

Edel Finance Company Limited

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

Edel Finance Company Limited

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G. K. Choksi & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To,
The Members,
EDEL FINANCE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **EDEL FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



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Opinion


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us :
 - (i) The Company does not have any pending litigations.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.- Refer notes 2.44 to the financial statements.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants


J.D. Patel
Partner

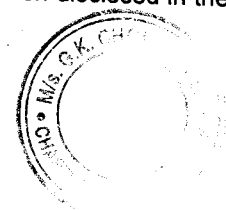
Mem. No. 032780

Place : *Ahmedabad*
Date : 8th May, 2017



Annexure - A referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of Company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property and accordingly clause 3 (i)(c) of the order is not applicable on the Company.
- (ii) The Company does not hold any inventory as at the end of the year. Accordingly, the clauses 3(ii)(a) to (c) of the order are not applicable.
- (iii) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, wherever applicable, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) Maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the class of companies to which the Company belongs.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2016 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2017.
- (viii) According to the information and explanations given to us, the Company does not have any loans and borrowings from financial institutions, banks, government or dues to debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the Company has also not raised money by way of term loans during the year under review.
- (x) According to the information and explanations given to us, no fraud by Company or any fraud on the Company by its officers and employees have been noted or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants


J. D. Patel
Partner

Mem. No. 032780

Place : *Ahmedabad*
Date : 8th May, 2017



Annexure - B to the Independent Auditors' Report of even date on the standalone Financial Statements of Edel Finance Company Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **EDEL FINANCE COMPANY LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

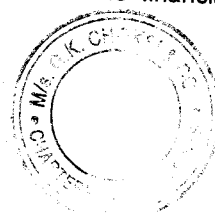
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants


J. B. Patel
Partner

Mem. No. 032780

Place : *Ahmedabad*
Date : 8th May, 2017



Edel Finance Company Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	34,000,000	34,000,000
(b) Reserves and surplus	2.2	20,794,019	19,690,082
		<u>54,794,019</u>	<u>53,690,082</u>
(2) Non-current liabilities			
(a) Deferred tax liabilities (Net)	2.9	146,452	-
(b) Long-term provisions	2.3	4,000	39,000
(3) Current liabilities			
(a) Short-term borrowings	2.4	-	9,991,779
(b) Trade payables			
i) Dues of Micro, Small and Medium enterprises	2.31	-	-
ii) Dues Other than Micro, Small and Medium enterprises	2.5	405,351	1,132,117
(c) Other current liabilities	2.6	215,722	2,343,074
(d) Short-term provisions	2.7	3,000	137,520
TOTAL		<u>55,568,544</u>	<u>67,333,572</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	2.8	1,031,500	1,705,180
(b) Deferred tax assets (net)	2.9	-	6,305
(c) Long-term loans and advances	2.10	1,642,818	13,850,370
(d) Other non current assets	2.11	298,694	305,442
		<u>2,973,012</u>	<u>15,867,297</u>
(2) Current assets			
(a) Trade receivables	2.12	5,195,073	15,270
(b) Cash and bank balances	2.13	40,927,482	1,235,876
(c) Short-term loans and advances	2.14	6,324,718	49,611,533
(d) Other current assets	2.15	148,259	603,596
		<u>52,595,532</u>	<u>51,466,275</u>
TOTAL		<u>55,568,544</u>	<u>67,333,572</u>

Significant accounting policies and notes to financial statements

1 & 2

As per our report of even date attached.

For G. K. Choksi & Co.

