EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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(Formerly known as Forefront India Capital Management)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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EDELWEISS INDIA CAPITAL MANAGEMENT
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CORPORATE INFORMATION

Directors	***Appointed on***	***Resigned on***
Ms Radhika Gupta	20 May 2013	-
Mr Sahjahan Ally Nauthoo	20 May 2013	-
Mr Husayn Sassa	31 December 2014	-

Registered Office
C/o Cim Fund Services Ltd
33, Edith Cavell Street
Port Louis
Mauritius

Administrator and Secretary
Cim Fund Services Ltd
33, Edith Cavell Street
Port Louis
Mauritius

Banker
SBM Bank (Mauritius) Ltd
Level 9, SBM Tower
1 Queen Elizabeth II Avenue
Port Louis
Mauritius2.

Auditors
KPMG
KPMG Centre
31, Cybercity
Ebene
Mauritius

Investment Adviser
Forefront Capital Management Private Limited
Edelweiss House
Off CST Road, Kalina,
Mumbai - 400098
India

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

CORPORATE GOVERNANCE REPORT

General information

Edelweiss India Capital Management (the "Company") was incorporated under the laws of Mauritius on 20 May 2013 as a private company limited by shares. Pursuant to a Board resolution dated 16 November 2015, the Company changed its name from Forefront India Capital Management to Edelweiss India Capital Management on 10 December 2015. The Company's registered office address is at C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius.

The Company is licensed as a Category 1 Global Business Licence company under the Financial Services Act 2007 ('FSA 2007') and is authorised to operate as a CIS Manager under the Securities (Collective Investment Schemes and Closed-end-Funds) Regulations 2008.

The primary objective of the Company is to render investment management services to Edelweiss Alternative Equity Fund ("EAEF" – the "Fund") on investments in growth sectors.

The Company holds standards of corporate governance through awareness of business ethics and supervision by the Board of directors.

The main objects and functions of the Board as regards corporate governance are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that it has discharged its responsibilities for the period in respect of corporate governance.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with International Financial Reporting Standards ("IFRS").

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company and of the financial performance and cash flows of the Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board of directors

The Board is responsible for directing the affairs of the Company in the best interests of the shareholder, in conformity with legal and regulatory framework, and consistent with its constitution and best governance practices. The Board is composed of directors that have been selected based on their professional background and expertise to positively contribute to the Board's activities. The directors are as follows:

Resident
Mr Husayn Sassa
Mr Sahjahan Ally Nauthoo

Non-Resident
Ms Radhika Gupta

Director profiles

Mr Husayn Sassa

Husayn Sassa joined Cim Global Business Ltd as Team Leader in the Fund Services department on 2 May 2011. He was responsible of a team comprising of professionals who specialise in fund administration. He has been appointed as Manager in the Fund Services department in February 2014 and serves as director on the Board of several client entities administered by Cim Fund Services Ltd.

He holds a Bachelor of Commerce degree in Economics and Management from the University of KwaZulu Natal, Pietermaritzburg, South Africa. Prior to joining Cim Global Business Ltd in May 2011, Husayn was engaged with one of the leading licensed management company in Mauritius from February 2007 until April 2011. He has been involved in the global business sector for more than nine years and has experience in fund/company set up and structuring, company secretarial, accounting, administration and compliance matters amongst others.

With effect from 1 April 2016, Husayn was appointed as Senior Manager in charge of a team comprising of more than 30 professionals administering both fund and corporate structures.

Mr Sahjahan Ally Nauthoo

Mr Nauthoo is a Fellow of the Association of Chartered Certified Accountants - UK and holds a Bachelor of Business Science (Hons) degree in the field of Accountancy with the University of Mauritius. He is also a Member of the Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

He has over 10 years of experience in the global business sector and 2 years of experience in the field of banking and finance. He has gained wide experience in the structuring, setting up and administration including secretarial, accounting, taxation and compliance of offshore funds and companies. He serves as director and authorized signatory for a large number of funds/companies administered by Cim Global Business. He is currently a Senior Manager and prior to joining Cim Global Business, he also worked for 5 years with International Financial Services Limited.

