

Forefront Capital Management Private Limited

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

Forefront Capital Management Private Limited

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A. M. JAIN & Co.

CHARTERED ACCOUNTANTS

103-33, 1st Floor, Malhotra Chamber,
Police Court Lane, Near Handloom House,
Dr. D. N. Road, Fort, Mumbai - 400 001

Tel. : +91-22 6635 5022 / 2262 2503
E-Mail : amjainandco@gmail.com
Website : www.amjainandco.com

Independent Auditor's Report

**To the Members of
FOREFRONT CAPITAL MANAGEMENT PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of **Forefront Capital Management Private Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) 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 (Standalone) 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 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 (Standalone) 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.





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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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) 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 March 31, 2016, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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.





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- d) in our opinion, the aforesaid (Standalone) financial statements 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" ;
- 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:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of

A.M.JAIN & Co

Chartered Accountants

Firm's registration number: 102883W



CA. ARUN KUMAR JAIN

Partner

Membership number: 038983

Place: MUMBAI

Date: 12.05.2016



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Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company is not holding any immovable property hence comment on title deeds of immovable properties held in the name of the company is not applicable in this case.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

b) No discrepancies were noticed on physical verification of the inventory as compared to books records.

3) In our opinion and according to the information and explanations given to us the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.





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According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 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, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided during the year by the Company and hence comment on managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act is not applicable in this case;

12) 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.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares during the year under review.



Branch Offices :

Andheri (W):- 1009, Lotus Trade Center, Opp Star Bazar, New Link Road, Andheri (W), Mumbai - 400 053 Tel. No. +91-22 26361428/ 26328154
Andheri (E):- 204/B, Bajsons Industrial Estate, 40, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099. Tel. No. +91-22 40223023/ 40223024



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15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

A.M.JAIN & Co

Chartered Accountants

Firm's registration number: 103883W



CA. ARUN KUMAR JAIN

Partner

Membership number: 038983

Place: MUMBAI

Date: 12.05.2016



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Annexure B" to the Independent Auditor's 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 Forefront Capital Management Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.





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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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

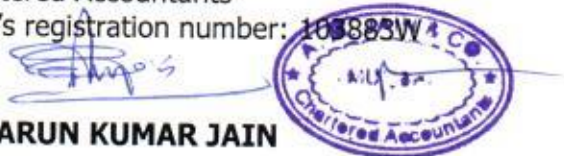
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

A.M.JAIN & Co

Chartered Accountants

Firm's registration number: 100883W



CA. ARUN KUMAR JAIN

Partner

Membership number: 038983

Place: MUMBAI

Date: 12.05.2016

Forefront Capital Management Private Limited

Balance Sheet

(Currency : Indian Rupees)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	6,21,46,440	2,21,46,440
(b) Reserves and surplus	2.2	(2,57,57,308)	45,53,261
		<u>3,63,89,132</u>	<u>2,66,99,701</u>
Non-current liabilities			
Long-term provisions	2.3	26,50,000	9,31,000
Current liabilities			
(a) Short-term borrowings	2.4	21,00,13,635	7,69,75,079
(b) Trade payables			
Total outstanding due of Micro, Small and Medium enterprises	2.33	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,61,08,083	1,72,38,951
(c) Other current liabilities	2.5	39,30,01,057	10,90,27,795
(d) Short-term provisions	2.6	3,98,000	3,05,000
		<u>69,95,20,775</u>	<u>20,35,46,825</u>
TOTAL		<u>73,85,59,907</u>	<u>23,11,77,526</u>
ASSETS			
Non-current assets			
(a) Fixed assets	2.7		
(i) Tangible assets		13,22,471	1,99,917
(ii) Intangible assets		6,41,682	5,18,569
(b) Non-current investments	2.8	66,61,695	66,61,695
(c) Deferred tax assets (net)	2.9	8,97,120	33,37,210
(d) Long-term loans and advances	2.10	81,12,471	-
		<u>1,76,35,439</u>	<u>1,07,17,391</u>
Current assets			
(a) Stock-in-trade	2.11	16	16
(b) Trade receivables	2.12	4,69,21,752	2,01,00,007
(c) Cash and bank balances	2.13	37,89,83,236	8,55,07,766
(d) Short-term loans and advances	2.14	29,28,29,250	11,39,30,773
(e) Other current assets	2.15	21,90,214	9,21,573
		<u>72,09,24,468</u>	<u>22,04,60,135</u>
TOTAL		<u>73,85,59,907</u>	<u>23,11,77,526</u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For A.M.Jain Co

