34% p.a) repayable on demand)	171,342,028	951,054,779
Loan from fellow subsidiaries (interest free and repayable on demand)	803,841,868	80,451,266
Loan from a fellow subsidiary (interest at 7.50% p.a and repayable on demand)	93,286,240	-
	<u>1,068,470,136</u>	<u>1,031,506,045</u>

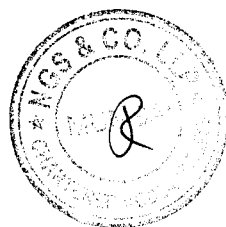


Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.6 Other current liabilities		
Statutory dues payable	347,956	25,866
Interest accrued but not due on borrowings	1,638,133	20,531,780
Option premium received	592,034,097	298,276,781
Accrued salaries and benefits	26,002,497	28,345,566
Provision for short sale	144,745,021	-
Payable to brokers	155,846,106	-
	<u>920,613,810</u>	<u>347,179,993</u>
2.7 Short-term provisions		
Provision for taxation	69,458,570	4,322,357
Compensated leave absences	98,388	45,499
	<u>69,556,958</u>	<u>4,367,856</u>



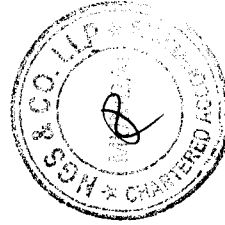
Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.8 Fixed assets

Description of assets	Gross block				Depreciation			Net block		
	As at 1 April 2015	Additions	Deductions/ Adjustments	As at 31 March 2016	As at 01 April 2015	For the year	Deductions/ Adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Office equipment	1,054,162	4,034,218	118,273	5,206,653	441,885	532,853	34,151	1,008,889	4,197,764	612,277
Leasehold improvements	2,579,765	11,968,346	(1,759,236)	12,788,876	2,045,372	1,029,211	(1,937,645)	1,136,938	11,651,938	534,393
Computer	3,482,788	6,019,978	293,418	9,796,184	1,387,781	1,440,994	104,162	2,932,937	6,863,247	2,095,007
Furniture and fixtures	-	3,306,780	44,041	3,350,821	-	129,744	1,728	131,472	3,219,349	-
Total : A	7,116,715	25,329,322	(1,303,504)	31,142,534	3,875,038	3,132,802	(1,797,604)	5,210,236	25,932,298	3,241,677
Intangible assets										
Computer software	1,378,909	662,095	93,245	2,134,249	187,327	607,020	19,577	813,924	1,320,325	1,191,582
Total : B	1,378,909	662,095	93,245	2,134,249	187,327	607,020	19,577	813,924	1,320,325	1,191,582
Total : (A+B)	8,495,624	25,991,417	(1,210,259)	33,276,783	4,062,365	3,739,822	(1,778,027)	6,024,160	27,252,623	4,433,259
Previous year	6,835,243	2,021,667	361,286	8,495,624	970,046	3,262,519	170,199	4,062,366	4,433,258	5,865,197



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.9 Long-term loans and advances		
<i><u>Unsecured, considered good</u></i>		
Security deposits	5,394,099	12,740
Prepaid expenses	715,561	1,498,394
	<u>6,109,660</u>	<u>1,511,134</u>

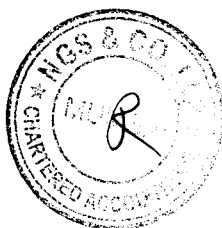


Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.10 Current investments - at lower of cost and fair value	As at 31 March 2016			As at 31 March 2015		
	Quantity	Face value (*)	Amount	Quantity	Face value (*)	Amount
(i) Investments in debentures or bonds (quoted)						
0.75% US TREASURY NB PCT 15.04.2018 BONDS	60,000	100	395,960,773	-	-	-
2.00% US TREASURY NB PCT 31.05.2021 BONDS	-	-	-	40,000	100	246,966,443
			<u>395,960,773</u>			<u>246,966,443</u>
(*) Face value in USD						
Aggregate of quoted investment			395,960,773			246,966,443
- At book value			396,354,819			255,674,224
- At market value						