Chartered Accountants

Firm's Registration No. 101895W


For and on behalf of the Board of Directors

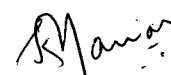

J. D. Patel
Partner

Membership No: 032780

Ahmedabad

8 May 2017


S. Ranganathan
Director
DIN : 00125493
Mumbai
8 May 2017


Kalpana Maniar
Director
DIN : 00719180



Edel Finance Company Limited

Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Revenue from operations			
Income from treasury operations and investments	2.16	-	(159,924)
Interest income	2.17	3,108,532	1,359,777
Other operating revenue	2.18	1,313,405	1,315,867
II. Other income	2.19	2,153,304	909,919
III. Total Revenue		6,575,241	3,425,639
IV. Expenses			
Employee benefit expenses	2.20	1,679,606	6,126,394
Finance costs	2.21	1,042,396	1,521,711
Depreciation and amortization expenses	2.8	673,680	1,078,457
Other expenses	2.22	1,922,865	5,183,040
Total Expenses		5,318,547	13,909,602
V. Profit / (Loss) before tax		1,256,694	(10,483,963)
VI Tax expense:			
(1) Income tax		49,778	4,097,395
(2) MAT credit entitlement		(49,778)	(251,355)
(3) Deferred tax charge		152,757	429,217
VII Profit / (Loss) for the year		1,103,937	(14,759,220)
VIII Earnings per equity share:			
Basic and diluted earnings per share (Rs.) (Face value of Rs. 100 each)	2.24	3.25	(361.57)


Significant accounting policies and notes to financial statements

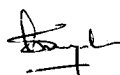
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As per our Limited Review Report of even date attached.

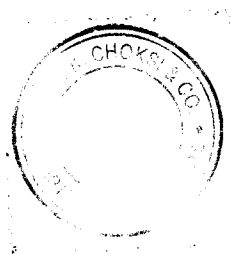
For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895W

For and on behalf of the Board of Directors


J. D. Patel
Partner
Membership No: 032780
Ahmedabad
8 May 2017


S. Ranganathan
Director
DIN : 00125493
Mumbai
8 May 2017


Kalpana Maniar
Director
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Edel Finance Company Limited

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		
Profit before taxation	1,256,694	(10,483,963)
Adjustments for		
Depreciation	673,680	1,078,457
Provision for compensated absences	(50,000)	19,000
Bad- debts and advances written off	-	197,416
Provision on standard assets	(119,520)	44,756
Operating cash flow before working capital changes	1,760,854	(9,144,334)
Decrease/ (Increase) in receivables from financing business	37,340,092	(10,721,610)
Increase in trade receivables	(5,179,803)	(15,270)
Decrease in loans and advances	17,877,994	78,598
Increase in other assets	(30,037,915)	(659,038)
Decrease in liabilities and provisions	(2,854,118)	(4,456,180)
Cash generated from / used in operations	18,907,104	(24,917,834)
Income taxes paid	(276,281)	(325,985)
Net cash generated from / used in operating activities - A	19,183,385	(24,591,849)
B Cash flow from investing activities		
Purchase of fixed assets	-	(7,900)
Net cash used in investing activities - B	-	(7,900)
C Cash flow from financing activities		
Proceeds from issue of Equity Shares	-	30,000,000
Proceeds from unsecured loan (Refer Note below)	(9,991,779)	(11,979,378)
Net cash (used in) / generated from financing activities - C	(9,991,779)	18,020,622
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	9,191,606	(6,579,127)
Cash and cash equivalent as at the beginning of the year	1,235,876	7,815,003
Cash and cash equivalent as at the end of the year (Refer note 2.13)	10,427,482	1,235,876

Note:

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's Registration No. 101895W

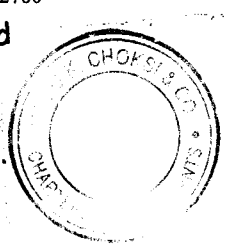
For and on behalf of the Board of Directors

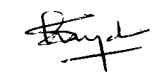

J. D. Patel
Partner

Membership No: 032780


Ahmedabad

8 May 2017




S. Ranganathan
Director
DIN : 00125493

Mumbai
8 May 2017


Kalpana Maniar
Director
DIN : 00719180

Edel Finance Company Limited

Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements are presented in Indian rupees.

The Company being a NBFC registered with RBI follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the 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 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 recognized prospectively in current and future periods.

