

Edelweiss Multi Strategy Fund Advisors LLP
(Formerly known as Forefront Alternative Investment Advisors
LLP)

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

INDEPENDENT AUDITOR'S REPORT

To,
The Designated Partners of
EDELWEISS MULTI STRATEGY FUND ADVISORS LLP
(*Erstwhile known as FOREFRONT ALTERNATIVE INVESTMENT ADVISORS LLP*)

Report on the Financial Statements

We have audited the accompanying financial statements of **EDELWEISS MULTI STRATEGY FUND ADVISORS LLP** ("the LLP"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and 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 management 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 LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified by the Institute of Chartered Accountants of India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the LLP and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial control relevant to the LLP's preparation of the financial statements that give 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 LLP has in place an adequate internal financial controls system over financial reporting effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Designated Partners, as well as evaluating the overall presentation of the financial statements.

708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI - 400 021**.
Dial : 91-22-66324446/47 FAX : 91-22-22882133 Email : mumbai@gkcco.com

Branches : 207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI - 110 001**
Dial : 91-11-43717773-74; Email : info@gkcco.com

'Surya Bhavan', Station Road, **PETLAD - 388 450**. Dial : 91-2697-224108



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 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 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

We report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as specified in the LLP Act, 2008 have been kept by the LLP so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Financial statement comply with the Accounting Standards notified by The Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

3

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : 15th May, 2017



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Balance Sheet

(Currency: Indian Rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Partners' contribution			
(a) Partners' capital account	2.1	100,000	100,000
(b) Partners' current account	2.2	(28,423,059)	(30,221,626)
		<u>(28,323,059)</u>	<u>(30,121,626)</u>
Non-current liabilities			
(a) Long-term provisions	2.3	3,596,533	-
Current liabilities			
(a) Short-term borrowings	2.4	402,063,767	97,546,000
(b) Trade payables			
Total outstanding dues of micro and small enterprises	2.23	-	-
Total outstanding dues of creditors other than micro and small enterprises		78,956,718	36,697,432
(c) Other current liabilities	2.5	100,220,224	73,242,744
(d) Short-term provisions	2.6	536,322	-
(e) Deferred tax liabilities (net)	2.7	1,726,750	-
		<u>583,503,781</u>	<u>207,486,176</u>
TOTAL		<u>558,777,255</u>	<u>177,364,550</u>
ASSETS			
Non-current assets			
(a) Fixed assets	2.8		
Tangible		162,358	-
Intangible		110,463,014	-
(b) Non-current investments	2.9	273,680,611	112,958,611
(c) Long-term loans and advances	2.10	10,921,177	12,856,594
		<u>395,227,160</u>	<u>125,815,205</u>
Current assets			
(a) Trade receivables	2.11	83,637,172	51,793
(b) Cash and bank balances	2.12	-	3,482,988
(c) Short-term loans and advances	2.13	79,912,923	48,014,564
		<u>163,550,095</u>	<u>51,549,345</u>
TOTAL		<u>558,777,255</u>	<u>177,364,550</u>

Significant accounting policies and notes to financial statements.

1 & 2

The notes referred above form an integral part of the financial statements.

As per our report of even date attached.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No.: 101895W

Sanjay A. Parikh
Partner
Membership No.: 40727
Mumbai
15 May 2017



For Edelweiss Multi Strategy Fund Advisors LLP

Designated Partner

Designated Partner

Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Statement of Profit and Loss

(Currency: Indian Rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee and commission income	2.14	143,407,732	51,416,121
Profit/(Loss) from treasury operations	2.15	-	(1,341,389)
Other income	2.16	-	73,996
Total revenue		143,407,732	50,148,727
Expenses			
Employee benefit expenses	2.17	52,384,209	25,829,999
Finance costs	2.18	20,253,693	10,693,964
Depreciation and amortization expenses	2.8	4,541,729	-
Other expenses	2.19	92,924,410	43,846,390
Total expenses		170,104,041	80,370,354
Loss before tax		(26,696,309)	(30,221,626)
Tax expense:			
Deferred tax charge		1,726,750	-
Loss after tax		(28,423,059)	(30,221,626)
Loss distributed to Partners			
Edelweiss Multi Strategy Funds Management Private Limited		(28,423,059)	(30,221,626)
		(28,423,059)	(30,221,626)

Significant accounting policies and notes to financial statements.

