

Edel Finance Company Limited

Financial Statements

together with Auditor's Report

For the year ended 31st March, 2018

Edel Finance Company Limited

Financial statements together with Auditor's Report

For the year ended 31st March, 2018

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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 Financial Statements

We have audited the accompanying financial statements of **EDEL FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

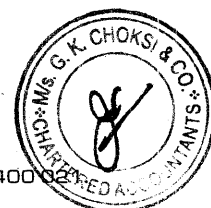
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting 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.



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Branches :

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting. 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 the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts, disclosures in the financial statements and 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. 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 the Company's internal financial controls system over financial reporting and financial statements.

Meaning of Internal Financial Controls over Financial Reporting

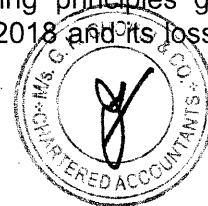
A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 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, 2018 and its loss and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

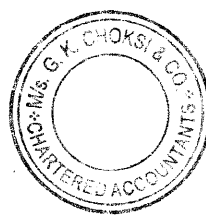
1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) In our opinion considering nature of business, size of operation and organisational structure of the entity, 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 2018, 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.
 - (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.

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


J. D. PATEL
Partner

Mem. No. 032780

Place : Ahmedabad
Date : 30th April, 2018



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 2018, 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, 2018 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, 2018.
- (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 give to us and based on our examination of the records of the Company, the Company has not paid / provided any managerial remuneration during the year under review. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (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.

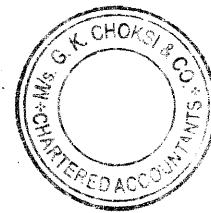
FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants



J. D. PATEL
Partner

Mem. No. 032780

Place : Ahmedabad
Date : 30th April, 2018



Edel Finance Company Limited

Balance sheet

(Currency : Indian rupees)

I. EQUITY AND LIABILITIES

(1) Shareholders' funds

- (a) Share capital
(b) Reserves and surplus

Note	As at 31 March 2018	As at 31 March 2017
2.1	739,882,300	34,000,000
2.2	510,082,628	20,794,019
	<u>1,249,964,928</u>	<u>54,794,019</u>

(2) Non-current liabilities

- (a) Deferred tax liabilities (Net)
(b) Long-term provisions

2.9	-	146,452
2.3	-	4,000

(3) Current liabilities

- (a) Trade payables
i) Dues of Micro, Small and Medium enterprises
ii) Dues Other than Micro, Small and Medium enterprises
(b) Other current liabilities
(c) Short-term provisions

2.4	-	-
	9,535,646	405,351
2.5	-	215,722
2.6	-	3,000

TOTAL

<u>1,259,500,574</u>	<u>55,568,544</u>
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II. ASSETS

(1) Non-current assets

- (a) Fixed assets
Tangible assets
(b) Non-current investments

(b) Deferred tax assets (net)
(c) Long-term loans and advances
(d) Other non current assets

2.7	623,783	1,031,500
2.8	1,200,000,000	-
2.9	1,756,177	-
2.10	1,572,919	1,642,818
2.11	-	298,694
	<u>1,203,952,879</u>	<u>2,973,012</u>

(2) Current assets

- (a) Trade receivables
(b) Cash and bank balances
(c) Short-term loans and advances
(d) Other current assets

2.12	387,817	5,195,073
2.13	48,539,902	40,927,482
2.14	6,298,219	6,324,718
2.15	321,757	148,259
	<u>55,547,695</u>	<u>52,595,532</u>

TOTAL

<u>1,259,500,574</u>	<u>55,568,544</u>
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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