Director profiles (Continued)

Ms Radhika Gupta

Prior to co-founding Forefront Capital Management, Radhika was a portfolio manager at AQR Capital Management, a twenty billion dollar asset management firm in Greenwich (Connecticut), USA. As a member of the Global Asset Allocation team, Ms. Radhika built quantitative models to trade equities, currencies, and fixed income. She managed multi-billion dollar accounts for AQR's high net worth individual and institutional clients, including pension funds, endowments, and governments. Prior to joining AQR, Ms. Radhika was with McKinsey & Company as a strategy consultant to Fortune 500 clients. She graduated summa cum laude from the Management and Technology Program at the Wharton School (University of Pennsylvania) with a B.S. in Economics (Finance, Management) and a B.S.E in Computer Engineering. She was a Joseph Wharton Scholar, and recipient of the Alice Paul Award & Faculty Appreciation Award for outstanding achievement. Ms. Radhika has been featured in and contributed to leading financial media including Economic Times, Business Standard, CNBC, Outlook Money, and Business & Economy.

Constitution

The Company has, through a written resolution of its sole ordinary shareholder, revoked its previous constitution and adopted a new one on 12 January 2016 which reflects the new name of the Company.

Board meetings

The Board holds meetings during which it:

1. examines all statutory matters;
2. approves the audited financial statements and reviews important accounting issues;
3. reviews the Company's performance;
4. ensures compliance of the Company with the legislations; and
5. takes note of changes in the legislations which may affect the Company.

In addition, the Board meets whenever necessary between scheduled meetings to discuss urgent business.

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

Board Committees

The Board of directors collectively considers the measures in respect of the Code of Corporate Governance issues. Due to the size of the Board, no sub-committees (Audit Committee, Corporate Governance Committee, Board Risk Committee, Remuneration Committee and the Nomination Committee) have been established.

The main objects and functions of the Board are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- consider and decide on all aspects of corporate governance and new Board appointments;

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board Committees (Continued)

- prepare the corporate governance report; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied it has discharged its responsibilities for the year in respect of corporate governance. There are no existing or proposed service contracts between any of the directors and the Company. No director is materially interested in any contract or arrangement, which is unusual in its nature and conditions or is significant in relation to the business of the Company.

Statement of remuneration policy

Messrs Nauthoo and Sassa are both officers of Cim Fund Services Ltd which receive total director fees of USD 4,000 per annum through the administration agreement entered between the Company and Cim Fund Services Ltd.

Identification of significant risks for the Company

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Financial risk factors

The financial risk factors have been set out in note 6 of these financial statements.

Related party transactions

The related party transactions have been set out in note 11 of these financial statements.

Code of ethics, health and safety and social issues

The Company is managed under service agreements with third parties detailed in the corporate data section of these financial statements.

Environment

Due to the nature of its activities, the Company has no direct adverse impact on the environment.

Corporate social responsibility and donations

During the year, the Company has not made any donations (2015: nil).

Principal activity

The principal activity of the Company is to act as a CIS Manager.

Auditor's report

The auditor's report is set out on pages 9 and 10.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Audit fees

Audit fees excluding VAT payable to KPMG for the year amounted to USD 3,000 (2015: USD 2,500).

Appreciation

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

The directors are pleased to present their report together with the audited financial statements of Edelweiss India Capital Management for the year ended 31 March 2016.

Results

The results for the year are shown in the Statement of Profit or Loss and Other Comprehensive Income on page 12.

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their commentary, together with the audited financial statements of Edelweiss India Capital Management (previously known as Forefront India Capital Management) (the "Company") for the year ended 31 March 2016.

Results

The Company's results for the year are shown in the Statement of Profit or Loss and Other Comprehensive Income and related notes.

Directors and interests

The Board of directors of the Company comprises of the following:

- Ms Radhika Gupta
- Mr Sahjahan Ally Nauthoo
- Mr Husayn Sassa

There are no existing or proposed contracts of service between any of its directors and the Company.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Auditors

The auditors, KPMG, have expressed their willingness to continue in office until the next annual meeting.