Chartered Accountants

Firm Registration No.: 103883W



(C.A Arun Kumar Jain)

Partner

Membership No.: 038983

Mumbai

12 May 2016

For and on behalf of the Board of Directors

Anurag Madan

Director

DIN No:00010324

Nikhil Johari

Director

DIN No:01960539

Forefront Capital Management Private Limited

Statement of Profit and Loss

(Currency : Indian Rupees)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.16	5,13,50,740	3,16,34,447
Income from treasury operations and investments	2.17	(3,02,21,626)	(26,00,133)
Interest income	2.18	3,42,12,602	95,45,236
Other income	2.19	6,000	13,302
Total revenue		5,53,47,716	3,85,92,852
Expenses			
Changes in inventories		-	7,14,475
Employee benefit expenses	2.20	2,11,36,013	1,87,25,821
Finance costs	2.21	2,97,55,329	72,56,277
Depreciation and amortization expenses	2.7	12,38,745	4,15,351
Other expenses	2.22	3,03,98,425	2,27,98,350
Total expenses		8,25,28,512	4,99,10,274
Loss before tax		(2,71,80,796)	(1,13,17,422)
Tax expense:			
Income tax (Including short provision of earlier years Rs. 689,682 (Previous year Rs. 7,050))		12,71,914	7,050
MAT credit entitlement		(5,82,232)	-
Deferred tax charge/(benefit)		24,40,091	(26,15,643)
Loss for the year		(3,03,10,569)	(87,08,829)
Earnings per equity share:			
Basic and diluted (face value Rs. 10 each)	2.25	(13.38)	(3.93)
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

For A.M.Jain Co

Chartered Accountants

Firm Registration No.: 103883W



(C.A Arun Kumar Jain)

Partner

Membership No.: 038983

Mumbai

12 May 2016

For and on behalf of the Board of Directors

Anurag Madan

Director

DIN No:00010324

Nikhil Johari

Director

DIN No:01960539

Forefront Capital Management Private 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		
Loss before taxation	(2,71,80,796)	(1,13,17,422)
Adjustments for		
Depreciation and amortization expenses	12,38,745	4,15,351
Gratuity and compensated expenses	18,12,000	12,36,000
Profit on sale of Investment	-	(19,63,646)
Interest expenses on Loan	2,97,52,681	72,47,278
Share of loss in partnership firm	3,02,21,626	45,64,996
Interest Income	(3,42,12,602)	(95,45,236)
Dividend Income	-	(1,217)
Operating cash flow before working capital changes	16,31,654	(93,63,896)
<i>Adjustments for</i>		
Decrease in stock in trade	-	7,14,475
Increase in trade receivable	(2,68,21,746)	(1,96,66,472)
Increase in other loans and advances	-	(53,16,912)
Decrease in other assets	-	10,52,062
Increase in liabilities and provisions	33,59,76,131	8,31,05,229
Cash generated from operations	30,91,54,385	5,98,88,382
Income tax paid	(50,05,313)	(27,99,984)
Net cash generated from operating activities - A	30,57,80,726	4,77,24,502
B Cash flow from investing activities		
Purchase of fixed assets	(24,84,412)	(8,10,620)
Interest received	3,29,43,961	86,23,663
Sale of investments (net)	-	2,16,30,001
Placement of clients fixed deposit	(23,58,73,480)	(6,88,92,189)
Contribution in LLP through partner's current account	(40,97,174)	-
Profit on sale of Investments	-	19,63,646
Loans given (net) (Refer note 2)	(18,26,95,317)	(9,22,04,734)
Dividend received	-	1,217
Net cash used in investing activities - B	(39,22,06,423)	(12,96,89,016)