J.L. Patel

Partner

Membership No: 032780

Ahmedabad
30 April 2018



For and on behalf of the Board of Directors

S. Ranganathan

Director

DIN : 00125493

Kalpana Maniar

Director

DIN: 00719180

Mumbai
30 April 2018

Edel Finance Company Limited

Statement of Profit and Loss for the year ended 31 March 2018

(Currency : Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Revenue from operations			
Interest income	2.16	2,751,712	3,108,532
Other operating revenue	2.17	1,096,761	1,313,405
II. Other income	2.18	301,602	2,153,304
III. Total Revenue		<u>4,150,075</u>	<u>6,575,241</u>
IV. Expenses			
Employee benefit expenses	2.19	448,315	1,679,606
Finance costs	2.20	2,897	1,042,396
Depreciation and amortization expenses	2.7	407,396	673,680
Other expenses	2.21	10,023,187	1,922,865
Total Expenses		<u>10,881,795</u>	<u>5,318,547</u>
V. Profit before tax		(6,731,720)	1,256,694
VI Tax expense:			
(1) Income tax		-	49,778
(2) MAT credit entitlement		-	(49,778)
(3) Deferred tax charge		(1,902,629)	152,757
VII Profit / (Loss) for the period / year		<u>(4,829,091)</u>	<u>1,103,937</u>
VIII Earnings per equity share:			
Basic and diluted earnings per share (Rs.) (Face value of Rs. 100 each)		(13.44)	3.25


Significant accounting policies and notes to financial statements

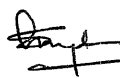
1 & 2


As per our Report of even date attached.

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

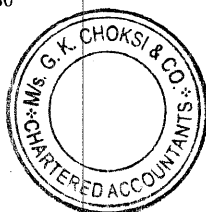
For and on behalf of the Board of Directors


J.D. Patel
Partner
Membership No: 032780


S. Ranganathan
Director
DIN : 00125493


Kalpana Maniar
Director
DIN: 00719180

Ahmedabad
30 April 2018



Mumbai
30 April 2018

Edel Finance Company Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before taxation	(6,731,720)	1,256,694
Adjustments for		
Depreciation	407,396	673,680
Loss on sale of fixed assets	321	
Provision for compensated absences	(7,000)	(50,000)
Bad- debts and advances written off	-	-
Provision on standard assets	-	(119,520)
Operating cash flow before working capital changes	(6,331,003)	1,760,854
Decrease/ (Increase) in receivables from financing business	-	37,340,092
Increase in trade receivables	4,807,259	(5,179,803)
Decrease in loans and advances	285,391	17,877,994
Increase in other assets	(14,674,806)	(30,037,915)
Decrease in liabilities and provisions	8,914,574	(2,854,118)
Cash generated from / used in operations	(6,998,585)	18,907,104
Income taxes paid	(188,995)	(276,281)
Net cash generated from / used in operating activities - A	(7,187,580)	19,183,385
B Cash flow from investing activities		
Increase in Non-current investments	(1,200,000,000)	-
Net cash used in investing activities - B	(1,200,000,000)	-
C Cash flow from financing activities		
Proceeds from issue of Equity Shares	1,200,000,000	-
Proceeds from unsecured loan (Refer Note below)	-	(9,991,779)
Net cash (used in) / generated from financing activities - C	1,200,000,000	(9,991,779)
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	(7,187,580)	9,191,606
Cash and cash equivalent as at the beginning of the year	10,427,482	1,235,876
Cash and cash equivalent as at the end of the year (Refer note 2.13)	3,239,902	10,427,482

Note:

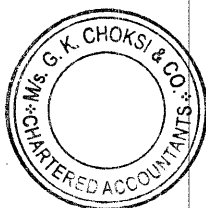
Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

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


J.D. Patel
Partner

Membership No: 032780
Ahmedabad
30 April 2018



For and on behalf of the Board of Directors


S. Ranganathan
Director
DIN : 00125493
Mumbai
30 April 2018


Kalpana Maniar
Director
DIN : 00719180

Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Background

Edel Finance Company Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Non Deposit Accepting Non Banking Financial Company. The Company was incorporated on 16th October 1989, and is a subsidiary of Edelweiss Financial Services Limited.