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.11 Inventories / Stock in trade	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
(i) Equity shares (quoted)						
Infosys Limited - ADR (*)	-	-	-	5	33,000	72,328,535
ICICI Bank Limited - ADR (*)	4	14,350	6,503,345	4	36,875	23,878,793
Sony Corporation-Sponsored - ADR (**)	-	47,000	77,208,307	-	-	-
Toyota Motor Corporation-Spon - ADR (**)	-	2,500	17,631,285	-	-	-
Taiwan Semiconductor Manufacturing Co. Ltd - ADR (***)	0.05	20,000	34,758,440	-	-	-
			136,101,377			96,207,328
Aggregate of quoted equity shares						
- At book value			136,101,377			96,207,328
- At market value			139,391,027			96,238,053

(*) face value per ADR in Indian Rupees

(**) No par value

(***) face value per ADR in USD

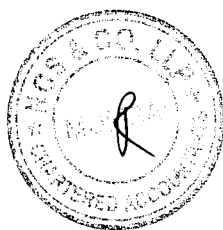


Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.12 Cash and cash equivalents		
Cash on hand	-	16,658
Balances with banks - in current accounts	348,664,432	222,127,427
	<u>348,664,432</u>	<u>222,144,085</u>
2.13 Short-term loans and advances		
<u>Unsecured, considered good</u>		
Other loans and advances		
Prepaid expenses	4,921,798	3,448,780
Loans and advances to employees	491,938	-
Vendor advances	559,549	300,258
Security deposits	132,584	917,250
	<u>6,105,869</u>	<u>4,666,288</u>
2.14 Other current assets		
Margin placed with broker	3,143,698,548	1,434,447,966
Accrued interest on debt instruments	1,378,331	1,678,964
Option premium paid	75,066,406	6,249,297
	<u>3,220,143,285</u>	<u>1,442,376,227</u>

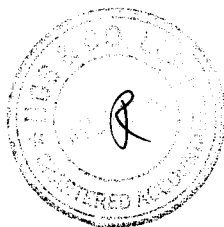


Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.15 Income from treasury		
Loss from trading of securities (net)	(14,965,779)	(37,722,603)
Profit from arbitrage and trading in currency derivatives (net)	486,869,742	328,605,567
Profit / (loss) from trading in equity derivative instruments (net)	296,541,486	(162,196,055)
(Loss) / profit on trading in commodity derivative instruments (net)	(713,835)	3,691,470
Profit on sale of current investment (net)	3,283,238	10,116,103
Loss from trading in interest rate swaps (net)	(49,162,351)	-
	<u>721,852,501</u>	<u>142,494,481</u>
2.16 Other income		
Net foreign exchange gain	-	100,665,609
Interest income on debt instrument	3,630,142	6,578,501
Interest income on loans given	2,773,431	-
Other interest income	564,853	-
	<u>6,968,426</u>	<u>107,244,110</u>

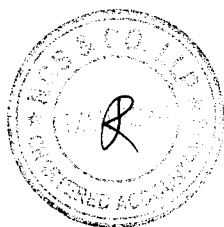


Edelweiss International (Singapore) Pte. Limited

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 Employee benefit expenses		
Salaries and wages	45,800,066	52,762,977
Contribution to other funds	1,053,373	265,412
Staff welfare expenses	509,842	747,145
	<u>47,363,281</u>	<u>53,775,534</u>
2.18 Finance costs		
Interest expense on loans from holding company	54,084,347	30,867,640
Finance and bank charges	16,138,853	17,289,156
Interest expense - others	13,299,842	-
Interest on loan from other related parties	1,128,689	-
	<u>84,651,731</u>	<u>48,156,796</u>
2.19 Other expenses		
Auditors' remuneration (refer below)	849,622	538,679
Business promotion	-	473,925
Commission expense	72,735,777	23,681,832
Communication	853,612	801,885
Computer expense	8,126,008	2,866,688
Electricity	136,131	146,727
Legal and professional fees	13,449,263	7,006,974
Membership and subscription	65,461	-
Market data service	11,578,473	6,043,599
Net foreign exchange loss	17,776,029	-
Office expenses	1,691,949	563,624
Postage and courier	92,111	52,676
Printing and Stationary	10,851	2,545
Rates and taxes	2,873,630	-
Rent (refer note 2.26)	5,385,798	3,835,417
Travelling and Conveyance	1,275,957	760,513
	<u>136,900,672</u>	<u>46,775,084</u>
Auditors' remuneration:		
As auditor	752,527	521,317
For reimbursement of expenses	97,095	17,362
	<u>849,622</u>	<u>538,679</u>