Forefront Capital Management Private Limited

Cash flow statement (Continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
C Cash flow from financing activities		
Proceeds from issue of share capital	4,00,00,000	-
Proceeds from / Repayment of short term/long term borrowings (net) (Refer note 2)	13,30,38,556	7,69,75,079
Interest paid	(2,90,10,870)	(70,17,929)
Net cash generated from financing activities - C	14,40,27,686	6,99,57,150
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	5,76,01,989	(1,20,07,363)
Cash and cash equivalents as at the beginning of the year	1,55,08,222	2,75,15,585
Cash and cash equivalents as at the end of the year (refer note 1)	7,31,10,211	1,55,08,222

Notes:

- 1 Cash and cash equivalents represent cash and balances with banks in current account

Cash and cash equivalents include the following: (Refer note 2.13)

Balances with scheduled banks:

Cash in hand	28,479	1,430
In current accounts	7,30,81,732	1,55,06,792
Cash and cash equivalents	7,31,10,211	1,55,08,222

- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached .

For A.M.Jain Co

Chartered Accountants

Firm Registration No.: 103883W



(C.A Arun Kumar Jain)

Partner

Membership No.: 038983

Mumbai

12 May 2016

For and on behalf of the Board of Directors

Anurag Madan

Anurag Madan

Director

DIN No:00010324

Nikhil Johari

Nikhil Johari

Director

DIN No:01960539

Forefront Capital Management Private Limited

Notes to the financial statements for the year ended 31 March 2016

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.

1.2 Use of estimates

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

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.



Forefront Capital Management Private Limited

Notes to the financial statements for the year ended 31 March 2016

1. Significant accounting policies (*Continued*)

1.4 Revenue recognition

- Fee income including advisory fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Brokerage income on mutual fund broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers.
- Income from treasury operations comprises of profit/loss on sale of securities and the profit/loss on sale of securities is determined based on the first In first out method.
- Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the first In first out method.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited / debited to the company's account in the books of the partnership firm.

1.5 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

1.6 Stock-in-trade

- Stock is valued at cost or market value whichever is lower on FIFO basis.

1.7 Investments

- Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.
- Non-Current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.
- Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.



Forefront Capital Management Private Limited

Notes to the financial statements for the year ended 31 March 2016

1. Significant accounting policies (*Continued*)

1.8 *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 the weighted average number of equity shares. Considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.9 *Fixed assets and depreciation*

Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II of the Act for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of assets	Useful Life
Furniture and fixtures	10 years
Motor vehicle	8 years
Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.

Intangible fixed assets

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.



Forefront Capital Management Private Limited

Notes to the financial statements for the year ended 31 March 2016

1. Significant accounting policies (*Continued*)

1.10 *Employee benefits*

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

Provident fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefits scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated leave absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to statement of profit and loss of the year and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

1.11 *Taxation*

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

Current tax

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

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or 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 at each balance sheet date and written



Forefront Capital Management Private Limited

Notes to the financial statements for the year ended 31 March 2016

1. Significant accounting policies (*Continued*)

1.11 Taxation (continued)

Deferred taxation (continued)

down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum alternative tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

1.12 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.



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.1 Share capital

Authorised:

62,50,000 (Previous year: 22,50,000) equity shares of Rs. 10 each

As at
31 March 2016

As at
31 March 2015

6,25,00,000 2,25,00,000

Issued, subscribed and paid up:

62,14,644 (Previous year: 22,14,644) equity shares of Rs. 10 each, fully paid-up

6,21,46,440 2,21,46,440

6,21,46,440 2,21,46,440

Note:

The entire paid-up share capital is held by Edelweiss Financial Services Limited, the holding company and its nominee.

Reconciliation of number of equity shares outstanding:

Number of shares outstanding at the beginning of the year

Shares issued during the year

Number of shares at the end of the year

No. of Shares	No. of Shares
22,14,644	22,14,644
40,00,000	-
62,14,644	22,14,644

Reconciliation of equity share capital:

Share capital at the beginning of the year

Share capital issued during the year

Share capital at the end of the year

Amount	Amount
2,21,46,440	2,21,46,440
4,00,00,000	-
6,21,46,440	2,21,46,440

Disclosure pursuant to share in the company held by each shareholder holding more than 5%

Name of Shareholder	31 March, 2016		31 March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Financial Services Limited	62,14,644	100.00%	22,14,644	100.00%