1 & 2

The notes referred above form an integral part of the financial statements.

As per our report of even date attached.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No.: 101895W

3
Sundip A. Parikh
Partner
Membership No.: 40727
Mumbai
15 May 2017



For Edelweiss Multi Strategy Fund Advisors LLP

[Signature]
Designated Partner

[Signature]
Designated Partner

Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Cash flow statement

(Currency: Indian Rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Loss before tax	(26,696,309)	(30,221,626)
Adjustments for		
Loss on sale of Investments	-	1,341,389
Depreciation	4,541,729	-
Provision for gratuity and compensated absences	1,552,855	-
Interest expense	20,243,333	10,692,712
Operating cash flow before working capital changes	(358,393)	(18,187,525)
Adjustments for		
Decrease in stock in trade	-	-
(Increase) / Decrease in trade receivables	(83,585,379)	1,124,519
(Increase) in loans and advances	(24,639,076)	(10,212,488)
Increase in current liabilities & Provisions	67,970,459	19,897,636
Cash used in operations	(40,612,389)	(7,377,858)
Income tax paid	(5,323,866)	(5,614,939)
Net cash used in operating activities - A	(45,936,255)	(12,992,797)
B Cash flow from investing activities		
Increase in investments (net)	(160,722,000)	(21,800,000)
Sale/(purchase) of Fixed Assets	(115,167,101)	-
Net cash used in investing activities - B	(275,889,101)	(21,800,000)
C Cash flow from financing activities		
Interest paid	(16,397,026)	(9,977,884)
Proceeds / (payment) from / to unsecured loans (refer note 2)	304,517,768	44,086,000
Receipt / (Payment) from / to partners on account of current account (refer note 2)	30,221,626	4,097,174
Net cash generated from / (used in) financing activities - C	318,342,368	38,205,290
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3,482,988)	3,412,493
Cash and cash equivalents as at the beginning of the year	3,482,988	70,496
Cash and cash equivalents as at the end of the year (refer note 1)	-	3,482,988

Notes:

- 1 Cash and cash equivalents represent cash and balances with banks in current account
- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached .

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No.: 101895W

Sanjay A. Parikh
Partner
Membership No.: 40727
Mumbai
15 May 2017



For Forefront Alternative Investment Advisors LLP

[Signature]
Designated Partner

[Signature]
Designated Partner

Edelweiss Multi Strategy Fund Advisors LLP

(Formerly known as Forefront Alternative Investment Advisors LLP)

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

About the LLP

Edelweiss Multi Strategy Fund Advisors LLP has been incorporated on 01 May 2012. LLP has been incorporated under the Limited Liability Partnership Act, 2008 (LLP Act, 2008"). LLP is to engage in any lawful act or activity of managing and rendering advice (Including investment advice), inter alia, on investments, finance, management of fund, consultancy or any other non-fund related activity.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accounts of the LLP are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India. The financial statements are prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

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.



`Edelweiss Multi Strategy Fund Advisors LLP
(Formerly known as Forefront Alternative Investment Advisors LLP)

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

1. Significant accounting policies (*Continued*)

1.4 Revenue recognition

Revenue is recognized when right to receipt is established and there is no significant uncertainty as to the ultimate collection.

Management fees are recognized on accrual basis at specific rates, applied on the average monthly net assets of Alpha and Equity Scheme. The fees charged are in accordance with the terms of Contribution Agreement and information document of the above scheme.

The Performance fees receivable/received from Forefront Alpha and Equity Scheme is calculated when returns earned by the Fund are over the hurdle rate as mentioned in the contribution agreement.

Profit/loss earned on sale of investments 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 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.

1.6 Scheme related expenses

Scheme related expenses of schemes of Forefront Alpha Scheme and Forefront Alternative Equity scheme in excess of limits prescribed by the Contribution Agreement are borne by the LLP.

1.7 Taxation

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

Current tax

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

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or 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 as at each balance sheet date and written



`Edelweiss Multi Strategy Fund Advisors LLP
(Formerly known as Forefront Alternative Investment Advisors LLP)

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

1. Significant accounting policies (*Continued*)

1.7 *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.

1.8 *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.