Cim global business

FUND | CORPORATE | FIDUCIARY SERVICES

SECRETARY'S CERTIFICATE
UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Edelweiss India Capital Management, (formerly known as Forefront India Capital Management) under the Mauritius Companies Act 2001 for the financial year ended 31 March 2016.

For Cim Fund Services Ltd
Secretary

Date: 27 June 2016

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF EDELWEISS INDIA CAPITAL MANAGEMENT *(Formerly known as Forefront India Capital Management)*

Report on the financial statements

We have audited the financial statements of Edelweiss India Capital Management (formely known as Forefront India Capital Management), which comprise the statement of financial position as at 31 March 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 31.

This report is made solely to the entity's member, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the entity's member those matters that are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's member, for our audit work, for this report, or for the opinion we have formed.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards in compliance with the requirements of the Mauritius Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or errors.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 judgement, 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's consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

KPMG

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF EDELWEISS INDIA CAPITAL MANAGEMENT *(Formerly known as Forefront India Capital Management)*

Report on the financial statements (continued)

Auditor's responsibility (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Edelweiss India Capital Management (formerly known as Forefront India Capital Management) at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

Report on other legal and regulatory requirements

Mauritius Companies Act

We have no relationship with or interests in the entity other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the entity as far as it appears from our examination of those records.

KPMG

KPMG
Ebène, Mauritius

WGE Pretorius

Wayne Pretorius
Licensed by FRC

Date: **27 June 2016**

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 USD	2015 USD
NON CURRENT ASSETS			
Available for sale Investment	7	**1**	-
CURRENT ASSETS			
Prepayments and other receivables	8	**54,235**	1,161
Cash and cash equivalents		**6,632**	71,524
TOTAL CURRENT ASSETS		**60,868**	72,685
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	9	**161,324**	161,324
Accumulated losses		**(106,840)**	(108,877)
TOTAL EQUITY		**54,484**	52,447
LIABILITIES			
Accruals and other payables	10	**6,384**	20,238
TOTAL LIABILITIES		**6,384**	20,238
TOTAL EQUITY AND LIABILITIES		**60,868**	72,685

Approved by the Board of Directors on 27 June 2016 and signed on its behalf by:

....

Husayn Sassa
Director

Sahjahan Ally Nauthoo
Director

The notes on pages 15 to 31 form an integral part of these financial statements.

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 USD	2015 USD
INCOME			
Investment management fees	13	**20,802**	3,577
Incentive fees		**-**	8,655
Entry fees		**15,748**	5,000
		36,550	17,232
EXPENSES			
Fund's expenses	3 (h)	**10,277**	25,113
Licence fees		**3,750**	5,750
Accounting and administrative fees		**7,500**	7,500
Audit fees		**3,450**	2,875
MLRO fees		**1,500**	1,500
Provision of registered office		**1,000**	1,000
Secretarial fees		**1,000**	1,000
Tax filing fees		**750**	750
Professional fees		**3,300**	-
Bank charges		**999**	672
Registration fees		**291**	310
Legal fees		**-**	500
Disbursements		**696**	221
TOTAL EXPENSES		**34,513**	47,191
PROFIT/(LOSS) BEFORE TAXATION		**2,037**	(29,959)
TAXATION	4	**-**	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**2,037**	(29,959)

The notes on pages 15 to 31 form an integral part of these financial statements.

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

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

	Stated capital USD	Shareholder's loan USD	Accumulated losses USD	Total USD
At 1 April 2014	39,584	9,775	(78,918)	(29,559)
Issue of shares	111,965	-	-	111,965
Shareholder's loan capitalized	9,775	(9,775)	-	-
Total comprehensive loss for the year	-	-	(29,959)	(29,959)
At 31 March 2015	161,324	-	(108,877)	52,447
Total comprehensive profit for the year	**-**	**-**	**2,037**	**2,037**
At 31 March 2016	**161,324**	**-**	**(106,840)**	**54,484**

The notes on pages 15 to 31 form an integral part of these financial statements.