The Company was primarily engaged in the business of lending and investment. During the year the Company has not carried out and lending and investment activities as it had applied to The Reserve Bank of India (RBI) seeking a registration as Core Investment Company (CIC) and as at March 31, 2018, it has already received an in principle approval for registration as a CIC.

1.2 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 primary for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or



Edel Finance Company Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

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

- 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;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current 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.



Edel Finance Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

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:

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

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service

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.



Edel Finance Company Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2018

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.6 *Employee benefits (Continued)*

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.

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 with convincing evidence 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.



Edel Finance Company Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2018

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.8 *Earnings per share*

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

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.

1.11 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital

Authorised:

10,000,000 (Previous year: 5,00,000) Equity Shares of Rs. 100 each

As at
31 March 2018

As at
31 March 2017

Issued, Subscribed and Paid up:

7,398,823 (Previous year: 340,000) Equity Shares of Rs. 100 each, fully paid-up

1,000,000,000	50,000,000
739,882,300	34,000,000
739,882,300	34,000,000

(All the above Equity Shares of Rs. 100 each are held by Edelweiss Financial Services 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

Equity Shares of Rs. 100 each fully paid

Edelweiss Broking Limited*

Edelweiss Financial Services Limited*

As at March 31, 2018		As at March 31, 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
-	-	340,000	100
7,398,823	100	-	-
7,398,823		340,000	

* including 6 shares held by Nominees

a. Reconciliation of number of shares outstanding:

Number of shares outstanding at the beginning

Shares issued during the year

Number of shares at the end

340,000	40,000
7,058,823	300,000
7,398,823	340,000

b. Reconciliation of Share Capital:

Share Capital at the beginning of the year

Share Capital issued during the year

Share Capital at the end of the year

34,000,000	4,000,000
705,882,300	30,000,000
739,882,300	34,000,000

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

Securities Premium Account - Opening balance

Add : Additions during the year

Less : Share issue expenses

-	-
494,117,700	-
-	-
494,117,700	-

Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India - Opening balance

Add : Additions during the year

Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India

9,012,690	8,791,903
-	220,787
9,012,690	9,012,690

Surplus in statement of Profit and loss

Opening Balance in Statement of Profit and Loss

Add: Profit / (Loss) for the year

Amount available for appropriation

Appropriations:

Transfer to Special Reserve under Section 45-IC of the Reserve

Closing Balance in Statement of Profit and Loss

11,781,329	10,898,179
(4,829,091)	1,103,937
6,952,238	12,002,116
-	220,787
6,952,238	11,781,329
510,082,628	20,794,019



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term provisions		
Provision for employee benefits		
Compensated absense	-	4,000
	<u>-</u>	<u>4,000</u>
2.4 Trade payables		
Payable to :		
Others	9,535,646	405,351
(includes sundry creditors, provision for expenses, customer payables)		
	<u>9,535,646</u>	<u>405,351</u>
2.5 Other current liabilities		
Income received in advance	-	110,784
Other payables		
Withholding taxes, service tax and other statutory dues payable	-	104,938
	<u>-</u>	<u>215,722</u>
2.6 Short-term provisions		
Provision for employee benefits		
Compensated absense	-	3,000
	<u>-</u>	<u>3,000</u>



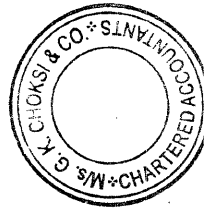
Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.7 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block		
	As at 1 April 2017	Additions during the year	Deductions during the year/ Adjustment	As at 31 Mar 2018	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 Mar 2018	As at 31 March 2017
Tangible assets									
Office equipment	18,565	-	1,845	16,720	12,576	2,605	1,524	13,657	3,063
Computers	5,014,781	-	-	5,014,781	3,989,270	404,791	-	4,394,061	1,025,511
Total :	5,033,346	-	1,845	5,031,501	4,001,846	407,396	1,524	4,407,718	1,031,500
Previous Year	5,033,346	-	-	5,033,346	3,328,166	673,680	-	4,001,846	1,031,500