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:



Edelweiss Multi Strategy Fund Advisors LLP
(Formerly known as Forefront Alternative Investment Advisors LLP)

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

1. Significant accounting policies (Continued)

Class of assets	Useful Life
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 Management Exclusive rights on acquisition of Ambit Alpha Fund are amortised over a period of 5 years.

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 recognized 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.



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.1 Partners capital account		
Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited)		
Opening balance	99,998	99,998
Add: Additions during the year	-	-
Less: Drawings during the year	-	-
Closing balance	99,998	99,998
Nalin Moniz		
Opening balance	1	1
Add: Additions during the year	-	-
Less: Drawings during the year	(1)	-
Closing balance	-	1
Radhika Gupta		
Opening balance	1	1
Add: Additions during the year	1	-
Less: Drawings during the year	(2)	-
Closing balance	-	1
Vishal Madia		
Opening balance	-	-
Add: Additions during the year	2	-
Less: Drawings during the year	-	-
Closing balance	2	-
	100,000	100,000



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.2 Partners current account		
Forefront Capital Management Private Limited		
Opening balance	(30,221,626)	(4,097,174)
Add: Additions during the year	30,221,626	4,097,174
Add: Interest	-	-
Add: Share of Loss	(28,423,059)	(30,221,626)
Less: Drawings during the year (net)	-	-
Closing balance	(28,423,059)	(30,221,626)
	<u>(28,423,059)</u>	<u>(30,221,626)</u>



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity	2,978,533	-
Compensated leave absences	618,000	-
	<u>3,596,533</u>	<u>-</u>
2.4 Short-term borrowings		
Unsecured		
Partners loan account	402,063,767	97,546,000
	<u>402,063,767</u>	<u>97,546,000</u>
2.5 Other current liabilities		
Interest accrued and due on borrowings	5,264,758	1,418,451
Other Payables		
Accrued salaries and benefits	9,817,600	-
TDS, service tax and other taxes payable	4,413,767	3,929,722
Book overdraft	19,486	-
Others	80,704,613	67,894,571
	<u>100,220,224</u>	<u>73,242,744</u>
2.6 Short-term provisions		
Provision for employee benefits		
Gratuity	427,322	-
Leave Accumulation	109,000	-
	<u>536,322</u>	<u>-</u>
2.7 Deferred tax liabilities		
Deferred tax liabilities		
Disallowances under section 43B of the Income Tax Act, 1961	3,003,802	-
	<u>3,003,802</u>	<u>-</u>
Deferred tax assets		
Difference between book and tax written down value	1,277,052	-
	<u>1,277,052</u>	<u>-</u>



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)
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 2016	Additions during the year during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year during the year	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible assets								
Computers		167,101	167,101		4,743	4,743	162,358	-
Total : A	-	167,101	167,101	-	4,743	4,743	162,358	-
Intangible assets								
Management exclusive rights on acquisition of Ambit Alpha Fund		115,000,000	115,000,000		4,536,986	4,536,986	110,463,014	-
Total : B	-	115,000,000	115,000,000	-	4,536,986	4,536,986	110,463,014	-
Grand Total (A+B)	-	115,167,101	115,167,101	-	4,541,729	4,541,729	110,625,372	-



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.9 Non-current investments

Others (unquoted)	As at 31 March 2017			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Units of Venture Capital Fund						
7,104,046.964 Class B Units of Rs. 10/- each fully paid-up in Forefront Alpha Scheme	10	7,104,047	73,680,611	10	1,302,674	12,958,611
7,170,252.727 Class C Units of Rs. 10/- each fully paid-up in Forefront Alternative Equity Scheme	10	7,170,253	100,000,000	10	7,358,239	100,000,000
1,000,00 Class B Units of Rs. 1000/- each fully paid-up in Ambit Alpha Fund Scheme I	1,000	100,000	100,000,000	-	-	-
Total			273,680,611			112,958,611
Aggregate amount of unquoted investment						
- At carrying value			273,680,611			112,958,611