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 USD	2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAXATION	**2,037**	(29,959)
Changes in working capital:		
Prepayments and other receivables	**(53,074)**	11
Accruals and other payables	**(13,855)**	(19,528)
NET CASH USED IN OPERATING ACTIVITIES	**(64,892)**	(49,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	111,965
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	111,965
Net (decrease)/increase in cash and cash equivalents	**(64,892)**	62,489
Cash and cash equivalents at start	**71,524**	9,035
CASH AND CASH EQUIVALENTS AT 31 MARCH	**6,632**	71,524

The notes on pages 15 to 31 form an integral part of these financial statements.

EDELWEISS INDIA CAPITAL MANAGEMENT
(Formerly known as Forefront India Capital Management)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. General information

Edelweiss India Capital Management (formerly known as Forefront India Capital Management) (the "Company") was incorporated under the laws of Mauritius on 20 May 2013 as a private company limited by shares with registered address of C/o Cim Fund Services Ltd, 33, Edith Cavell Street, Port Louis, Mauritius.

The Company is licensed as a Category 1 Global Business Licence company under the Financial Services Act 2007 ('FSA 2007') and is authorised to operate as a CIS Manager under the Securities (Collective Investment Schemes and Closed-end-Funds) Regulations 2008.

The primary objective of the Company is to render investment management services to Edelweiss Alternative Equity Fund ("EAEF") on investments in growth sectors.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Company for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency

The financial statements of the Company are presented in USD and all values are rounded to the nearest dollar except when otherwise indicated. The Company's functional currency is USD, the currency of the primary economic environment in which the Company operates.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the notes where applicable.

(e) Change in accounting policies

The Company adopted the following standards and interpretations effective for the year end 31 March 2016.

2. Basis of preparation (continued)

(e) Change in accounting policies (continued)

IAS 24 Related Party Disclosures

The definition of a 'related party' is extended to include a management entity that provides key management personnel (KMP) services to the reporting entity, either directly or through a group entity.

For related party transactions that arise when KMP services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognised as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the KMP services. The reporting entity also needs to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24 – e.g. loans.

The adoption of the above standard has resulted into additional disclosures:

IFRS 13 Fair Value Measurement

Measurement of short-term receivables and payables

The IASB has clarified that, in issuing IFRS 13 and making consequential amendments to IAS 39 and IFRS 9, it did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

Scope of portfolio exception

The scope of the IFRS 13 portfolio exception – whereby entities are exempted from measuring the fair value of a group of financial assets and financial liabilities with offsetting risk positions on a net basis if certain conditions are met – has been aligned with the scope of IAS 39 and IFRS 9.

IFRS 13 has been amended to clarify that the portfolio exception potentially applies to contracts in the scope of IAS 39 and IFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under IAS 32 – e.g. certain contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument.

3. Significant accounting policies

Except for the changes mentioned in Note 2(e), the significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. Significant accounting policies (continued)

(a) Foreign currency transactions

Transactions in foreign currencies are translated into USD at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into USD at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss as net foreign exchange gain/(loss), except for those arising on financial instruments at fair value through profit or loss, which are recognised as net gain/(loss) from financial instruments at fair value through profit or loss.

(b) Financial assets and financial liabilities

(i) Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

The Company has classified financial assets and financial liabilities into the following categories:

Financial assets at amortised cost:

- Loans and receivables: cash and cash equivalents and other receivables

Financial liabilities at amortised cost:

- Other liabilities – accounts payables and accruals

Available for sale: available for sale investments

- The Company classified its equity investments as available-for-sale. Investments are initially recognised at cost, including transaction costs. Quoted investments are subsequently carried at fair values based on the quoted bid prices at the reporting date. When current bid prices are unavailable, the price of the most recent transaction is used. Gains and losses arising from changes in the fair values of investments are recognised in the fair value reserve as they arise.
- Investment transactions are recorded on a trade date basis. Realised gains and losses on investments are recognised in the statement of profit or loss and other comprehensive income. Costs of investments are determined on an average cost basis. When an investment is derecognised, the cumulative gain or loss on other comprehensive income is transferred to profit or loss.

3. Significant accounting policies (continued)

(b) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

The Company has designated certain financial assets at fair value through profit or loss when the assets are managed, evaluated and reported internally on a fair value basis.