1.3 Current and Non-current classification

All assets and liabilities are classified into current and non-current *Assets*

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- 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 used to settle a liability for at least 12 months after the reporting date.
- Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;



Edel Finance Company Limited

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

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.3 *Current and Non-current classification (Continued)*

- 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, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

1.4 *Revenue recognition*

- (i) Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation, as per RBI guidelines.
- (ii) Processing and other fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- (iii) Income from treasury operations comprises of profit/loss on sale of commodity and currency derivative instruments.
 - i) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

1.5 *Fixed assets and depreciation*

Tangible fixed assets

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.

Depreciation is provided on a written down value basis from the date the asset is ready to 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 useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:



Edel Finance Company Limited

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

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

Fixed assets and depreciation (Continued)

Nature of assets	Useful Life
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - 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 earlier.

1.6 *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 and National pension scheme

The Company contributes to a recognized provident fund and national pension scheme 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 benefit 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. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

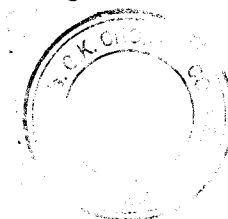
The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of funded gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

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

Compensated Absences

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



Edel Finance Company Limited

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

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.7 *Taxation*

Tax expense comprises income 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).

Income tax

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

Deferred taxation

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

1.8 *Earnings per share*

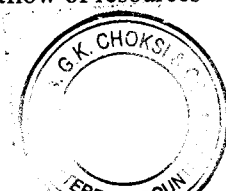
The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - "Earnings Per Share" notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.9 *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.



Edel Finance Company Limited

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

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.9 Provisions and contingencies (Continued)

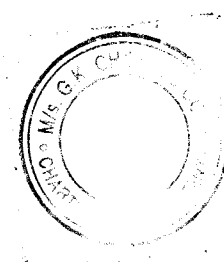
Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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.

1.10 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by the Reserve Bank of India.

Provisions against standard assets are made on the basis of prudential norms prescribed by the Reserve Bank of India.



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
Authorised:		
500,000 (Previous year: 5,00,000) Equity Shares of Rs. 100 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up:		
340,000 (Previous year: 340,000) Equity Shares of Rs. 100 each, fully paid-up	<u>34,000,000</u>	<u>34,000,000</u>
	<u>34,000,000</u>	<u>34,000,000</u>

(All the above Equity Shares of Rs. 100 each are held by Edelweiss Broking Limited, the Holding Company and its nominees)

Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
Equity Shares of Rs. 100 each fully paid	340,000	100	340,000	100
Edelweiss Broking Limited*	<u>340,000</u>	<u>100</u>	<u>340,000</u>	<u>100</u>

* including 6 shares held by Nominees of Edelweiss Broking Limited

a. Reconciliation of number of shares outstanding:

Number of shares outstanding at the beginning	340,000	40,000
Shares issued during the year	-	300,000
Number of shares at the end	<u>340,000</u>	<u>340,000</u>

b. Reconciliation of Share Capital:

Share Capital at the beginning of the year	34,000,000	4,000,000
Share Capital issued during the year	-	30,000,000
Share Capital at the end of the year	<u>34,000,000</u>	<u>34,000,000</u>

c. Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs 100 each. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders

2.2 Reserves and surplus

Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India - Opening balance	8,791,903	8,791,903
Add : Additions during the year	<u>220,787</u>	<u>-</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India	<u>9,012,690</u>	<u>8,791,903</u>
Surplus in statement of Profit and loss		
Opening Balance in Statement of Profit and Loss	10,898,179	25,657,399
Add: Profit / (Loss) for the year	<u>1,103,937</u>	<u>(14,759,220)</u>
Amount available for appropriation	<u>12,002,116</u>	<u>10,898,179</u>
Appropriations:		
Transfer to Special Reserve under Section 45-IC of the Reserve	<u>220,787</u>	<u>-</u>
Closing Balance in Statement of Profit and Loss	<u>11,781,329</u>	<u>10,898,179</u>
	<u>20,794,019</u>	<u>19,690,082</u>