Terms/rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2 Reserves and surplus

Securities premium account

Opening balance

84,20,417 84,20,417

Add: Security premium credited on share issue

- -

Closing balance

84,20,417 84,20,417

Surplus in statement of profit and loss

(38,67,156) 48,41,674

Add: profit / Loss for the year

(3,03,10,569) (87,08,829)

(3,41,77,725) (38,67,156)

(2,57,57,308) 45,53,261



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

		As at 31 March 2016	As at 31 March 2015
2.3	Long-term provisions		
	Provision for employee benefits		
	Gratuity	20,62,000	8,12,000
	Compensated leave absences	5,88,000	1,19,000
		<u>26,50,000</u>	<u>9,31,000</u>
2.4	Short-term borrowings		
	<i>Loans and advances from related parties:</i>	21,00,13,635	7,69,75,079
		<u>21,00,13,635</u>	<u>7,69,75,079</u>
2.5	Other current liabilities		
	Interest accrued and due on borrowings	9,71,160	2,29,349
	Other payables		
	Accrued salaries and benefits	2,35,00,000	2,00,00,000
	TDS, service tax and other taxes payable	57,15,410	25,60,983
	Client Fixed Deposit placements	30,58,61,733	6,99,85,442
	Investment in partnership firm payable	3,01,21,628	39,97,176
	Advances from customer	2,68,31,126	1,22,54,845
		<u>39,30,01,057</u>	<u>10,90,27,795</u>
2.6	Short-term provisions		
	Provision for employee benefits		
	Gratuity	2,83,000	2,75,000
	Compensated leave absences	1,15,000	30,000
		<u>3,98,000</u>	<u>3,05,000</u>



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.7 Fixed assets

	Gross Block				Depreciation			Net Block	
Description of Assets	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets									
Furniture & Fixtures	24,300	-	-	24,300	24,294	-	-	24,294	6
Office equipments	38,475	23,626	-	62,101	20,609	18,529	-	39,138	17,866
Computers	8,22,574	5,32,911	-	13,55,485	6,40,529	3,02,011	-	9,42,540	1,82,045
Vehicles	-	11,45,645	-	11,45,645		2,59,088		2,59,088	-
Total : A	8,85,349	17,02,182	-	25,87,531	6,85,432	5,79,628	-	12,65,060	1,99,917
Intangible assets									
Computer software	6,33,281	7,82,230	-	14,15,511.00	1,14,712	6,59,117		7,73,829.00	5,18,569
Total : B	6,33,281	7,82,230	-	14,15,511	1,14,712	6,59,117	-	7,73,829	5,18,569
Grand Total [A+B]	15,18,630	24,84,412	-	40,03,042	8,00,144	12,38,745	-	20,38,889	7,18,486
Previous Year	7,08,010	8,10,620	-	15,18,630	3,84,793	4,15,351	-	8,00,144	3,23,217



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.8 Non-current investments

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
I. Trade (Unquoted)						
Share in Edelweiss India Capital Management (Formerly known as Forefront India Capital Management)	USD 1	1,11,324	66,61,695	USD 1	1,11,324	66,61,695
	-	1,11,324	66,61,695	-	1,11,324	66,61,695
Aggregate of unquoted investment						
- At book value			66,61,695			66,61,695

(a)

Partnership firm	Total Capital	31st March 2016	31st March 2015
Forefront Alternative Investment Advisors LLP	Rs. 100,000 (Previous year Rs. 1,00,000)	99.998%	99.998%
Share of profit / loss	Forefront Capital Management Pvt Ltd	0.001%	0.001%
	Nalin Moniz	0.001%	0.001%
	Radhika Gupta		



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2016	As at 31 March 2015
2.9 Deferred tax assets (net)		
Deferred tax assets		
Disallowances under section 43B of the Income Tax Act, 1961	9,41,832	33,50,303
	<u>9,41,832</u>	<u>33,50,303</u>
Deferred tax liabilities		
Difference between book and tax written down value	44,712	13,093
	<u>44,712</u>	<u>13,093</u>
	<u>8,97,120</u>	<u>33,37,210</u>
2.10 Long-term loans and advances		
Unsecured, considered good		
Advance income taxes/TDS	81,12,471	-
	<u>81,12,471</u>	<u>-</u>
2.11 Stock-in-trade		
Securities		
Mutual funds (unquoted)	16	16
	<u>16</u>	<u>16</u>