A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market, or it is an asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

(iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

(iv) Subsequent Measurement

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

3. Significant accounting policies (continued)

(b) Financial assets and financial liabilities (continued)

(iv) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(v) Impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3. Significant accounting policies (continued)

(b) Financial assets and financial liabilities (continued)

(vi) Derecognition (continued)

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, for example, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

(viii) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Trade and other receivables

Trade and other receivables are stated at cost less impairment.

Trade and other payables

Trade and other payables are stated at cost.

(c) Taxation

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

3. Significant accounting policies (continued)

(c) Taxation (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice-versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(e) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(f) Revenue

Revenue represents amounts invoiced by the Company in respect of services provided during the period, net of discounts, taxes, returns and allowances and is recognised in the statement of comprehensive income when services are rendered.

3. Significant accounting policies (continued)

(g) Expenses

Expenses are accounted for on an accrual basis.

(h) Fund's expenses

The expenses of Edelweiss Alternative Equity Fund are being capped and any excess above the cap is being recovered from the Company as follows:

1. Set up fees at 0.5 % per annum of the net asset value of EAEF;
2. The total of administration and directors fees at 1% per annum of the net asset value of EAEF; and
3. The total of all other expenses at 0.5% per annum of the net asset value of the EAEF.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 31 March 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

The relevant Standards and Interpretations which are not yet effective and which should be disclosed for March 2016 year-ends are identified in the table below, together with the dates on which these were issued by the IASB:

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IFRS 15	*Revenue from contracts with customers*	May 2014	1 January 2018
IFRS 9	*Financial Instruments*	July 2014	1 January 2018

IFRS 15 *Revenue from contracts with customers*

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

3. Significant accounting policies (continued)

(j) New standards and interpretations not yet adopted (continued)

IFRS 15 *Revenue from contracts with customers (continued)*

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company and will provide more information in the year ending 31 March 2017 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 9 *Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement.*

This standard will have no impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

4. Taxation

The Company is subject to income tax in Mauritius under the Income Tax Act 1995 at the rate of 15%. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax on its foreign source income. A numerical reconciliation between accounting profit and the tax charge is shown below:

	2016	2015
	USD	USD
Tax expense	**-**	-

Reconciliation of effective tax	**2016 USD**	2015 USD
Profit/(loss) before taxation	**2,037**	(29,959)
Tax loss brought forward	**(86,101)**	(56,142)
Tax loss carried forward	**(84,064)**	(86,101)
Income tax @ 15%	**306**	(4,494)
Deferred tax asset not recognised	**-**	4,494
Tax loss utilised	**(306)**	-
At 31 March	**-**	-

The Company has total accumulated tax losses of **USD 84,064** (2015: USD 86,101). No deferred tax asset has been recognised in respect of accumulated tax losses as the amount is not material.

5. Critical accounting estimates and judgements

The Company makes estimates and judgments that affect the reported amounts of assets and liabilities within the next year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

6. Financial risk management

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other control. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes other price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds.

6. Financial risk management (continued)

Risk management structure

The Board of directors is ultimately responsible for the overall risk management approach within the Company.

Risk measurement and reporting system

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The model makes use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of directors. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept. In addition, the Company monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risks management philosophy.

The Company may use derivatives and other instruments for trading purposes and in connection with its risk management activities.

a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market such as interest rates, foreign exchange rates and equity prices. The Company has limited exposure to market risk.

(i) Currency risk

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). For the purpose of the financial statements, the results and financial position of the Company is expressed in USD, which is the functional currency of the Company and the presentation currency for the financial statements.

All of the Company's financial assets and liabilities are denominated in USD. Therefore, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. All of the cash at bank are non-interest bearing and the Company has no other interest bearing assets. The Company is not exposed to any interest rate risk.

6. Financial risk management (continued)

b) *Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2016	2015
	USD	USD
Cash and cash equivalents	**6,632**	71,524
Receivable from Forefront Capital Management Private Limited	**1**	1
Receivable from Edelweiss India Opportunities Fund	**25,400**	-
Receivable from Edelweiss Alternative Equity Fund	**27,700**	
	59,733	71,525

Amounts in the above table are based on the carrying value of all accounts and represents the maximum credit exposure at 31 March 2016.