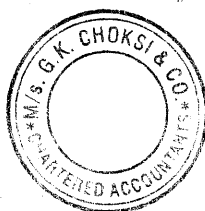


Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.8 Non-current investments						
<i>Investments in Equity shares of fellow subsidiaries (fully paid up)</i>						
<i>ECL Finance Limited</i>	1	56,258,790	1,200,000,000	-	-	-
			<u>1,200,000,000</u>			<u>-</u>

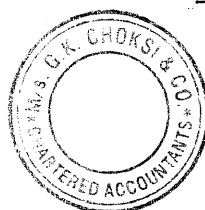


Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.9 Deferred taxes (net)		
Deferred tax assets		
Disallowances under section 43B of the Income Tax Act, 1961	-	94,459
Others	1,877,200	-
	1,877,200	94,459
Deferred tax liabilities		
Difference between book and tax depreciation	121,023	240,911
	121,023	240,911
Deferred tax assets (net)	1,756,177	-
Deferred tax liabilities (net)	-	(146,452)
2.10 Long-term loans and advances		
<u>Unsecured</u>		
Deposits	25,000	25,000
Advance income taxes	1,547,919	1,617,818
<i>(net of provision for taxation of Rs. 11,557,243 [Previous year : 11,557,243])</i>		
	1,572,919	1,642,818
2.11 Other non-current assets		
Contribution to Gratuity fund (net)	-	298,694
	-	298,694
2.12 Trade Receivables		
Other debts		
Unsecured, considered good	387,817	5,195,073
	387,817	5,195,073
2.13 Cash and bank balances		
Balances with banks		
- in Current accounts	2,239,902	1,627,482
- in fixed deposits with maturity less than 3 months	1,000,000	8,800,000
	3,239,902	10,427,482
Other Bank Balances		
- in fixed deposits with maturity more than 3 months but less than 12 months	45,300,000	30,500,000
	48,539,902	40,927,482



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at	As at
31 March 2018	31 March 2017

2.14 Short-term loans and advances

Unsecured

(Considered good, unless stated otherwise)

Other loans and advances

Prepaid expenses	842	17,991
Vendor Advances	4,320	19,320
Input tax credits	2,372,644	2,624,888
Advance income taxes	535,170	276,276
(net of provision for taxation of Rs. Nil (Previous year: 49,778))		
MAT credit entitlement	3,385,243	3,385,243
Advances recoverable in cash or in kind or for value to be received	-	1,000

6,298,219	6,324,718
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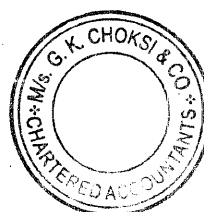
6,298,219	6,324,718
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2.15 Other current assets

Accrued interest on fixed deposits

321,757	148,259
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321,757	148,259
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Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.16 Interest Income

	For the year ended 31 March 2018	For the year ended 31 March 2017
On loan	-	1,940,686
On Fixed Deposits (for finance company)	2,751,712	1,037,677
On Margin with Brokers (for finance company)	-	2,613
On Others (for finance company)	-	127,556
	<u>2,751,712</u>	<u>3,108,532</u>

2.17 Other operating revenue

Lease Rental Income	1,096,761	1,313,405
	<u>1,096,761</u>	<u>1,313,405</u>

2.18 Other income

Miscellaneous income	6,901	-
Interest income - others	294,701	2,153,304
	<u>301,602</u>	<u>2,153,304</u>



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.19 Employee benefit expenses

Salaries and wages
Contribution to provident and other funds
Staff welfare expenses

For the year ended
31 March 2018

For the year ended
31 March 2017

- 1,081,562
448,315 530,205
- 67,839

448,315 1,679,606

2.20 Finance costs

Interest on loan from holding company
Interest on loan from fellow subsidiaries
Interest - others
Financial and bank charges