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

31 March 2017 31 March 2016

2.3 Long-term provisions

Provision for employee benefits
Compensated absense

4,000 39,000

4,000 39,000

2.4 Short-term borrowings

Unsecured

Loans and advances from related parties
(repayable on demand at variable rate of interest)

- 9,991,779

- 9,991,779

2.5 Trade payables

Payable to :

Others

(includes sundry creditors, provision for expenses, customer payables)

405,351 1,132,117

405,351 1,132,117

2.6 Other current liabilities

Interest accrued and due on borrowings
Income received in advance

- 28,621
110,784 109,553

Other payables

Accrued salaries and benefits

Withholding taxes, service tax and other statutory dues payable

- 1,808,846
104,938 396,054

215,722 2,343,074

2.7 Short-term provisions

Provision for employee benefits
Compensated absense

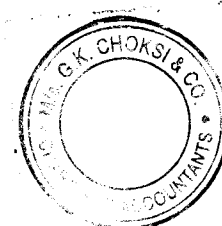
3,000 18,000

Others

Provision for standard assets

- 119,520

3,000 137,520



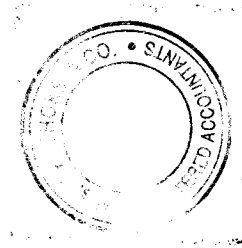
Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2016	Additions during the year	Deductions during the year/ Adjustment	As at 31 Mar 2017	As at 1 April 2016	Additions during the year	As at 31 Mar 2017	As at 31 March 2016
Tangible assets								
Office equipment	18,565	-	-	18,565	7,663	4,913	12,576	5,989
Computers	5,014,781	-	-	5,014,781	3,320,503	668,767	3,989,270	1,694,278
Total :	5,033,346	-	-	5,033,346	3,328,166	673,680	4,001,846	1,705,180
Previous Year	5,078,446	7,900	53,000	5,033,346	2,249,709	1,078,457	3,328,166	1,705,180



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	31 March 2017	31 March 2016
2.9 Deferred taxes (net)		
Deferred tax assets		
Disallowances under section 43B of the Income Tax Act, 1961	94,459	336,912
Provision for standard assets / non performing assets	-	39,517
Accumulated Losses	-	2,987
	<u>94,459</u>	<u>379,416</u>
Deferred tax liabilities		
Difference between book and tax depreciation	240,911	373,111
	<u>240,911</u>	<u>373,111</u>
Deferred tax assets (net)	-	6,305
Deferred tax liabilities (net)	<u>(146,452)</u>	<u>-</u>
2.10 Long-term loans and advances		
<u>Secured</u>		
Deposits	25,000	25,000
Advance income taxes	1,617,818	13,825,370
(net of provision for taxation of Rs. 11,507,465 [Previous year : 11,819,967])		
	<u>1,642,818</u>	<u>13,850,370</u>
2.11 Other non-current assets		
Contribution to Gratuity fund (net)	298,694	305,442
	<u>298,694</u>	<u>305,442</u>
2.12 Trade Receivables		
Other debts		
Unsecured, considered good (refer note 2.26)	5,195,073	15,270
	<u>5,195,073</u>	<u>15,270</u>
2.13 Cash and bank balances		
Balances with banks		
- in Current accounts	1,627,482	1,235,876
- in fixed deposits with maturity less than 3 months	8,800,000	-
	<u>10,427,482</u>	<u>1,235,876</u>
Other Bank Balances		
- in fixed deposits with maturity more than 3 months but less than 12 months	30,500,000	-
	<u>40,927,482</u>	<u>1,235,876</u>



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

31 March 2017

31 March 2016

2.14 Short-term loans and advances

Secured

Receivable from financing business
- considered good

- 340,092

- 340,092

Unsecured

(Considered good, unless stated otherwise)

Receivable from financing business
- considered good

- 32,000,000

Loans and advances to related parties

- 5,000,000

Other loans and advances

Advances to others

- 2,500,000

Prepaid expenses

17,991 34,655

Vendor Advances

19,320 15,000

Input tax credits

2,624,888 3,033,136

Advance income taxes

276,276 3,353,185

(net of provision for taxation of Rs. 49,778 (Previous year: Nil))