The Company's policy is to maintain cash balances with a reputable banking institution. As at 31 March 2016, all cash balances were placed with The State Bank of Mauritius Limited which is a known reputable banking institution.

None of the financial assets are considered to be past due or impaired. At the end of the reporting date, the Company is exposed to concentration of risk since it receives investment management fees from the only fund it managed.

c) *Liquidity risk*

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's liquidity risk is managed on a daily basis in accordance with policies and procedures in place.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	No stated maturity	**Less than 1 year**	**Total**
	USD	**USD**	**USD**
At 31 March 2016			
Accruals and other payables	-	**6,384**	**6,384**

	No stated maturity	Less than 1 year	Total
	USD	USD	USD
At 31 March 2015			
Accruals and other payables	-	20,238	20,238

6. Financial risk management (continued)

d) Financial instruments by category

	Loan and receivables USD	**Financial Assets at fair value through profit or loss USD**	**Other financial liabilities USD**	**Total USD**
31 March 2016				
Financial assets				
Cash and cash equivalents	**6,632**	**-**	**-**	**6,632**
Receivable from Forefront Capital Management Private Limited	**1**	**-**	**-**	**1**
Receivable from Edelweiss India Opportunities Fund	**25,400**	**-**	**-**	**25,400**
Receivable from Edelweiss Alternative Equity Fund	**27,700**	**-**	**-**	**27,700**
Available for sale investment	**-**	**1**	**-**	**1**
Total	**59,733**	**-**	**-**	**59,734**
Financial liabilities				
Accruals and other payables	**-**	**-**	**6,384**	**6,384**
Total	**-**	**-**	**6,384**	**6,384**

	Loan and receivables USD	Financial Assets at fair value through profit or loss USD	Other financial liabilities USD	Total USD
31 March 2015				
Financial assets				
Cash and cash equivalents	71,524	-	-	71,524
Receivable from Forefront Capital Management Private Limited	1	-	-	1
Total	71,525	-	-	71,525
Financial liabilities				
Accruals and other payables	-	-	20,238	20,238
Total	-	-	20,238	20,238

e) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 of the financial statements.

f) Fair value

Except where stated elsewhere, the carrying amounts of the Company's financial assets and liabilities approximate their fair values due to the short term nature of the balances involved. Accordingly, fair value hierarchy is not disclosed.

7. Available for sale investment

The Company has an investment of USD 0.01 as at 31 March 2016 in Edelweiss Alternative Equity Fund. The cost of the investment has been determined to be the fair value as at 31 March 2016. The fair value falls under level 3 fair value hierarchy.

8. Prepayments and other receivables

	2016	2015
	USD	USD
Prepayments	**1,134**	1,160
Other receivables (Note 11 (a))	**1**	1
Amount receivable from Edelweiss Alternative Equity Fund (Note 11 (b))	**27,700**	-
Amount receivable from Edelweiss India Opportunities Fund	**25,400**	-
	54,235	1,161

9. Stated capital

	2016	2015
	USD	USD
Ordinary shares of USD 1 each		
Balance as at 31 March	**161,324**	111,324

Ordinary shares have been issued at par value of USD 1. The ordinary share confer on its holder –

(i) the right to one vote on a poll at a meeting of the Company on any resolution;

(ii) the right to an equal share in dividends authorised by the Board; and

(iii) the right to an equal share in the distribution of the surplus assets of the Company.

	2016	2015
	USD	USD
Participating shares of USD 1 each		
Balance as at 31 March	**50,000**	50,000

Participating shares have been issued at par value of USD 1. The participating share confer on its holder –

(i) no voting rights at the meeting of shareholders;

(ii) preferential rights to dividend before payment of any dividend to the Ordinary Shares;

(iii) the right to a dividend of 1% of the capital contributed per annum, provided that the Company is solvent and the Board of the Company approves the dividend payment;

(iv) the right to redemption at par value at the option of the Company.

10. Accruals and other payables

	2016	2015
	USD	USD
Payable to Edelweiss Alternative Equity Fund	**1**	14,427
Audit fees	**3,450**	2,875
Director fees	**1,000**	1,000
Accounting fees	**875**	875
MLRO fees	**375**	375
Secretarial fees	**250**	250
Provision of registered office	**250**	250
Tax filing fees	**183**	186
	6,384	20,238

11. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or if both parties are under the control of a common entity or entities.

