

**EDELWEISS SECURITIES (HONG KONG)  
PRIVATE LIMITED**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH, 2016**

**Kreston CAC CPA Limited**

**陳與陳會計師事務所有限公司**



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# **EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2016**

The directors of Edelweiss Securities (Hong Kong) Private Limited submit herewith their report and audited financial statements for the year ended 31 March, 2016.

### **Principal activity**

The principal activity of the company is securities and futures dealer but not yet started up to the date of this report pending for granting relevant licences from Securities and Futures Commission in Hong Kong.

### **Financial results**

The results of the company for the year ended 31 March, 2016 and the state of affairs of the company as at that date are set out in the financial statements on pages 5 to 11.

### **Dividends**

No dividend was paid or proposed.

### **Directors of the company**

The directors of the company who held office during the reporting period and up to the date of this report were:

Sachin Kumar JAIN  
Anuja AGARWAL

In accordance with article 13 of the company's articles of association, the directors are not subject to rotation or retirement at the Annual General Meetings and shall continue to remain in office for the ensuing year.

### **Other matters**

At the date of this report the directors are not aware of any circumstances or affairs not otherwise dealt with in the report and financial statements which would render any amount stated misleading or harmful to the business.

**EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**

**DIRECTORS' REPORT – cont'd  
FOR THE YEAR ENDED 31 MARCH, 2016**

**Auditor**

Kreston CAC CPA Limited retire and, being eligible, offer themselves for re-appointment.

On behalf of the directors



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Anuja AGARWAL  
**Director**

Hong Kong, 25 MAY 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBER OF  
EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**  
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Edelweiss Securities (Hong Kong) Private Limited (“the company”) set out on pages 5 to 11, which comprise the statement of financial position as at 31 March, 2016, income statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that 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 and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to PN900 (Revised) “Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard” issued by the Hong Kong Institute of Certified Public Accountants. 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.

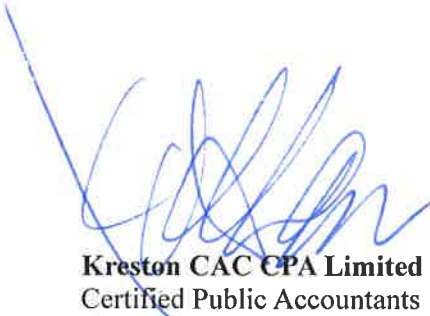
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

**INDEPENDENT AUDITOR'S REPORT – cont'd**  
**TO THE MEMBER OF**  
**EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**  
(incorporated in Hong Kong with limited liability)

**Opinion**

In our opinion, the financial statements of the company for the year ended 31 March, 2016 are prepared, in all material aspects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



**Kreston CAC CPA Limited**  
Certified Public Accountants  
CHAN Kwok Cheung  
Practising certificate no. P01446

Hong Kong, 25 MAY 2016

# EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Notes	2016 US\$	2015 US\$
Revenue		-	-
Bank interest income		<u>6</u>	<u>7</u>
		6	7
Auditor's remuneration		( 1,920)	( 1,458)
Exchange (loss)/gain		( 222)	430
Staff costs	5	( 14,688)	( 78,536)
Other expenses		<u>( 11,534)</u>	<u>( 10,924)</u>
Loss before income tax		( 28,358)	( 90,481)
Income tax	6	<u>-</u>	<u>-</u>
Loss for the reporting year		<u>( 28,358)</u>	<u>( 90,481)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

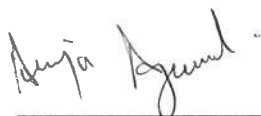
# EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH, 2016

	Notes	2016 US\$	2015 US\$
<b>Assets</b>			
<b>Current assets</b>			
Bank balances		564,910	622,517
Account and other receivables	7	<u>2,177</u>	<u>3,093</u>
<b>Total assets</b>		<u>567,087</u>	<u>625,610</u>
<b>Equity and liabilities</b>			
<b>Capital and reserve</b>			
Share capital	8	750,000	750,000
Accumulated losses	9	( <u>190,561</u> )	( <u>162,203</u> )
		<u>559,439</u>	<u>587,797</u>
<b>Current liabilities</b>			
Account and other payables	10	<u>7,648</u>	<u>37,813</u>
<b>Total equity and liabilities</b>		<u>567,087</u>	<u>625,610</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements. These financial statements were approved and authorised for issue by the directors on

25 MAY 2016



Anuja AGARWAL  
Director



Sachin Kumar JAIN  
Director

**EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH, 2016**

	2016 US\$	2015 US\$
Opening balance – total equity	587,797	678,278
Loss for the reporting year	(28,358)	(90,481)
Closing balance – total equity	<u>559,439</u>	<u>587,797</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.