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.11(l) Stock-in-trade (continued)

Details of stock-in-trade

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<u>Liquid Bees</u>						
Goldman Sachs Mutual fund (Liquid Bees)		0.016	16		0.016	16
Total			<u>16</u>			<u>16</u>
Aggregate amount of unquoted investments						
- At book value			16			16
- Net asset value			16			16



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.12 Trade receivables

Other debts

Unsecured, considered good

As at
31 March 2016

As at
31 March 2015

4,69,21,752

2,01,00,007

4,69,21,752

2,01,00,007

Out of above, the total trade receivables from related parties

3,01,39,250

1,92,25,858

2.13 Cash and bank balances

Cash and cash equivalents

Cash in hand

28,479

1,430

Balances with banks

- in current accounts

7,30,81,732

1,55,06,792

Other bank balances

- in fixed deposits with bank including accrued interest

(Refer Note 2.31)

30,58,73,025

6,99,99,544

37,89,83,236

8,55,07,766



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.14 Short-term loans and advances

	As at 31 March 2016	As at 31 March 2015
Unsecured, considered goods		
Loans and advances to related parties	23,44,81,000	9,51,56,000
Loans and advances to others	1,88,10,507	9,10,507
Other loans and advances		
Prepaid expenses	3,76,45,554	1,28,35,106
Loans and advances to employees	2,25,056	42,887
Vendor advances	11,046	1,71,973
Cenvat and VAT assets	56,395	-
Advance income tax /TDS	10,17,460	48,14,300
MAT credit entitlement	5,82,232	-
	<u>29,28,29,250</u>	<u>11,39,30,773</u>

2.15 Other current assets

Accrued interest on loans given	21,90,214	9,21,573
	<u>21,90,214</u>	<u>9,21,573</u>



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

For the year ended
31 March 2016

For the year ended
31 March 2015

2.16 Fee and commission income

Advisory and other fees	5,13,50,740	3,07,09,205
Sales	-	9,25,242
	<u>5,13,50,740</u>	<u>3,16,34,447</u>

2.17 Income from treasury operations and investments

Profit on sale of current investment	-	10,95,249
Profit on sale of non-current investment	-	8,68,397
Dividend on inventories	-	1,217
Share of loss in partnership firm (net)	(3,02,21,626)	(45,64,996)
	<u>(3,02,21,626)</u>	<u>(26,00,133)</u>

2.18 Interest income

Interest on loan to body corporate	56,16,819	12,85,236
Interest on loan to LLP	1,08,53,618	36,79,546
On fixed deposits	1,77,42,165	45,80,454
	<u>3,42,12,602</u>	<u>95,45,236</u>

2.19 Other income

Miscellaneous income	6,000	13,302
	<u>6,000</u>	<u>13,302</u>



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.20 Employee benefit expenses		
Salaries and wages (refer note 2.32)	1,77,34,299	1,79,76,620
Contribution to provident and other funds	15,14,743	7,00,215
Staff welfare expenses	18,86,971	48,986
	<u>2,11,36,013</u>	<u>1,87,25,821</u>
2.21 Finance costs		
Interest expense	1,20,10,516	26,66,824
Interest - others(client)	1,77,42,165	45,80,454
Financial and bank charges	2,648	8,999
	<u>2,97,55,329</u>	<u>72,56,277</u>
2.22 Other expenses		
Advertisement and business promotion	99,187	51,517
Auditors' remuneration (refer note 2.26)	66,000	60,000
Commission and brokerage	-	20,50,000
Communication (refer note 2.32)	9,51,444	8,89,522
Computer expenses	21,071	-
Computer software	2,19,880	2,84,850
Clearing and custodian charges	15,592	25,769
Electricity charges (refer note 2.32)	78,115	1,43,250
Foreign exchange loss (net)	5,358	-
Insurance	-	1,02,736
Legal and professional fees	11,38,516	16,88,508
Membership and subscription	3,40,910	4,69,109
Office expenses	7,62,485	4,63,738
Postage and courier	272	3,970
Printing and stationery	2,60,297	1,17,573
Rates and taxes	14,704	2,265
Rent (refer note 2.32)	8,89,607	11,65,213
Repairs and maintenance - others	2,107	-
ROC expenses	3,80,000	24,800
Service tax expenses	2,36,721	7,118
Site related expenses	-	7,140
Travelling and conveyance (refer note 2.32)	9,42,395	2,38,164
Miscellaneous expenses	34,140	23,816
Selling & Distribution expenses	2,39,39,624	1,49,72,052
Housekeeping and security charges	-	800
Processing Charges	-	6,440
	<u>3,03,98,425</u>	<u>2,27,98,350</u>



