

INDEPENDENT AUDITOR'S REPORT

To the Members of Edel Finance Company Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Edel Finance Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of matter

We draw attention to note 40 to the standalone Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of carrying value of investments in equity share of group companies and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other elements of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.



Responsibilities of Management and those Charged with Governance for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, no managerial remuneration was paid/payable for the year ended March 31, 2020 by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - 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 S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGW4991

Mumbai
June 29, 2020



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Edel Finance Company Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

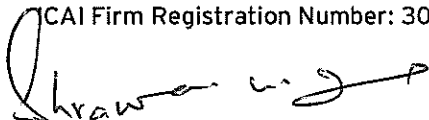


- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments), hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, no managerial remuneration was paid/payable as per the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly, the provision of clause 3(xi) is not applicable to the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAGW4991

Mumbai

June 29, 2020

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 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 standalone 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.



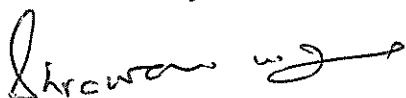
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2020, 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 S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGW4991

Mumbai
June 29, 2020

Edel Finance Company Limited

Balance Sheet as at 31 March, 2020

(Currency : Indian rupees in thousands)

	Note	31-Mar-20	31-Mar-19
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	1,270.44	1,194.27
(b) Loans	3	-	18,495.99
(c) Investments	4	39,99,999.88	39,99,999.88
(d) Other financial assets	5	1,181.77	-
Total financial assets		40,02,452.09	40,19,690.14
Non-financial assets			
(a) Current tax assets (net)	6	1,670.03	2,532.21
(b) Deferred tax assets (net)	7	-	4,863.29
(c) Property, Plant and Equipment	8	1,903.33	2,167.00
(d) Other non- financial assets	9	3,653.53	2,682.82
Total Non-financial assets		7,226.89	12,245.32
TOTAL ASSETS		40,09,678.98	40,31,935.46
LIABILITIES AND EQUITIES			
LIABILITIES			
Financial liabilities			
(a) Trade payables	10	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,773.24	1,646.99
(b) Borrowings (other than debt securities)	11	27,06,586.89	24,10,149.04
(c) Other financial liabilities	12	27.77	-
Total financial liabilities		27,08,387.90	24,11,796.03
Non-financial liabilities			
(a) Provisions	13	273.00	11.21
(b) Other non-financial liabilities	14	23,947.04	5,444.78
Total non-financial liabilities		24,220.04	5,455.99
TOTAL LIABILITIES		27,32,607.94	24,17,252.02
EQUITY			
(a) Equity share capital	15	10,00,000.00	10,00,000.00
(b) Other equity	16	2,77,071.04	6,14,683.44
TOTAL EQUITY		12,77,071.04	16,14,683.44
TOTAL LIABILITIES AND EQUITY		40,09,678.98	40,31,935.46

The accompanying notes are an integral part of the financial statements 1-41

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

CAI Firm Registration Number :301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai
June 29, 2020



For and on behalf of the Board of Directors

S. Ranganathan

S. Ranganathan

Director

DIN : 00125493

Atul Ambavat

Atul Ambavat

Director

DIN : 00195875

Ananthakrishnan S

Ananthakrishnan S

Company Secretary

Ravindra Dhobale

Ravindra Dhobale

Chief Financial Officer

Mumbai
June 29, 2020

Edel Finance Company Limited

Statement of Profit and Loss for the year ended 31 March, 2020

(Currency : Indian rupees in thousands)

	Note	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue from operations			
Interest income	17	691.55	15,942.96
Total revenue from operations		691.55	15,942.96
Other income	18	127.03	917.81
Total income		818.58	16,860.77
Expenses			
Finance costs	19	3,17,615.23	68,218.28
Employee benefits expense	20	12,814.36	1,252.41
Depreciation and amortisation expenses	8	263.68	301.59
Other expenses	21	4,952.42	24,302.92
Total expenses		3,35,645.69	94,075.20
Profit / (Loss) before tax		(3,34,827.11)	(77,214.43)
Tax expense:			
Current tax		-	-
Deferred tax		4,340.30	278.13
Profit/(loss) for the year		(3,39,167.41)	(77,492.56)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss re-measurements of the defined benefit plans;		2,078.00	11.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		(522.99)	-
Total		1,555.01	11.00
Total comprehensive income		(3,37,612.40)	(77,481.56)
Earnings per share (Face value INR 100)			
- Basic		(33.92)	(9.23)
- Diluted		(33.92)	(9.23)

The accompanying notes are an integral part of the financial statements

1-41

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number :301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