MAT credit entitlement

3,385,243 3,335,465

Advances recoverable in cash or in kind or for value to be received

1,000 -

6,324,718 49,271,441

6,324,718 49,611,533

2.15 Other current assets

Accrued interest on fixed deposits

148,259 -

Accrued interest on loans given

- 10,113

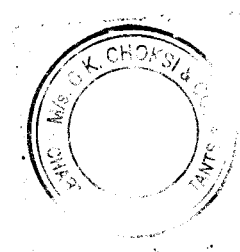
Accrued interest on margin

- 234

Margin placed with broker

- 593,249

148,259 603,596

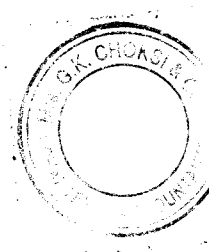


Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	31 March 2017	31 March 2016
2.16 Income from treasury operations and investments		
Profit / (loss) on trading in Commodity derivative instruments (net)	-	(8,948,881)
Profit/ (loss) on trading in currency derivative instruments (net)	-	8,788,957
	<u>-</u>	<u>(159,924)</u>
2.17 Interest Income		
On loan	1,940,686	948,242
On Fixed Deposits (for finance company)	1,037,677	-
On Margin with Brokers (for finance company)	2,613	91,443
On Others (for finance company)	127,556	320,092
	<u>3,108,532</u>	<u>1,359,777</u>
2.18 Other operating revenue		
Lease Rental Income	1,313,405	1,315,867
	<u>1,313,405</u>	<u>1,315,867</u>
2.19 Other income		
Miscellaneous income	-	846,111
Interest income - others	2,153,304	63,808
	<u>2,153,304</u>	<u>909,919</u>



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	31 March 2017	31 March 2016
2.20 Employee benefit expenses		
Salaries and wages	1,081,562	6,017,173
Contribution to provident and other funds (refer note 2.25)	530,205	7,424
Staff welfare expenses	67,839	101,797
	1,679,606	6,126,394
2.21 Finance costs		
Interest on loan from holding company	249,918	1,352,384
Interest on loan from fellow subsidiaries	582,277	26,236
Interest - others	202,718	128,041
Financial and bank charges	7,483	15,050
	1,042,396	1,521,711
2.22 Other expenses		
Auditors' remuneration (Refer note 2.27)	165,000	165,000
Bad- debts and advances written off	-	197,416
Communication	115,395	96,389
Computer expenses	3,645	4,104
Clearing & custodian charges	1,125	18,555
Directors' sitting fees	180,000	130,000
Electricity charges (Refer note 2.29)	171,832	193,414
Foreign exchange loss (net)	-	58,270
Legal and professional fees	458,356	320,818
Membership and subscription	-	1,937,016
Office expenses	948	-
Printing and stationery	7,748	89
Provision for standard assets	(119,520)	44,756
Rates and taxes	5,895	9,500
Rent (Refer note 2.29)	714,261	737,038
ROC Expenses	(89,000)	470,000
Service tax expenses	233,338	322,831
Stamp duty	-	385,354
Stock exchange expenses	-	1,717
Travelling and conveyance	73,842	90,773
	1,922,865	5,183,040



Edel Finance Company Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2017
(Currency: Indian rupees)

2.23 Contingent liabilities and commitments

(a) Contingent liabilities

Taxation matters in respect of which appeal is pending - Nil (Previous year : Rs Nil)

(b) Capital Commitments

The company has no capital commitments as at the balance sheet date (Previous year : Rs Nil)

2.24 Earnings per share

In accordance with Accounting Standard 20 on earnings per shares as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars	2017	2016
a) Shareholders earnings (as per statement of profit and loss)	1,103,937	(14,759,220)
b) Calculation of weighted average number of Equity Shares of Re 1 each:		
- Number of equity shares outstanding at the beginning of the year	340,000	40,000
- Number of equity shares issued during the year	-	300,000
Total number of equity shares outstanding at the end of the year	340,000	340,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	340,000	40,820
Basic and diluted earnings per share (in Rupees) (a/b)	3.25	(361.57)