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.23 Segment reporting

Primary segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments, Interest Income on Loan
Agency business	Income from Management fees, Advisory Fees, Brokerage Mutual Fund

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information on segment assets and liabilities as at March 31, 2016 and the segment revenue, expenses and result for the year ended on that date:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
I Segment revenue		
a) Capital based business	(1,37,51,189)	23,64,649
b) Agency business	6,90,98,905	3,62,28,203
c) Unallocated	-	-
Total	5,53,47,716	3,85,92,852
Less : Inter Segment Revenue	-	-
Total Income	5,53,47,716	3,85,92,852
II Segment results		
a) Capital based business	(2,57,72,659)	(25,42,949)
b) Agency business	(14,05,488)	(87,65,474)
c) Unallocated	(2,649)	(8,999)
Total	(2,71,80,796)	(1,13,17,422)
Loss before taxation	(2,71,80,796)	(1,13,17,422)
Less : Deferred Tax	31,29,773	(26,08,593)
Loss after taxation	(3,03,10,569)	(87,08,829)
Particulars	As at March 31, 2016	As at March 31, 2015
III Segment assets		
a) Capital based business	26,21,43,434	10,48,84,980
b) Agency business	46,58,07,190	10,26,34,244
c) Unallocated	1,06,09,283	2,36,58,302
Total	73,85,59,907	23,11,77,526
IV Segment liabilities		
a) Capital based business	21,09,84,796	8,25,02,771
b) Agency business	48,54,70,569	11,94,14,071
c) Unallocated	57,15,410	25,60,983
Total	70,21,70,775	20,44,77,825
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	-	-
b) Agency business	24,84,412	-
c) Unallocated	-	-
Total	24,84,412	-
Particulars	As at March 31, 2016	As at March 31, 2015
VI Depreciation and amortisation		
a) Capital based business	-	25,449
b) Agency business	12,38,745	3,89,902
c) Unallocated	-	-
Total	12,38,745	4,15,351
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	-	18,688
b) Agency business	15,43,455	2,86,312
c) Unallocated	-	-
Total	15,43,455	3,05,000



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.24 Related parties

In accordance with Accounting Standard 18 on Related Party Transaction notified under section 133, of the companies act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited (Holding Company)
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Commodities Services Limited Edelweiss Web Services Ltd Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited
Subsidiary	Edelweiss India Capital Management (formerly known as Forefront India Capital Management)
Partnership Firm	Forefront Alternative Investment Advisors LLP
Directors and Key Management Personnel	Nikhil Johari Sanjeev Chandiramani Anurag Madan (w.e.f. May 13,2015)
Enterprise over which significant influence is exercised	Forefront India Dynamic Value Fund

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	Amount 31 March 2016	Amount 31 March 2015
	Capital Account transaction during the year			
1	Capital withdrawn from partnership firm	Forefront Wealth Advisors LLP	-	99,998
2	Capital contribution in partnership firm	Forefront Alternative Investment Advisors LLP Forefront Wealth Advisors LLP	- -	1 99,998
3	Issue of equity share capital to	Edelweiss Financial Services Limited	4,00,00,000	-
	Current Account Transaction during the year			
4	Share of losses in partnership firm	Forefront Wealth Advisors LLP Forefront Alternative Investment Advisors LLP	- 3,02,21,626	95,637 44,69,359
5	Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	16,72,10,038	7,69,75,079
6	Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	3,41,71,482	-
7	Short Term Loans given to (Refer note below)	Edelweiss Commodities Services Limited Forefront Alternative Investment Advisors LLP	10,59,39,000 17,39,36,000	4,16,96,000 9,20,00,000
8	Short Term Loans repaid by (Refer note below)	Edelweiss Commodities Services Limited Forefront Alternative Investment Advisors LLP	1,07,00,000 12,98,50,000	- 3,85,40,000
9	Cost Sharing Expenses	Forefront Alternative Investment Advisors LLP Edelweiss Commodities Services Limited Edelweiss Web Services Ltd	2,86,50,000 19,37,722 19,625	1,87,80,000 25,01,475 6,440
10	Interest Expenses on loan from	Edelweiss Financial Services Limited	1,20,10,516	26,66,824
11	Interest income on loans given to	Edelweiss Commodities Services Limited Forefront Alternative Investment Advisors LLP	56,16,819 1,06,92,712	12,85,236 36,79,546