S. Ranganathan
S. Ranganathan
Director
DIN : 00125493

Atul Ambavat
Atul Ambavat
Director
DIN : 00195875

Ananthakrishnan S
Ananthakrishnan S
Company Secretary

Ravindra Dhobale
Ravindra Dhobale
Chief Financial Officer

Mumbai
June 29, 2020

Mumbai
June 29, 2020



Statement of changes in Equity for the year ended March 31, 2020

(Currency : Indian rupees in thousands)

A Equity Share Capital

Particulars	Amount
As at 31 March 2018	7,39,882.30
Changes in equity share capital during FY 2018-19	2,60,117.70
As at 31 March 2019	10,00,000.00
Changes in equity share capital during FY 2019-20	-
As at 31 March 2020	10,00,000.00

Refer note 15 for detailed quantitative information including investors holding more than 5% of equity share capital

B Other Equity

Particulars	Reserves and Surplus			Total attributable to equity holders
	Securities premium	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Retained earnings	
Balance at 31 March 2018	4,94,117.70	9,012.69	6,952.22	5,10,082.61
Loss for the year	-	-	(77,492.56)	(77,492.56)
Other comprehensive income	-	-	11.00	11.00
Issue of equity instruments	1,82,082.39	-	-	1,82,082.39
Balance at 31 March 2019	6,76,200.09	9,012.69	(70,529.34)	6,14,683.44
Loss for the year	-	-	(3,39,167.41)	(3,39,167.41)
Other comprehensive income	-	-	1,555.01	1,555.01
Balance at 31 March 2020	6,76,200.09	9,012.69	(4,08,141.74)	2,77,071.04

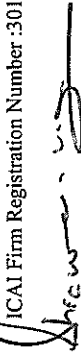
As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number :301003/E300005

For and on behalf of the Board of Directors



per Shrawan Jalan

Partner

Membership No: 102102



S. Ranganathan

Director

DIN : 00125493



Atul Ambavat

Director

DIN : 00195875



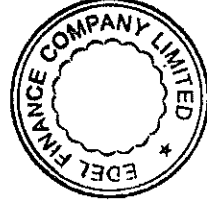
Anantakrishnan S

Company Secretary



Ravindra Dhobale

Chief Financial Officer



Mumbai

June 29, 2020

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
A Cash flow from operating activities		
Profit / (Loss) before tax	(3,34,827.11)	(77,214.43)
Adjustments for:		
Depreciation and amortisation expenses	263.68	301.59
Provision for gratuity and compensated absences	2,339.79	16.00
Interest on income tax refund	(53.37)	-
Operating cash flow before working capital changes	(3,32,277.01)	(76,896.84)
Adjustments for:		
Decrease/ (increase) in trade receivables	-	387.82
Decrease/(increase) in loans	18,495.99	(18,495.99)
Decrease/(increase) in Other financial/non financial assets	(2,152.48)	(274.02)
Increase / (decrease) in other financial liabilities	27.77	-
Increase / (decrease) in trade payables	126.25	(7,888.45)
Increase / (decrease) in other non-financial liabilities	18,502.26	5,444.78
Cash generated from / (used in) operations	(2,97,277.22)	(97,722.70)
Income taxes paid (net of refund)	915.55	(449.12)
Net cash generated from / (used in) operating activities - A	(2,96,361.67)	(98,171.82)
B Cash flow from investing activities		
Purchase of property, plant and equipment	-	(1,844.81)
Purchase of investments	-	(27,99,999.88)
(Investment)/Maturity of Bank deposits	-	45,606.68
Net cash used in investing activities - B	-	(27,56,238.01)
C Cash flow from financing activities		
Proceeds from issue of shares including premium and share application money (net of issue expenses)	-	4,42,200.09
Proceeds from Commercial Paper	-	12,00,000.00
Repayment of Commercial Paper	-	(12,00,000.00)
Proceeds from Borrowings (net) ³	2,96,437.84	24,10,149.04
Net cash (used in)/generated from financing activities - C	2,96,437.84	28,52,349.13
Net increase / (decrease) in cash and cash equivalents (A+B+C)	76.17	(2,060.70)
Cash and Cash Equivalent as at the beginning of the year	1,194.27	3,254.97
Cash and Cash Equivalent as at the end of the year	1,270.44	1,194.27

Note:

1) Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

2) Net cash generated from/(used in) operating activities includes interest received ₹ 746.76 thousands (Previous year ₹ 17,203.52 thousands) and interest paid ₹ 2,68,357.28 thousands (Previous year ₹ 58,069.24 thousands).

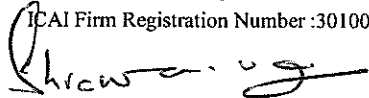
3) Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with IND AS 7 Statement of Cash Flows.