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end

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

A) Defined contribution plan (Provident fund):

Amount of Rs. 213,599 (previous year: Rs.312,602) is recognised as expenses and included in "Employee benefit expenses" - Note 2.20 in the statement of profit and loss

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net employee benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Statement of profit and loss

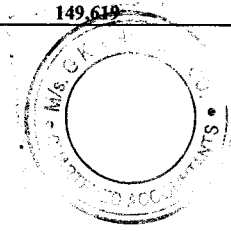
Net employee benefit expenses (recognized in employee cost in the statement of profit and loss)

	2017	2016
Current service cost	35,000	81,092
Interest on defined benefit obligation	24,000	13,366
Expected return on plan assets	(121,000)	(120,605)
Effect of the limit in paragraph 59b	438,458	(413,405)
Net actuarial losses/(gains) recognized in the year	(60,212)	135,163
Total included in 'Employee Benefit Expenses' in the statement of profit and loss	316,246	(305,442)

Balance Sheet

Changes in the present value of the defined benefit obligation are as follows:

	2017	2016
Liability at the beginning of the year	369,458	171,000
Transfer (out)/in	(47,000)	-
Interest cost	24,000	13,366
Current service cost	35,000	81,092
Benefits paid	(262,500)	-
Actuarial (gain)/loss:	30,661	104,000
Liability at the end of the year	149,619	369,458



Edel Finance Company Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2017
(Currency: Indian rupees)

2.25 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits (Continued)

Changes in the Fair Value of Plan Assets are as follows:

	2017	2016
Fair value of plan assets at the Beginning of the year	1,635,442	1,546,000
Expected Return on Plan Asset	121,000	120,605
Employers Contributions	263,000	-
Benefits paid	(263,000)	-
Actuarial gain/(loss):	90,873	(31,163)
Fair value of plan assets at the end of the year	1,847,315	1,635,442

Percentage of each category of plan assets to total fair value of plan assets at the year end

	2017	2016
Insurer Managed Funds (Traditional)	15%	16%
Insurer Managed Funds (Unit-linked)	85%	84%
Cash & Bank	0%	0%

Reconciliation of the present value of defined benefit obligation and the fair value of assets

Particulars	2017	2016
Present value of funded obligation as at the year end	149,619	369,458
Fair value of plan assets as at the end of the year	1,847,315	1,635,442
Funded (asset)/liability recognized in Balance Sheet - (Assets)/Liability	(1,697,696)	(1,265,984)

Amount recognised in the balance sheet

Particulars	2017	2016
Liability as at the end of the year	149,619	369,458
Fair value of plan assets as at the end of the year	1,847,315	1,635,442
Net asset recognised in the balance sheet	(1,697,696)	(1,265,984)
Less: Amount not recognized as asset [Effect of the limit in paragraph 59(b)]	1,399,002	960,542
(Asset)/ liability recognised in the balance sheet	(298,694)	(305,442)

Experience Adjustment :

Particulars	2017	2016
Defined benefit obligation	149,619	369,458
Fair value of plan assets	1,847,315	1,635,442
Surplus	1,399,002	960,542
On Plan Liabilities: (Gain)/ Loss	28,217	99,439
On Plan Assets: Gain/ (Loss)	84,292	(34,255)

Principle actuarial assumptions at the balance sheet date:

	2016	2015
Discount rate current	6.60%	7.40%
Expected return on plan assets	7.40%	7.80%
Salary escalation current	7%	7%
Employees attrition rate	13%-60%	13%-60%



Edel Finance Company Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2017
(Currency: Indian rupees)

2.26 Disclosure of Related parties as required under AS 18- "Related Party Disclosures"

i. List of related parties and relationship:

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited - Ultimate Holding company Edelweiss Broking Limited - Holding Company
Fellow Subsidiaries (with whom transactions have taken place during the year)	Edelweiss Securities Limited Edelweiss Tokio life Insurance Company Limited Edelweiss Web Services Limited Edelweiss Broking Limited Edelweiss Commodities Services Limited ECL Finance Limited

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2017	2016
1	<u>Current account transactions</u>			
	Short term loans taken from (refer note)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	751,152 18,208,837	47,416,687 -
	Short term loans repaid to (refer note)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	10,742,931 18,208,837	58,896,065 500,000
	Loan given to (refer note)	Edelweiss Commodities Services Limited	-	5,000,000
	Margin Placed with	Edelweiss Securities Limited	-	68,955,091
	Margin refund received from	Edelweiss Securities Limited	593,249	68,361,842
	Interest income on finance lease from	Edelweiss Securities Limited	2,556	70,092
	Lease Rental income from	Edelweiss Tokio Life Insurance Company Limited	1,313,405	1,315,867
	Interest Income From Margin with broker	Edelweiss Securities Limited	2,613	91,443
	Interest Income on Loan given	Edelweiss Commodities Services Limited	213,424	1,400
	Interest paid on loan to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	249,918 582,277	1,352,384 26,236
	Electricity expenses paid to	Edelweiss Commodities Services Limited	171,832	193,414
	Insurance expenses paid to	Edelweiss Financial Services Limited	35,554	39,415
	Rent paid to	Edelweiss Commodities Services Limited	714,261	737,038
	Processing Fees paid to	Edelweiss Web Services Limited	5,480	8,710
	Business Service Charges	Edelweiss Web Services Limited	5,508	-
	Nomination deposits repaid	Edelweiss Broking Limited	-	200,000



Edel Finance Company Limited
Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.26 Disclosure of Related parties as required under AS 18- "Related Party Disclosures" (Continued)

Sr. No.	Nature of Transaction	Related Party Name	2017	2016
<u>Balances with related parties</u>				
	Short term loans taken from	Edelweiss Financial Services Limited	-	9,991,779
	Trade Payables to	Edelweiss Commodities Services Limited	-	-
		Edelweiss Web Services Limited	58,537	9,102
		Edelweiss Financial Services Limited	719	719
	Lease Rental income received in advance from	Edelweiss Tokio Life Insurance Company Limited	110,784	109,553
	Interest expense accrued on loan taken from	Edelweiss Financial Services Limited	-	28,622
	Interest Accrued & due - Margin	Edelweiss Securities Limited	-	234
	Trade receivables from	Edelweiss Securities Limited	-	15,271
		ECL Finance Limited	5,195,073	-
	Short term loans given to	Edelweiss Securities Limited	-	340,092
		Edelweiss Commodities Services Limited	-	5,000,000
	Margin placed with broker	Edelweiss Securities Limited	-	593,249

Note : The intra group loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

2.27 Auditors' remuneration

Particulars	As at 31 March 2017	As at 31 March 2016
As auditors	165,000	165,000
	165,000	165,000

2.28 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency :

Particulars	As at 31 March 2017	As at 31 March 2016
Membership & Subscription (including foreign exchange loss)	-	2,628,430
	-	2,628,430

2.29 Cost sharing

Edelweiss Commodities Services Limited, the fellow subsidiary company, incurs expenditure towards rent & utilities which is for the common benefit of itself & other fellow subsidiaries including Edel Finance Company Limited. This cost so expended is reimbursed by Edel Finance Company Limited. Accordingly, and as identified appropriately, the expenditure heads in Note 2.22 are factored with these reimbursements.

2.30 Segment reporting

The Company is registered with the Reserve Bank of India as a Non Banking Financial Company was engaged in the business of corporate lending and financing against security of shares, stocks, bonds, debentures or other similar instruments on short, medium and long term basis. Accordingly, the Company was mainly engaged in one business segment and there are no other reportable business segments within the meaning of Accounting Standard 17 – Segment Reporting.