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (*Continued*)

(Currency: Indian rupees)

2.20 *Segment reporting*

The Company operates in only one business segment during the year viz. trading and investments, 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.

2.21 *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**

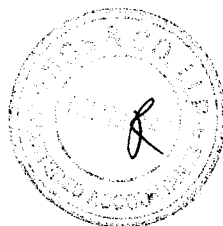
Edelweiss Capital (Singapore) Pte. Limited	Holding company
Edelweiss Financial Services Limited	Ultimate holding company

(B) **Names of fellow subsidiaries with whom transactions have taken place during the year**

Aster Commodities DMCC
Edel Commodities Limited
EC International Limited
Edelweiss Alternative Asset Advisors Pte. Limited
EC Global Limited
Edelweiss Commodities Pte. Limited
Edelweiss Investment Advisors Pte. Limited

(C) **Names of key managerial personnel**

Navin Jashan Amarnani
Sahil Joshi



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(Currency: Indian rupees)

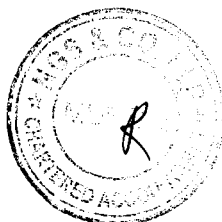
2.21 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (continued)

(D) Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	2015-16	2014-15
(I) Capital account transactions during the year				
	Issue of Ordinary shares to	Edelweiss Capital (Singapore) Pte. Limited	995,471,238	510,266,224
(II) Current account transactions during the year				
	Short term loans taken from (refer note below)	Edelweiss Capital (Singapore) Pte. Limited	1,309,221,336	1,440,074,935
		Aster Commodities DMCC	177,589,328	684,625,932
		EC Global Limited	92,058,971	-
		Edelweiss Commodities Pte. Limited	531,871,168	-
	Short term loans repaid to (refer note below)	Edelweiss Capital (Singapore) Pte. Limited	2,131,927,817	449,547,627
		Aster Commodities DMCC	438,701	720,206,030
	Short term loans given to (refer note below)	EC Global Limited	392,766,401	-
		Aster Commodities DMCC	112,128,261	-
	Short term loans repaid by (refer note below)	EC Global Limited	392,766,401	-
		Aster Commodities DMCC	112,128,261	-
	Interest paid on loans taken from	Edelweiss Capital (Singapore) Pte. Limited	54,084,347	30,867,639
		EC Global Limited	1,128,689	-
	Interest received on loans given to	EC Global Limited	2,334,730	-
		Aster Commodities DMCC	438,701	-
	Reimbursements paid to	EC International Limited	-	16,939,109
	Reimbursements received from	Edelweiss Alternative Asset Advisors Pte Limited	-	2,748,761
		Edelweiss Commodities Pte Limited	-	557,619
	Professional charges paid to	Edel Commodities Limited	2,143,261	2,229,009
	Guarantee commission paid to	Edelweiss Financial Services Limited	14,921,196	16,347,771
	Remuneration paid to	Navin Jashan Amarnani	28,157,386	26,776,725
		Sahil Joshi	6,694,807	-
	Cost reimbursement received from	Edelweiss Alternative Asset Advisors Pte Limited	632,520	-
		Edelweiss Commodities Pte Limited	468,533	-
		Edelweiss Investment Advisors Pte Limited	304,547	-
(III) Balances with related parties				
	Short term borrowings from	Edelweiss Capital (Singapore) Pte. Limited	171,342,028	951,054,779
		Aster Commodities DMCC	264,887,056	80,451,266
		EC Global Limited	93,286,240	-
		Edelweiss Commodities Pte Limited	538,954,813	-
	Trade payables to	Edelweiss Financial Services Limited	15,119,921	15,667,090
		Edel Commodities Limited	2,171,805	2,136,200
	Other current liabilities			
	Interest accrued but not due on borrowings from	Edelweiss Capital (Singapore) Pte. Limited	1,638,133	20,531,780
	Accrued salaries and benefits payable	Navin Jashan Amarnani	15,987,980	15,014,505
		Sahil Joshi	2,951,627	-
(IV) Others				
	Corporate Guarantee taken from	Edelweiss Financial Services Limited	2,155,819,250	2,812,762,769