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number :301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102



Mumbai

June 29, 2020

For and on behalf of the Board of Directors



S. Ranganathan

Director

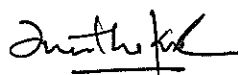
DIN : 00125493



Atul Ambavat

Director

DIN : 00195875



Ananthakrishnan S

Company Secretary



Ravindra Dhobale

Chief Financial Officer

Mumbai

June 29, 2020



Edel Finance Company Limited

Notes to the financial statements

(Currency : Indian rupees in thousands)

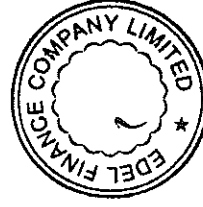
Cash Flow Disclosure

Changes in liabilities arising from financing activities

Particulars	01-Apr-19	Cash Flows	Changes in fair values	Exchange difference	Others*	31-Mar-20
Borrowings other than debt securities	24,10,149.04	2,56,902.85	-	-	39,535.00	27,06,586.89
Total liabilities from financing activities	24,10,149.04	2,56,902.85	-	-	39,535.00	27,06,586.89

Particulars	01-Apr-18	Cash Flows	Changes in fair values	Exchange difference	Others*	31-Mar-19
Borrowings other than debt securities	-	23,57,117.19	-	-	53,031.85	24,10,149.04
Total liabilities from financing activities	-	23,57,117.19	-	-	53,031.85	24,10,149.04

*Others column includes effect of accrued interest but not due on borrowings.



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

1.1 Background

Edel Finance Company Limited ('the Company') a public limited company domiciled and incorporated under the provisions applicable in India under the Companies Act, 1956. The Company was incorporated on October 16, 1989 and is wholly owned subsidiary of Edelweiss Financial Services Limited.

The Company was primarily engaged in the business of lending and investment and is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). Company got converted to Core Investment Company as NBFC-CIC-ND-SI on 09th October, 2018.

1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements are presented in Indian Rupees and all values are rounded to the nearest thousands, except when otherwise stated.

1.3 Presentation of Financial statement

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Maturity analysis of assets and liabilities - Note 28.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

Significant Accounting Policies

1.4 Recognition of Interest income

1.4.1 Effective Interest Rate (EIR):

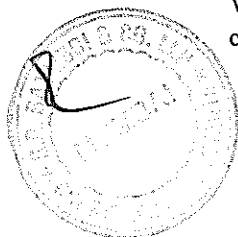
The Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of financial assets.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

1.4.2 Interest Income:

Interest income is recorded using EIR method for all financial instruments measured at amortised cost except credit impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

1.4.3 Dividend Income:

Dividend Income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

1.4.4 Rent Income:

Rental Income are recognised on accrual basis by reference to the agreements entered.

1.5 Financial Instruments:

1.5.1 Date of recognition

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Company recognises borrowings when funds are available for utilisation to the Company.

1.5.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.5.3 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised

1.5.4 Classification & Measurement categories of financial assets and liabilities

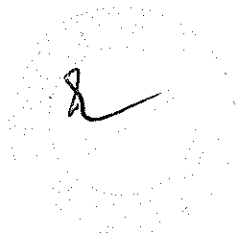
The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

- Selling a financial asset because of significant increase in credit risk.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting ate. The changes in fair value of financial assets is recognised in Profit and loss account.

1.6 Financial Assets and Liabilities

1.6.1 Debt securities and other borrowed funds

The Company measures debt issued and other borrowed funds at amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

1.6.2 Investment in equity instruments

The company being a CIC, all its equity investments within the Group and are valued at cost

1.6.3 Loans

The Company being a CIC, all its lending to its group companies and are valued at amortised cost based on business model of the Company.

1.6.4 Financial Liabilities

All financial liabilities are measured at amortised cost.

1.6.5 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

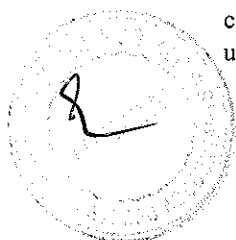
1.7 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

1.8 Operating leases

Accounting policy applicable from 1 April 2019

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

Company as a lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease.

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payments made under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

1.9 Earnings per Share

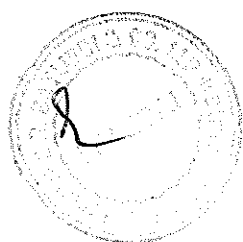
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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.

1.10 Retirement and other employee benefit

1.10.1 Provident fund and national pension scheme

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



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

1.10.2 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, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

1.10.3 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 in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

1.10.4 Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs)

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights in force. Based on such schemes, parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

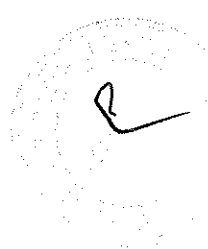
1.11 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Office Equipment	5 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognized as assets is recognized at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

1.12 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum carrying value of the asset before impairment.