Edelweiss Multi Strategy Fund Advisors LLP (formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
2.10 Long-term loans and advances		
<u>Unsecured</u>		
Other loans and advances		
Advance income taxes and tax deducted at sources	10,921,177	12,856,594
	10,921,177	12,856,594
2.11 Trade receivables		
Other debts		
Unsecured, considered good	83,637,172	51,793
	83,637,172	51,793
2.12 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	-	3,482,988
	-	3,482,988
2.13 Short-term loans and advances		
Other loans and advances		
Advances to others	3,977,251	989,458
Prepaid expenses	50,234,011	42,148,505
Loans and advances to employees	28,725	-
Cenvat and VAT assets	15,833,653	4,876,601
Advance tax and tax deducted at source	7,259,283	-
Advances recoverable in cash or in kind or for value to be received	2,580,000	-
	79,912,923	48,014,564



Edelweiss Multi Strategy Fund Advisors LLP

(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from Operations		
2.14 Fee and commission income		
Advisory and other fees	143,407,732	51,416,121
	<u>143,407,732</u>	<u>51,416,121</u>
2.15 Profit/(Loss) from treasury operations		
Profit/(loss) on sale of short/long term investment	-	(1,341,389)
	<u>-</u>	<u>(1,341,389)</u>
2.16 Other income		
Interest Income - Others	-	73,996
	<u>-</u>	<u>73,996</u>



Edelweiss Multi Strategy Fund Advisors LLP

(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.17 Employee benefit expenses		
Salaries and wages	50,778,777	25,829,999
Contribution to provident and other funds	1,411,581	-
Staff Welfare Expenses	193,851	-
	<u>52,384,209</u>	<u>25,829,999</u>
2.18 Finance costs		
Interest on loan from Partners	20,243,333	10,692,712
Interest - others	7,070	-
Financial and bank charges	3,290	1,252
	<u>20,253,693</u>	<u>10,693,964</u>
2.19 Other expenses		
Advertisement and business promotion	126,637	-
Auditors' remuneration	145,000	70,000
Communication	213	-
Computer expenses	70,195	-
Electricity charges	566,082	80,000
Legal and professional fees	1,874,820	325,000
Membership and subscription (refer note 2.23)	862,110	910,000
Office expenses	4,200	-
Printing and stationery	1,509	1,176
Rates and taxes	222,750	1,073
Rent	3,398,743	890,000
ROC expenses	6,854	-
Service tax expenses	999,896	228,689
Travelling and conveyance	247,534	940,000
Miscellaneous expenses	24,138	127,903
Selling & Distribution expenses	84,373,729	40,272,549
	<u>92,924,410</u>	<u>43,846,390</u>
Note:-		
Auditors' remuneration:		
As Auditor	145,000	70,000
	<u>145,000</u>	<u>70,000</u>



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)
Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.20 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, 2017 and the segment revenue, expenses and result for the year ended on that date:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I Segment revenue		
a) Capital based business	-	(1,341,390)
b) Agency business	143,407,732	51,416,121
c) Unallocated	-	73,996
Total	143,407,732	50,148,727
Less : Inter Segment Revenue	-	-
Total Income	143,407,732	50,148,727
II Segment results		
a) Capital based business	(20,243,333)	(12,035,881)
b) Agency business	(6,219,866)	(18,257,416)
c) Unallocated	(233,110)	71,671
Total	(26,696,309)	(30,221,626)
Loss before taxation	(26,696,309)	(30,221,626)
Less : Deferred Tax	1,726,750	-
Loss after taxation	(28,423,059)	(30,221,626)
Particulars	As at March 31, 2017	As at March 31, 2016
III Segment assets		
a) Capital based business	277,686,587	112,958,611
b) Agency business	247,076,555	43,189,756
c) Unallocated	34,014,113	21,216,183
Total	558,777,255	177,364,550
IV Segment liabilities		
a) Capital based business	407,328,525	98,964,451
b) Agency business	175,358,022	104,592,003
c) Unallocated	4,413,767	3,929,722
Total	587,100,314	207,486,176



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.21 Related Parties

i. List of related parties and relationship:

Name of related parties	Relation
Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited)	Designated Partner
Mr. Vishal Madia (w.e.f January 31, 2017)	Designated Partner
Mr. Nalin Moniz (up to July, 01, 2016)	Designated Partner
Ms. Radhika Gupta (up to January 31, 2017)	Designated Partner
Edelweiss Broking Limited	Enterprise being fellow subsidiary of Designated Partner
Edelweiss Business Services Limited	Enterprise being fellow subsidiary of Designated Partner
Edelweiss Commodities Services Limited	Enterprise being fellow subsidiary of Designated Partner
Ecap Equities Limited	Enterprise being fellow subsidiary of Designated Partner
Edelweiss Tokio Life Insurance Company Limited	Enterprise being fellow subsidiary of Designated Partner
Edelweiss Global Wealth Management Ltd	Enterprise being fellow subsidiary of Designated Partner
Edelweiss Financial Services Limited	Enterprise being ultimate holding company of Designated Partner