- 249,918
- 582,277
2,782 202,718
115 7,483

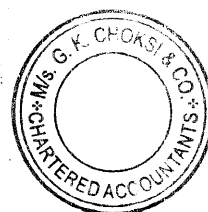
2,897 1,042,396

2.21 Other expenses

Auditors' remuneration (Refer note 2.26)
Bad- debts and written off
Communication
Computer expenses
Clearing & custodian charges
Directors' sitting fees
Electricity charges (Refer note 2.28)
Legal and professional fees
Loss on sale/ write-off of fixed assets (net)
Membership and subscription
Office expenses
Printing and stationery
Provision for standard assets
Rates and taxes
Rent (Refer note 2.28)
ROC Expenses
Service tax expenses
Travelling and conveyance

181,500 165,000
2,512 -
1,045 115,395
26,418 3,645
- 1,125
40,000 180,000
- 171,832
547,411 458,356
321 -
8,084 -
3,894 948
6,592 7,748
- (119,520)
2,660 5,895
- 714,261
9,025,600 (89,000)
150,631 233,338
26,519 73,842

10,023,187 1,922,865



Edel Finance Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2.22 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)

2.23 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	2018	2017
a) Shareholders earnings (as per statement of profit and loss)	(4,829,091)	1,103,937
b) Calculation of weighted average number of Equity Shares of Re 100 each:		
- Number of equity shares outstanding at the beginning of the year	340,000	340,000
- Number of equity shares issued during the year	7,058,823	-
Total number of equity shares outstanding at the end of the year	7,398,823	340,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	359,339	340,000
Basic and diluted earnings per share (in Rupees) (a/b)	(13.44)	3.25

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

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

A) Defined contribution plan (Provident fund):

Amount of Rs. NIL (previous year: Rs.213,599) is recognised as expenses and included in "Employee benefit expenses" - Note 2.19 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

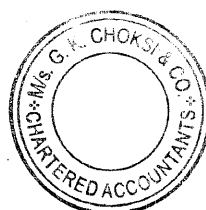
Net employee benefit expenses (recognized in employee cost in the statement of profit and loss)

	2018	2017
Current service cost	-	35,000
Interest on defined benefit obligation	-	24,000
Expected return on plan assets	(122,000)	(121,000)
Effect of the limit in paragraph 59b	600,000	438,458
Net actuarial losses/(gains) recognized in the year	(30,000)	(60,212)
Total included in 'Employee Benefit Expenses' in the statement of profit and loss	448,000	(298,694)

Balance Sheet

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

	2018	2017
Liability at the beginning of the year	149,619	369,458
Transfer (out)/in	(149,619)	(47,000)
Interest cost	-	24,000
Current service cost	-	35,000
Benefits paid	-	(262,500)
Actuarial (gain)/loss:	-	30,661
Liability at the end of the year	-	149,619



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

for the year ended 31 March 2018

(Currency: Indian rupees)

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

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

	2018	2017
Fair value of plan assets at the Beginning of the year	1,847,315	1,635,442
Expected Return on Plan Asset	122,000	121,000
Employers Contributions	-	263,000
Benefits paid	-	(263,000)
Actuarial gain/(loss):	30,000	90,873
Transfer (out)/ in	(1,999,315)	-
Fair value of plan assets at the end of the year	-	1,847,315

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

	2018	2017
Insurer Managed Funds (Traditional)	15%	15%
Insurer Managed Funds (Unit-linked)	85%	85%
Cash & Bank	0%	0%

Amount recognised in the balance sheet

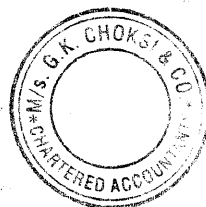
Particulars	2018	2017
Liability as at the end of the year	-	149,619
Fair value of plan assets as at the end of the year	-	1,847,315
Net asset recognised in the balance sheet	-	(1,697,696)
Less: Amount not recognized as asset [Effect of the limit in paragraph 59(b)]	-	1,399,002
(Asset)/ liability recognised in the balance sheet	-	(298,694)

Experience Adjustment :