Forefront Capital Management Private Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.24 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	Amount 31 March 2016	Amount 31 March 2015
12	Reimbursement paid to	Edelweiss Financial Services Limited	1,93,26,934	19,50,428
		Edelweiss Commodities Services Ltd	21,37,434	25,01,475
		Edelweiss Web Services Ltd	3,28,81,439	78,51,348
		Anant Jatia	-	9,236
		Radhika Gupta	-	24,917
13	Reimbursement received from	Forefront Alternative Investment Advisors LLP	1,92,25,858	29,41,832
14	Incomes from (Management & Performance fees)	Luis Moniz	-	3,025
15	Expenses paid on behalf of	Forefront Wealth Advisors LLP	-	33,311
		Forefront Alternative Investment Advisors LLP	-	64,695
16	Commission and brokerage paid to	Edelweiss Securities Limited	21,82,261	7,75,520
		Edelweiss Broking Ltd	22,491	-
		Edelweiss Global Wealth Management Limited	75,94,680	-
17	Remuneration paid to	Radhika Gupta	-	1,10,000
		Nalin Moniz	-	1,10,000
18	Compounding fees paid on behalf of director	Anant Jatia	-	75,000
		Radhika Gupta	-	75,000
		Nalin Moniz	-	75,000
Balances with Related Parties				
19	Investment in Equity Shares	Forefront India Capital Management	66,61,695	66,61,695
20	Current account - debit balance	Forefront Alternative Investment Advisors LLP	3,01,21,628	39,97,176
21	Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	21,00,13,635	7,69,75,079
22	Trade Payables	Edelweiss Financial Services Limited	-	1,45,809
		Edelweiss Commodities Services Limited	-	27,54,969
		Edelweiss Web Services Ltd	19,625	6,592
		Edelweiss Broking Limited	4,20,044	-
		Edelweiss Global Wealth Management Limited	3,20,32,103	-
		Forefront Wealth Advisors LLP	-	81,424
23	Interest accrued and due on borrowings	Edelweiss Financial Services Limited	9,71,160	2,29,349
24	Short term loans given to	Forefront Alternative Investment Advisors LLP	9,75,46,000	5,34,60,000
		Edelweiss Commodities Services Limited	13,69,35,000	4,16,96,000
		Forefront India Dynamic Value fund	9,10,507	9,10,507
25	Trade receivable	Forefront Alternative Investment Advisors LLP	2,99,39,250	1,92,25,858
		Edelweiss Broking Limited	2,00,000	-
		Luis Moniz	-	3,025
26	Accrued interest on loans given	Forefront Alternative Investment Advisors LLP	14,18,451	7,03,623
		Edelweiss Commodities Services Limited	6,82,939	2,17,950

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



Forefront Capital Management Private Limited

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

(Currency: Indian Rupees)

2.25 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the 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 year ended 31 March 2016	For the year ended 31 March 2015
(a)	Profit after tax (as per statement of profit and loss)	(3,03,10,569)	(8,708,829)
	Less: dividend on preference share capital	-	-
	Net profit for the year attributable to equity shareholders	(3,03,10,569)	(8,708,829)
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	2,214,644	2,214,644
	Number of Shares issued during the year	40,00,000	-
	Total number of equity shares outstanding at the end of the year	6,214,644	2,214,644
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	22,64,547	2,214,644
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(13.38)	(3.93)

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

2.26 Auditors' remuneration

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
As Auditors	66,000	60,000
Total	66,000	60,000



Forefront Capital Management Private Limited

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

(Currency: Indian Rupees)

2.27 Foreign currency transaction

The Company has undertaken the following transactions in foreign currency during the year.