During the year ended 31 March 2016, the Company had transacted with related parties. The nature, volume of transactions and the balances as at 31 March 2016 with the parties are as follows:

(a) Receivable from Forefront Capital Management Private Limited

	2016	2015
	USD	USD
At 1 April	**1**	1
At 31 March	**1**	1

The amount receivable from Forefront Capital Management Private Limited, the ordinary shareholder of the Company, is unsecured, interest free and has no fixed terms of repayments.

(b) (Receivable)/ Payable from/to Edelweiss Alternative Equity Fund

	2016	2015
	USD	USD
At 1 April	**14,427**	32,312
Fund's Expenses	**10,277**	25,113
Loan to Edelweiss Alternative Equity Fund	**(31,602)**	(31,375)
Incentive fee	**-**	(8,655)
Investment Management fees	**(20,802)**	(2,968)
Payable to Edelweiss Alternative Equity Fund	**1**	-
At 31 March	**(27,699)**	14,427

The amount receivable from/payable to Edelweiss Alternative Equity Fund is unsecured, interest free and has no fixed terms of repayments.

11. Related party transactions (continued)

(c) Receivable from Edelweiss India Opportunities Fund

	2016	2015
	USD	USD
At 1 April	**-**	-
Expense paid on behalf of Edelweiss India Opportunities Fund	**25,400**	-
At 31 March	**25,400**	-

The amount receivable from Edelweiss India Opportunities Fund, a sister company, is unsecured, interest free and has no fixed terms of repayments.

(d) Investment management fees from Edelweiss Alternative Equity Fund

	2016	2015
	USD	USD
At 1 April	**-**	(609)
Investment Management fees for the year	**20,802**	3,577
Offset against payable	**(20,802)**	(2,968)
At 31 March	**-**	-

According to the Investment Management Agreement and the Private Placement Memorandum of Edelweiss Alternative Equity Fund (the "Fund"), the company is entitled to receive an annual management fees equal to 1% of the Net Asset Value of the Fund.

(e) Payable to Forefront Capital Management Private Limited

	2016	2015
	USD	USD
At 1 April	**-**	1,032
Advance transferred to Edelweiss Alternative Equity Fund	**-**	(1,032)
At 31 March	**-**	-

During the year, the payable to Forefront Capital Management Private Limited was transferred to the Fund, such that the amount of USD 1,032 was owed to Forefront Capital Management Private Limited by the Fund.

(f) Investment from EC Global Limited

The Company did not receive any new subscription during the year ended 31 March 2016 (31 March 2015: USD 50,000) from EC Global Limited, a subsidiary of Edelweiss Financial Services Limited which is also the ultimate holding company of the Company.

11. Related party transactions (continued)

(g) Administrator fee

Cim Fund Services Ltd has been appointed to provide administrative services to the Company in Mauritius and is entitled to an administrative fee of USD 11,752 per annum exclusive of disbursements (2015: USD 11,752).

12. Capital management

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. The Board meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, gap profitability and market movements such as changes in foreign exchange rates and interest rates.

The Company, as a holder of a CIS Manager license issued by the Financial Services Commission, is required under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the "Regulations") to maintain an unimpaired stated capital of at least Mauritian Rupees 1 million or an equivalent amount.

13. Investment Management fees

The Company has entered into Investment Management Agreements. Under the Investment Management Agreements the Investment Manager is entitled to be paid for its services an annual fee of 1% of the net asset value of the fund. Management fees are follows:

	2016	2015
	USD	USD
Investment Management fees	**20,802**	3,577

14. Events after the reporting date

On 12 May 2016, the board of directors approved an issue of 200,000 preference shares of a consideration of USD 200,000 to EC Global Limited, the sole holder of preference shares.

Other than the above mentioned event, there were no material events after the reporting date which requires adjustments to the financial statements for the year ended 31 March 2016.

15. Holding and ultimate holding company

The ultimate holding company of Edelweiss India Capital Management is Edelweiss Financial Services Limited.