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	Amount 31 March 2017	Amount 31 March 2016
	Capital Account Transaction during the year			
1	Fixed Capital withdrawn by partners from partnership firm	Ms. Radhika Gupta Mr. Nalin Moniz	1 1	- -
2	Fixed Capital contribution by partner in partnership firm	Mr. Vishal Madia	2	-
3	Current capital contribution in partnership firm	Edelweiss Multi Strategy Funds Management Private Limited	30,221,626	4,097,174
	Current Account Transaction during the year			
4	Loan taken from	Edelweiss Multi Strategy Funds Management Private Limited	574,256,465	173,936,000
5	Loan repaid to	Edelweiss Multi Strategy Funds Management Private Limited	269,738,698	129,850,000
6	Expenses reimbursements paid to	Edelweiss Financial Services Limited Edelweiss Business Services Limited Edelweiss Commodities Services Limited Edelweiss Broking Limited Edelweiss Multi Strategy Funds Management Private Limited	93,148 14,221 3,638,487 326,338 862,110	- - - - 28,650,000
7	Interest expense on loan from	Edelweiss Multi Strategy Funds Management Private Limited	20,243,333	10,692,712
8	Referral fees/Commission & Brokerage paid to	Edelweiss Global Wealth Management Ltd Edelweiss Broking Limited	35,730,327 507,042	24,027,554 944,283
9	Share of losses in partnership firm	Edelweiss Multi Strategy Funds Management Private Limited	28,423,059	30,221,626
10	Reimbursements received from	Edelweiss Financial Services Limited Edelweiss Multi Strategy Funds Management Private Limited	484,501 8,898,781	- -
11	Reimbursements paid to	Edelweiss Financial Services Limited Edelweiss Business Services Limited Edelweiss Commodities Services Limited	- 2,495,001 13,970,806	12,086,227 - -
12	Processing Fees paid to	Edelweiss Business Services Limited	1,930	-



Edelweiss Multi Strategy Fund Advisors LLP
(formerly known as Forefront Alternative Investment Advisors LLP)

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.21 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	Amount 31 March 2017	Amount 31 March 2016
	Balances with Related Party			
13	Capital Account Balances	Edelweiss Multi Strategy Funds Management Private Limited	99,998	99,998
		Ms. Radhika Gupta	-	1
		Mr. Nalin Moniz	-	1
		Mr. Vishal Madia	2	-
14	Partner's current account - debit balance	Edelweiss Multi Strategy Funds Management Private Limited	28,423,059	30,221,626
15	Short term borrowing from	Edelweiss Multi Strategy Funds Management Private Limited	402,063,767	97,546,000
16	Trade payables to	Edelweiss Multi Strategy Funds Management Private Limited	905,216	29,939,250
		Edelweiss Global Wealth Management Ltd	49,051,401	5,259,570
		Edelweiss Broking Limited	-	622,235
		Edelweiss Business Services Limited	16,959	-
17	Trade receivables from	Edelweiss Financial Services Limited	292,850	-
18	Short Term Loans & Advances	Ecap Equities Limited	8,000	-
		Edelweiss Broking Limited	738,000	-
		Edelweiss Tokio Life Insurance Company Limited	875,000	-
		Edelweiss Multi Strategy Funds Management Private Limited	959,000	-
19	Interest accrued and due on borrowing from	Edelweiss Multi Strategy Funds Management Private Limited	5,264,758	1,418,451
20	Short Term Loans & Advances (Prepaid Referral Fees) paid to	Edelweiss Broking Limited	194,377	701,419
		Edelweiss Global Wealth Management Ltd	30,780,908	21,501,615

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



Edelweiss Multi Strategy Fund Advisors LLP
(formerly Forefront Alternative Investment Advisors LLP)
Notes to the financial statements for the year ended 31 March 2017 (Continued)
(Currency: Indian Rupees)

2.22 Contingent liabilities and commitments

The LLP has no capital commitments and no contingent liabilities as at 31 March 2017.