Particulars	For the year ended 31 March 2016 (USD)	For the year ended 31 March 2015 (USD)
Investment in Equity Share Capital	-	62,000

2.28 Details of purchase, sale and change in stock in trade (continued):

Securities

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Amount (Rs.)	Amount (Rs.)
<u>Opening stock</u>		
Liquid Bees	16	857
Equity shares	-	713,634
	16	714,491
<u>Purchase</u>		
Liquid Bees	-	-
Equity shares	-	-
	-	-
<u>Sales/written off</u>		
Liquid Bees	-	841
Equity shares	-	925,242
	-	926,083
<u>Closing stock</u>		
Liquid Bees	16	16
Equity shares	-	-
	16	16
Profit / (loss) on sale of securities (net)	-	211,592



Forefront Capital Management Private Limited

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

(Currency: Indian Rupees)

2.29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

A) Defined contribution plan (provident fund)

Amount of Rs. 1,514,743 (Previous year: Rs. 700,215) is recognised as expenses and included in "employee benefit" – Note 2.20 in the statement of profit and loss.

(B) Defined benefit plan (gratuity):

The following tables summarise the components of the net employee benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss of the year

Net employee benefit expenses (recognised in employee cost):

	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	520,531	210,000
Past Service Cost	468,924	877,000
Total included in employee benefit expenses	989,455	1,087,000

Balance sheet

Details of provision for gratuity:

	For the year ended 31 March 2016	For the year ended 31 March 2015
Liability at the end of the year	2,345,000	1,087,000
Amount in balance sheet	2,345,000	1,087,000

Non-current liability at the end of the year Rs. 2,062,000/-

Current liability at the end of the year Rs. 283,000/-

Amount recognised in the balance sheet:

	For the year ended			
	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Liability at the end of the year	2,345,000	1,087,000	-	-
Fair value of plan assets at the end of year	-	-	-	-
Amount recognized in balance sheet	2,345,000	1,087,000	-	-



Forefront Capital Management Private Limited

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

(Currency: Indian Rupees)

2.29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued):

Experience adjustment:

	For the year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
On plan liabilities (gain)/loss	308,158	-	-	-	-
On plan assets (gain)/loss	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-

Principle actuarial assumptions at the balance sheet date:

	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate current	7.40%	7.80%
Salary escalation current	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%

2.30 Contingent liabilities and commitments

- The Company has capital commitments of Rs.50,000/- (Previous year: Rs. 53,000) as at the balance sheet date.
- The Company has no contingent liabilities as at the balance sheet date (Previous year: Rs. Nil).

2.31 Additional disclosure on Fixed deposits

The Company has pledged fixed deposits (including interest) with bank amounting to Rs. 305,873,025 (Previous year: Rs.69,99,544) on behalf of the client for Initial Margin.

2.32 Cost sharing

Fellow subsidiaries, Edelweiss Commodities Services Limited (ECSL) and Forefront Capital Management Private Limited (FCMPL) incur expenditure like common senior management compensation cost, electricity, communication, travelling and rent which is for the benefit of the Company. These costs so expended are reimbursed by the Company (FCMPL) to fellow subsidiaries Company (ECSL) and by the Forefront Alternative Investment Advisors LLP (FAIA) to (FCMPL) on the basis of number of employees, area occupied and time spent by employees of (FCMPL) for the company, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in note 2.20 and 2.22 are net of the reimbursement.



Forefront Capital Management Private Limited

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

(Currency: Indian Rupees)

2.33 Details of dues to micro, small and medium enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

2.34 Previous year comparatives

Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

For A.M.Jain and Co.

Chartered Accountants

Firm Registration No.: 103883W



(C.A Arun Kumar Jain)

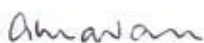
Partner

Membership No.: 038983

Mumbai

Date: 12 May 2016

For and on behalf of the Board of Directors



Anurag Madan

Director

DIN No:00010324



Nikhil Johari

Director

DIN No:01960539