Particulars	2018	2017
Defined benefit obligation	-	149,619
Fair value of plan assets	-	1,847,315
Surplus	-	1,399,002
On Plan Liabilities: (Gain)/ Loss	-	28,217
On Plan Assets: Gain/ (Loss)	16,000	84,292

Principle actuarial assumptions at the balance sheet date:

	2018	2017
Discount rate current	NA	6.60%
Expected return on plan assets	NA	7.40%
Salary escalation current	NA	7%
Employees attrition rate	NA	13%-60%



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

for the year ended 31 March 2018

(Currency: Indian rupees)

2.25 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 Business Services Limited (Formerly known as 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	2018	2017
	Capital account transactions during the year			
	Issue of equity shares to	Edelweiss Financial Services Limited	1,200,000,000	-
1	<u>Current account transactions</u>			
	Short term loans taken from (refer note)	Edelweiss Financial Services Limited	-	751,152
		Edelweiss Commodities Services Limited	178,395	18,208,837
	Short term loans repaid to (refer note)	Edelweiss Financial Services Limited	-	10,742,931
		Edelweiss Commodities Services Limited	178,395	18,208,837
	Investments in equity instruments	ECL Finance Limited	1,200,000,000	-
	Margin refund received from	Edelweiss Securities Limited	-	593,249
	Interest income on finance lease from	Edelweiss Securities Limited	-	2,556
	Lease Rental income from	Edelweiss Tokio Life Insurance Company Limited	1,096,761	1,313,405
	Interest Income From Margin with broker	Edelweiss Securities Limited	-	2,613
	Interest Income on Loan given	Edelweiss Commodities Services Limited	-	213,424
	Interest paid on loan to	Edelweiss Financial Services Limited	-	249,918
		Edelweiss Commodities Services Limited	-	582,277
	Group Company - Taxes	Edelweiss Commodities Services Limited	386,250	-
		Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	41,395	-
	Electricity expenses paid to	Edelweiss Commodities Services Limited	-	171,832
	Insurance expenses paid to	Edelweiss Financial Services Limited	-	35,554
	Rent paid to	Edelweiss Commodities Services Limited	-	714,261
	Processing Fees paid to	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	5,480
	Business Service Charges	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	44,551	5,508
	Reimbursement of Cost received	ECL Finance Limited	6,821,173	-



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

for the year ended 31 March 2018

(Currency: Indian rupees)

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

Sr. No.	Nature of Transaction	Related Party Name	2018	2017
<u>Balances with related parties</u>				
	Trade Payables to	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	174,251	58,537
		Edelweiss Financial Services Limited	-	719
	Lease Rental income received in advance from	Edelweiss Tokio Life Insurance Company Limited	-	110,784
	Trade receivables from	Edelweiss Tokio Life Insurance Company Limited	387,817	-
		ECL Finance Limited	-	5,195,073

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.

2.26 Auditors' remuneration

Particulars	As at 31 March 2018	As at 31 March 2017
As auditors	181,500	165,000
	181,500	165,000

2.27 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency :

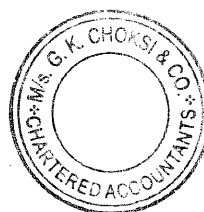
Particulars	As at 31 March 2018	As at 31 March 2017
Membership & Subscription (including foreign exchange loss)	-	-
	-	-

2.28 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.21 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.29 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 2018

(Currency: Indian rupees)

2.30 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

2.31 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018)

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2018	2017	2018	2017
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	-	-	-	-

* Please see Note 1 below

Assets side:

	Amount Outstanding	
	2018	2017
2) Break up of Loans and Advances including bills receivables		
(other than those included in (3) below)		
a) Secured	-	-
b) Unsecured	-	-
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 2018

(Currency: Indian rupees)

2.31 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018) - Continued

	Amount Outstanding 2018	2017
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	1,200,000,000	-
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 2018**

Particulars	Secured 2018	Amount net of provisions		Total 2018
		Unsecured 2018		
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 2017