2.23 Cost sharing

Designated partner, Edelweiss Multi Strategy Fund Management Private Limited (FCMPL) incurs expenditure Market data expense which is for the benefit of the LLP. Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2015-16), Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' cost expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.17 and 2.19 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.24 Details of dues to micro and small enterprises

There are no dues to Micro and Small Enterprises as at March 31, 2017. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

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

A) Defined contribution plan (provident fund)

Amount of Rs. 1,411,581 (Previous year: Nil) is recognised as expenses and included in "employee benefit" – Note 2.17 in the statement of profit and loss.

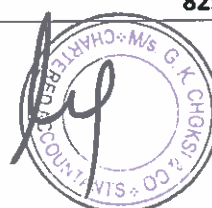
(B) Defined benefit plan (gratuity):

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 2017	For the year ended 31 March 2016
Current service cost	301,855	-
Interest Cost	191,000	-
Actuarial Loss/(Gain)	333,000	-
Total included in employee benefit expenses	825,855	-



Edelweiss Multi Strategy Fund Advisors LLP
(formerly Forefront Alternative Investment Advisors LLP)

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

(Currency: Indian Rupees)

Balance sheet

Details of provision for gratuity:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Liability at the end of the year	3,405,855	-
Amount in balance sheet	3,405,855	-

Non-current liability at the end of the year Rs. 2,978,533/-

Current liability at the end of the year Rs. 427,322/-

Amount recognised in the balance sheet:

	For the year Ended 31 March 2017	For the year ended 31 March 2017
Liability at the end of the year	3,405,855	-
Fair value of plan assets at the end of year	-	-
Amount recognized in balance sheet	3,405,855	-

Principle actuarial assumptions at the balance sheet date:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Salary Growth Rate	7%	-
Discount Rate	6.6%	-
Employees attrition rate	13%-60%	-

2.26 Previous year comparatives

Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No.: 101895W

3 Sandip A. Parikh
Partner
Membership No.: 40727
Mumbai
15 May 2017



For Edelweiss Multi Strategy Fund Advisors LLP

[Signature]

Designated Partner

[Signature]

Designated Partner

To,
G.K.CHOKSI & CO.

Chartered Accountants
Ahmedabad.

Dear Sir

This representation letter is provided in connection with your audit of the financial statement of Edelweiss Multi Strategy Fund Advisors LLP for the year ended 31st March, 2017 for the purpose of expressing an opinion as to whether the financial statements give true and fair view of the financial statements position of Balance sheet as of 31st March, 2017 and Results of operation for the year ended on 31st March, 2017. We acknowledge our responsibility for preparation of financial statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified by the Institute of Chartered Accountants of India

We confirm, to the best of our knowledge and belief, the following representations.

1. ACCOUNTING POLICIES:

- The financial statements are free of material errors and omissions and present fairly the financial position of the Company and the results of its operations in accordance with generally accepted accounting principles.
- The annual accounts has been prepared on a going concern basis.
- There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- The accounting principles and the practices and methods followed in applying them, are as disclosed in the financial statements and there have been no changes during the year in its accounting principles and practices that have not been disclosed to you.

2. ASSETS:

- The LLP has satisfactory title to all assets and there are no liens or encumbrance on the LLP's assets except for those that are disclosed in the financial statements.

FIXED ASSETS:

- The net book values (Gross block less accumulated depreciation) at which fixed assets are stated in the balance sheet are arrived at:
 - (a) After taking in to account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue.

- (b) After eliminating the cost and accumulated depreciation relating to items sold, discarded, demolished or destroyed, if any.
- (c) After providing adequate depreciation on fixed assets during the period.
- The depreciation on additions to Fixed Assets has been calculated on the basis of assets put to use / assets ready for intended use. Depreciation on Fixed Assets is provided on W.D.V at method rates and in the manner specified in Income Tax Act, 1961.
 - The LLP has compiled and updated the fixed assets register showing full particulars of the assets.
 - The LLP has carried out physical verification of fixed assets during the year.
 - The LLP certifies the additions to fixed assets during the year and the dates on which such assets were put to use/ready for intended use as given hereunder :

Sr. No.	Asset Class	Amount in Rs.
1	Computers	1,67,101
2	Computer software	11,50,00,000
	Total Additions :	11,51,67,101

3. LOANS AND ADVANCES

The following items appearing in the books as at 31/03/2017 are considered good and fully recoverable.