Note :

Loan given to / taken from related parties are disclosed based on the maximum incremental amount given/taken during the reporting period.



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

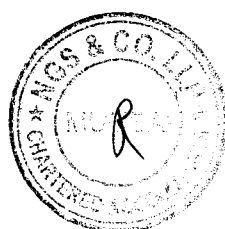
(Currency: Indian rupees)

2.22 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:

	For the year ended 31 March 2016	For the year ended 31 March 2015
a) Net profit attributable to Ordinary share holders (as per Statement of profit and loss)	383,653,293	90,014,890
b) Calculation of weighted average number of ordinary shares of SGD 1/- each:		
– Number of shares at the beginning of the year	12,567,321	2,006,000
– Shares issued during the year (number of shares issued)	20,444,586	10,561,321
Total number of ordinary shares outstanding at the end of the year	33,011,907	12,567,321
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	18,410,827	8,715,930
Nominal value per share in SGD	1	1
c) Basic and diluted earnings per share (in rupees) (a/b)	20.84	10.33

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



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 *The following contracts are outstanding as on the balance sheet date:*

Open position as at 31 March 2016

a) Options

Particulars of contract	Premium paid
Option on futures	47,698,330
Equity and index options	26,685,781
Currency options	682,295
Total	75,066,406

Particulars of contract	Premium received
Option on futures	107,187,333
Equity and index option	9,145,798
Currency option	475,700,966
Total	592,034,097

b) Forwards

Particulars of contract	Number of contracts	Number of units involved
<i>Long positions</i>		
<i>Currency forwards</i>		
USDCNH	10,000,000	10,000,000
USDHKD	222,094,144	222,094,144
USDINR	363,807,476	363,807,476
USDJPY	294,065	294,065
USDKRW	636,860,000	636,860,000
USDTWD	48,050,000	48,050,000
Total	1,281,105,685	1,281,105,685
<i>Short positions</i>		
<i>Currency forwards</i>		
GBPUSD	50,000	50,000
USDCNH	10,000,000	10,000,000
USDINR	159,800,000	159,800,000
USDKRW	603,300,000	603,300,000
USDSGD	12,646,224	12,646,224
USDTWD	23,350,000	23,350,000
Total	809,146,224	809,146,224



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

Open position as at 31 March 2016 (continued)

c) Equity swaps

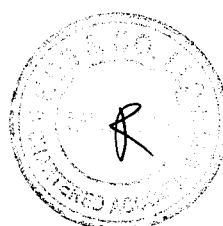
Particulars of contract	Number of contracts	Number of units involved
Long positions	306,953,417	306,953,417
Short positions	794,218	794,218

d) Futures

Particulars of contract	Number of contracts	Number of units involved
<i>Long positions</i>		
ES 17JUN16	1	50 ES
VIX 20APR16	12	12000 VIX
ES 17JUN16	63	3150 ES
<i>Short positions</i>		
APR 16 HKE H-SHARES	3,561	159750 HKE H-SHARES
MAY 16 HKE H-SHARES	100	5000 HKE H-SHARES
JUN 16 OSE NIKKEI 225	2	2000 OSE Nikkei 225
APR 16 SGX MSCI INDEX	1,123	112300 SGX MSCI INDEX
APR 16 SGX TIMSCI	1,281	128100 SGX TiMSCI
IU 27APR16	1	2000000 INR USD
K200 09JUN16	7	3500000 K200
VIX 18MAY16	15	15000 VIX
USD	75	750000 USD
Si-6.16	2,000	2000 RUB Futures

e) Interest rate swaps

Benchmark	Notional principal (Rs.)	Terms
MIBOR	1,000,000,000	Pay fixed
Total	1,000,000,000	