## **EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**

### **ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016**

#### **(1) Reporting entity**

Edelweiss Securities (Hong Kong) Private Limited (the “company”) is a private limited company incorporated in Hong Kong. The address of the company’s registered office is Unit 1001, 10/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

The company’s immediate holding company is Edelweiss Securities Limited, a company incorporated in India. The ultimate holding company is Edelweiss Financial Services Limited, which is incorporated in India and listed on the Indian stock exchange.

The principal activity of the company is securities and futures dealer. The company is yet to commence the operations. The application for licences from Securities and Futures Commission in Hong Kong is in progress.

#### **(2) Statement of compliance**

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The company is a small private company and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

#### **(3) Basis of preparation**

These financial statements include income statement, statement of financial position, statement of changes in equity and related notes.

The measurement basis used in preparing these financial statements is historical cost. The reporting currency is United States dollars.

## EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

#### (4) Principal accounting policies

##### (a) Account and other receivables

Account and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

##### (b) Income tax

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The company has not recognised deferred tax in accordance with the SME-FRS issued by the HKICPA.

##### (c) Foreign exchange

Foreign currency transactions are initially recorded using exchange rates at the date of transactions. Monetary assets and liabilities denominated in a foreign currency are translated into United States dollars at approximately the rate of exchange at the end of the reporting period. Exchange gains and losses are recognised in the profit or loss.

Non-monetary item that are measured in terms of historical cost, not translated into the rate of exchange at the end of the reporting period.

##### (d) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

##### (e) Retirement and termination benefits

The company's contributions to Mandatory Provident Fund Scheme ("MPF") or other retirement scheme are recognised as expenses.

No provision is made for the employee who does not meet the specified conditions under the Employment Ordinance at the end of the reporting period unless it is probable and material.

**EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2016**

**(5) Staff costs**

	2016 US\$	2015 US\$
Key management personnel remuneration:		
- directors' salaries and allowances	12,174	76,279
- MPF contribution	<u>2,514</u>	<u>2,257</u>
	<u>14,688</u>	<u>78,536</u>

**(6) Income tax**

Provision for Hong Kong profits tax is not required as the company has no assessable profits for the reporting period.

**(7) Account and other receivables**

	2016 US\$	2015 US\$
Other receivables	800	1,763
Prepayments	<u>1,377</u>	<u>1,330</u>
	<u>2,177</u>	<u>3,093</u>

**(8) Share capital**

	2016 US\$	2015 US\$
Issued and fully paid: HK\$5,818,566 (2015: 5,818,566) ordinary shares	<u>750,000</u>	<u>750,000</u>

**(9) Accumulated losses**

	2016 US\$	2015 US\$
Balance at beginning of the reporting period	( 162,203)	( 71,722)
Loss for the reporting year	<u>( 28,358)</u>	<u>( 90,481)</u>
Balance at end of the reporting period	<u>( 190,561)</u>	<u>( 162,203)</u>

## EDELWEISS SECURITIES (HONG KONG) PRIVATE LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

#### (10) Account and other payables

	2016 US\$	2015 US\$
Accruals	<u>7,648</u>	<u>37,813</u>

#### (11) Directors' emoluments

Particulars of directors' emoluments disclosed pursuant to section 383 of the Hong Kong Companies Ordinance are as follows:-

	2016 US\$	2015 US\$
Acting as directors	-	-
For other services		
- emoluments	12,174	76,279
- retirement benefits	2,514	2,257
- termination benefits	<u>-</u>	<u>-</u>
	<u>14,688</u>	<u>78,536</u>