- Advances recoverable in Cash or in kind or for value to be received and other loans and advances amounting to Rs. 25,80,000/- as at 31st March, 2017
- Prepaid expenses for the year amounting to Rs. 5,02,34,011/- .

- Advance income taxes net of provisions amounting to Rs.1,09,21,177/- and Rs.72,59,283 /- is being shown as Long term loans and advances and short term loans and advances respectively.

4. TRADE RECEIVABLES

- Receivables which are unsecured considered good has been recorded in the financial statements represent valid claims against debtors amounting to Rs.8,36,37,172/- for sales or other charges arising on or before the balance-sheet.

5. CASH AND CASH EQUIVALENT:

- As at 31st March, 2017, the company does not have any cash and bank balance. There is bank overdraft facility amounting to Rs. 19,486/- disclosed in Other Current Liabilities.

6. LIABILITIES

- All known material liabilities and contractual obligations are included in the financial statements and there are no other unrecorded liabilities, which require provision or disclosure in the financial statements.
- The LLP has not given any guarantees to third parties.

7. CONTINGENT LIABILITIES AND COMMITMENTS

- As at 31st March, 2017, there are no contingent liabilities which are required to be disclosed in financial statements.
- The beneficial owners of the LLP have confirmed its intention to provide continuing financial support to the LLP so as to enable the LLP to continue operating in the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

8. Details of dues to micro, small and medium enterprises

- There are no dues to Micro and Small Enterprises as at March 31, 2017. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

9. PROFIT AND LOSS ACCOUNT:

- Except as disclosed in the financial statements the results for the year were not materially effected by:
 - (a) Transactions of a nature not usually undertaken by the LLP
 - (b) Circumstances of an exceptional or non recurring nature
 - (c) Charges or credits relating to prior years
 - (d) Changes in accounting policies.

10. RELATED PARTY:

- As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:
- List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Edelweiss Multi Strategy Funds Management Private Limited (formerly known as Forefront Capital Management Private Limited)	Designated Partner
2	Mr. Vishal Madia (w.e.f January 31, 2017)	Designated Partner
3	Mr. Nalin Moniz (up to July, 01,2016)	Designated Partner
4	Ms. Radhika Gupta (up to January 31,2017)	Designated Partner
5	Edelweiss Broking Limited	Enterprise being fellow subsidiary of Designated Partner
6	Edelweiss Business Services Limited	Enterprise being fellow subsidiary of Designated Partner
7	Edelweiss Commodities Services Limited	Enterprise being fellow subsidiary of Designated Partner
8	Ecap Equities Limited	Enterprise being fellow subsidiary of Designated Partner
9	Edelweiss Tokio Life Insurance Company Limited	Enterprise being fellow subsidiary of Designated Partner
10	Edelweiss Global Wealth Management Ltd	Enterprise being fellow subsidiary of Designated Partner
11	Edelweiss Financial Services Limited	Enterprise being ultimate holding company of Designated Partner

Transactions with Related Parties has been mentioned as per note 2.21 of notes to the financial statements.

Edelweiss Multi Strategy Fund Advisors LLP

(Formerly known as Forefront Alternative Investment Advisors LLP)

Limited Liability Partnership Identification Number: AAA - 9030

Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098 Tel. No.: +91 22 4009 4400

11. USE OF ESTIMATES

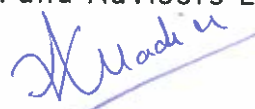
- The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements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

- 12.** Edelweiss Multi Strategy Fund Advisors LLP acts as an Investment Manager to domestic SEBI regulated AIFs. During the period ended March 31, 2017, the business was investing heavily in the future business potential, the revenue of which will be realised in the coming months/years. As part of our acquisition, we acquired Ambit Alpha Fund – Scheme I from Ambit Investment Advisors during the year. AIF business has grown during the year as AUM of Equity Scheme has increased from Rs. 419 crores last year to Rs. 1211 crores during the current year and no. of investors has increased from 206 to 312 during the same period.

Based on aforementioned facts, the LLP is expecting sufficient profits in the coming months / years due to which it may not require financial support from its beneficial owners.

Thanking You,

Edelweiss Multi strategy Fund Advisors LLP


Designated Partner