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

Open positions as at 31 March 2015

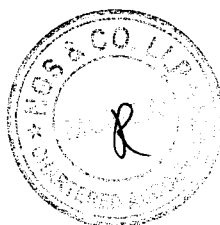
a) Options

Particulars of contract	Number of contracts	Premium paid
Index options	605	763,953
Equity and index options	1,335	5,368,146
Option on future	300	117,198
Total	2,240	6,249,297

Particulars of contract	Number of contracts	Premium received
Index options	283	7,543,116
Currency options	9,827,500,000	283,279,031
Equity and index option	1,359	7,454,634
Total	9,827,501,642	298,276,781

b) Forwards

Particulars of contract	Number of contracts	Number of units involved
<i>Long positions</i>		
<i>Currency forwards</i>		
USDTWD	35,000,000	35,000,000
USDKRW	115,299	115,299
USDINR	139,000,000	139,000,000
KRWUSD	336,137	336,137
TWDUSD	87,500,000	87,500,000
Total	261,951,436	261,951,436
<i>Short positions</i>		
<i>Currency forwards</i>		
USDKRW	0.84	0.84
USDTWD	60,500,000	60,500,000
CBOT TY JUN 15	29	29
TWDUSD	19,000,000	19,000,000
USDINR	30,000,000	30,000,000
KRWUSD	30,500,000	30,500,000
SGDUSD	12,494,479	12,494,479
Total	152,494,509	152,494,509



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

Open positions as at 31 March 2015 (continued)

c) Equity swaps

Particulars of contract	Number of contracts	Number of units involved
Long positions	174,447,498	174,447,498
Short positions	106,600	106,600

d) Futures

Particulars of contract	Number of contracts	Number of units involved
<i>Long positions</i>		
MAR 15 SGX SIMSCIUSD15	4	800 SGX SiMSCI
EUR 15JUN15	4	500000 Euro
ES 19JUN15	9	450 S&P Index
<i>Short positions</i>		
APR 15 HS INDEX	1,252	62600 HS Index
APR 15 SGX SIMSCI	345	69000 SGX SiMSCI
MAR 15 SGX TIMSCI	1	100 SGX TiMSCI
APR 15 SGX TIMSCI	1,112	111200 SGX TiMSCI
RY 15JUN15	24	3000000 Yen
DX 15JUN15	23	23000 Dollar Index
JPY 15JUN15	75	937500000 Yen
ZN 19JUN15	25	25000 USD
Si-6.15	150	150 Rubbles



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Capital commitments and contingent liabilities

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

2.25 Operating leases

The Company has taken a premise on operating lease. Gross rental expenses (net of reimbursement) for the year ended 31 March 2016 aggregated to **Rs. 5,385,798** (Previous year Rs. 3,835,417) which has been included under the head other expenses – Rent in the statement of profit and loss. (refer note 2.19)

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

	2016	2015
Minimum lease payments for non cancellable lease		
- not later than one year	19,061,608	1,305,144
- later than one year and not later than five years	35,910,708	-
Total	54,972,316	1,305,144



Edelweiss International (Singapore) Pte. Limited

Notes to the financial statements (*Continued*)

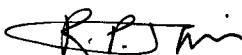
(Currency: Indian rupees)

2.26 *Cost Sharing*

The Company being group company incurs common rent expenditure which is for the benefit of itself and certain fellow subsidiaries companies. This cost so expended by the company for the benefit of fellow subsidiaries is recovered by the company from its fellow subsidiaries on the basis of area occupied. Accordingly, and as identified by the management, the rent expenditure head in Note 2.19 is net of reimbursements received based on management's best estimate

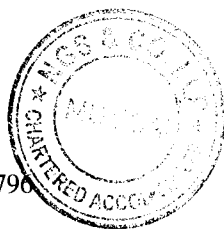
As per our report of even date attached.

For NGS & Co.
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



Navin Amarnani
Director



Sahil Joshi
Director

11 May 2016