Edel Finance Company Limited
Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.31 Details of dues to micro, small and medium enterprises

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

2.32 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2017)

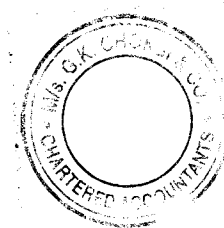
Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2017	2016	2017	2016
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)*				
(i) Secured	-	-	-	-
(ii) Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans			-	-
(i) Demand Loan			-	-
- Edelweiss Financial Services Limited, Holding subsidiary Company	-	10,020,400	-	-

* Please see Note 1 below

Assets side:

	Amount Outstanding	
	2017	2016
2) Break up of Loans and Advances including bills receivables		
(other than those included in (3) below)		
a) Secured	-	340,092
b) Unsecured	-	39,500,000
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-



Edel Finance Company Limited
Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.32 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2017) - Continued

	Amount Outstanding	
	2017	2016
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-
4) Break up of Investments (Continued)		
Long-Term Investments (Net of Provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above

As at 31 March 2017

Particulars	Amount net of provisions		Total
	Secured 2017	Unsecured 2017	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
TOTAL	-	-	-

As at 31 March 2016

Particulars	Amount net of provisions		Total
	Secured 2016	Unsecured 2016	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	340,092	5,000,000	5,340,092
(c) Other related parties	-	-	-
2. Other than related parties	-	34,500,000	34,500,000
TOTAL	340,092	39,500,000	39,840,092



Edel Finance Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.32 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2017) - Continued

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2017	2016	2017	2016
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2) Other than related parties	-	-	-	-
TOTAL	-	-	-	-

** As per Accounting Standard 18 - Related Party Disclosures

7) Other Information

Particulars	2017	2016
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

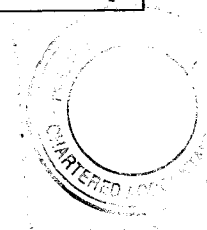
Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

2.33 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets

	2017	2016
i) Net NPAs to Net advances (%)	-	-
ii) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-



Edel Finance Company Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2017
(Currency: Indian rupees)

2.40 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	2017	2016
Sanjay Shah	Sitting fees	100,000	65,000
Mitul Shah	Sitting fees	80,000	65,000

2.41 Exposure to Capital Market

	2017	2016
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
advances against shares / bonds / debentures or other securities or on clean basis to	-	-
ii) individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	340,092
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	340,092

2.42 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in	2017	2016
i) Provisions for depreciation on Investment	-	-
ii) Provision towards NPA	-	-
iii) Provision made towards Income tax	49,778	4,097,395
iv) Provision for Standard Assets	(119,520)	44,756
v) Other Provision and Contingencies	-	-



Edel Finance Company Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2017
(Currency: Indian rupees)

2.43 Concentration of Deposits, Advances, Exposures and NPAs

	2017	2016
A) Concentration of Advances		
Total Advances to twenty largest borrowers	-	39,840,092
% of Advances to twenty largest borrowers to Total Advances	-	100%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	-	39,840,092
% of Exposures to twenty largest borrowers / Customers to Total Advances	-	100%

2.44 Disclosure on Specified Bank notes (SBNs) pursuant to notification as per amended Schedule III of the Companies Act, 2013

	SBNs	Other denomination notes	Total
Closing cash in hand as on	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on	-	-	-

Note: The amount in receipts (SBN) represents cash returned by employees given to them as advances to meet expenses on behalf of the Company.

2.45 Registration obtained from other financial sector regulators - None

2.46 Disclosure of Penalties imposed by RBI and other regulators- None


2.47 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary, to conform to current year's presentation

As per our report of even date attached.

For G. K. Choksi & Co.
Chartered Accountants
Firms' Registration No. 101895W

For and on behalf of the Board of Directors


J. D. Patel
Partner
Membership No: 032780


S. Ranganathan
Director
DIN : 00125493


Kalpana Maniar
Director
DIN : 00719180

Ahmedabad
08 May 2017

Mumbai
08 May 2017