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



Edel Finance Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2.31 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018) - 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)	
	2018	2017	2018	2017
1) Related parties**				
(a) Subsidiaries	1,200,000,000	-	1,200,000,000	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2) Other than related parties	-	-	-	-
TOTAL	1,200,000,000	-	1,200,000,000	-

** As per Accounting Standard 18 - Related Party Disclosures

7) Other Information

Particulars	2018	2017
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 point xix of paragraph 3 of Chapter -2 of these Directions
- Provisioning norms shall be applicable as prescribed in these Directions
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above

2.32 Key Ratios

The Following table sets forth, for the periods indicated, the key financial ratios

	2018	2017
Gross NPAs as a percentage of Total Loans and Advance	0.00%	0.00%
Net NPAs as a percentage of Total Advance	0.00%	0.00%
Book Value per share (Rs.) ¹	168.94	161.16
Current Ratio ²	5.83	84.28
Debt to Equity Ratio	-	-
Return on average Equity ³ (%)	-0.74%	2.04%
Return on average assets ⁴ (%)	-0.73%	1.80%

1. Book Value per share = Equity share capital and reserves and surplus/number of equity shares

2. Current ratio is the ratio of current assets to current liabilities.

3. Return on average equity is the ratio of the net profit after tax to the annual average equity share capital and reserves less deferred tax asset.

4. Return on average assets is the ratio of the net profit after tax to the annual average total assets.



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

for the year ended 31 March 2018

(Currency: Indian rupees)

2.33 Capital to Risk Assets Ratio (CRAR)

Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 16 of Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018)

	2018	2017
i) CRAR (%)	134.59%	429.89%
ii) CRAR - Tier I capital (%)	134.59%	429.89%
iii) CRAR - Tier II Capital (%)	-	-
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

2.34 Draw down from Reserve

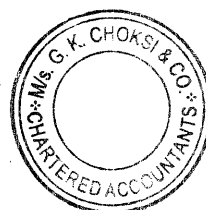
During the year ended 31 March 2018 and 31 March 2017, the Company has not drawn down from Reserve

2.35 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	2018	2017
Sanjay Shah	Sitting fees	-	100,000
Mitul Shah	Sitting fees	-	80,000
Atul Ambavat	Sitting fees	20,000	-
Vinod Juneja	Sitting fees	20,000	-

2.36 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in	2018	2017
i) Provisions for depreciation on Investment	-	-
ii) Provision towards NPA	-	-
iii) Provision made towards Income tax	-	49,778
iv) Provision for Standard Assets	-	(119,520)
v) Other Provision and Contingencies	-	-



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

for the year ended 31 March 2018

(Currency: Indian rupees)

2.37 Registration obtained from other financial sector regulators - None

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

2.39 Disclosure of Core investment company (CIC)

During the year the Company made an application to the Reserve Bank of India (RBI) seeking registration as a Core Investment Company (CIC). The Company has been granted an in principle approval for registration as a Non Deposit taking Systemically Important Core Investment Company (CIC-ND-SI). The Company has filed the necessary documents (with RBI) complying with the eligibility criteria for registration as a CIC-ND-SI. In the Financial Statement as at March 31, 2018, the Company has made disclosures in the notes to accounts as per Non-Banking Financial - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, which are currently applicable to the status of NBFC-ND-SI pending registration as CIC-ND-SI


Disclosures as per Non-Banking Financial - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given to the extent applicable to the company

2.40 Previous year comparatives

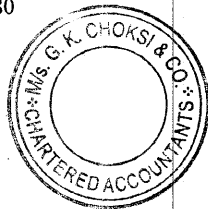
Previous year figures have been regrouped and reclassified wherever necessary, to conform to current year's presentation

As per our report of even date attached.

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


J. D. Patel
Partner
Membership No: 032780

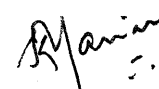
Ahmedabad
30 April 2018



For and on behalf of the Board of Directors


S. Ranganathan
Director
DIN : 00125493

Mumbai
30 April 2018


Kalpana Maniar
Director
DIN : 00719180