1.13 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

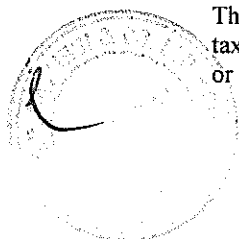
Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.14 Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.14.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

1.16 Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

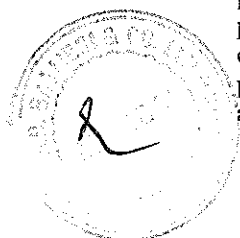
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.17 Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the



Edel Finance Company Limited

Notes to the financial statements for the year ended 31 March 2020

Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.18 Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.19 Effective Interest Rate (EIR) Method

The Company's EIR methodology, as explained in Note 1.4.1, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

1.20 Impairment of Financial assets:

The impairment provision for the financial assets are based on assumption about estimation of the amount and timing of future cashflow, collateral values, assessment of significant increase in credit risk, probability of default (PD) and loss given default rates (LGD). The company uses judgement in making these assumptions and selecting the inputs for impairment calculation based on its past history, existing market condition, forward looking estimates at the end of each period.

1.21 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

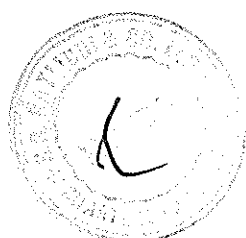
Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

1.22 Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.

1.23 Standards issued but not yet effective

There are no new standard or amendment issued but not effective.



2	Cash and cash equivalents
	Balances with banks:
	in Current accounts
	Total

31-Mar-20	31-Mar-19
1,270.44	1,194.27
1,270.44	1,194.27

3 Loans (at amortised cost, Unsecured)

Loans to related parties
Less: Impairment loss allowance
Total

-	18,495.99
-	-
-	18,495.99

Loans in India
Loans outside India
Total

-	18,495.99
-	-
-	18,495.99

3.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal grading and year-end stage classification.

Loans at amortised cost

Particulars	31-Mar-20		31-Mar-19	
	Stage I	Total	Stage I	Total
Performing				
High Grade	-	-	18,495.99	18,495.99

Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired		Total	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Balance at 01 April 2018	-	-	-	-
Effect of acquisitions made during the year	18,495.99	-	18,495.99	-
Balance at 31 March 2019	18,495.99	-	18,495.99	-
Effect of acquisitions made during the year	-	-	-	-
Repayments	(18,495.99)	-	(18,495.99)	-
Balance at 31 March 2020	-	-	-	-



4 Investments

As at March 31, 2020	At fair value through P&L (quoted) (1)	At Cost (2)	Total (3) = (1) + (2)
Equity instruments			
ECL Finance Limited	-	17,99,999.97	17,99,999.97
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	-	11,99,999.91	11,99,999.91
Edelweiss Housing Finance Limited	-	10,00,000.00	10,00,000.00
Total - Gross (A)	-	39,99,999.88	39,99,999.88
(i) Investments outside India	-	-	-
(ii) Investment in India	-	39,99,999.88	39,99,999.88
Total (B)	-	39,99,999.88	39,99,999.88
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	-	39,99,999.88	39,99,999.88

As at March 31, 2019	At fair value through P&L (quoted) (1)	At Cost (2)	Total (3) = (1) + (2)
Equity instruments			
ECL Finance Limited	-	17,99,999.97	17,99,999.97
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	-	11,99,999.91	11,99,999.91
Edelweiss Housing Finance Limited	-	10,00,000.00	10,00,000.00
Total - Gross (A)	-	39,99,999.88	39,99,999.88
(i) Investments outside India	-	-	-
(ii) Investment in India	-	39,99,999.88	39,99,999.88
Total (B)	-	39,99,999.88	39,99,999.88
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	-	39,99,999.88	39,99,999.88

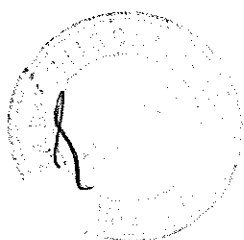
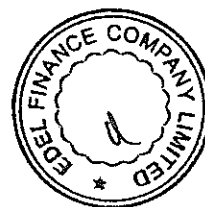
Note : All the above investments are in the equity instruments of Edelweiss group companies (refer note 1.6.2)



Edel Finance Company Limited**Notes to the financial statements (Continued)****(Currency : Indian rupees in thousands)**

	31-Mar-20	31-Mar-19
5 Other financial assets		
Receivable from group companies (Note 29)	1,181.77	-
Total	1,181.77	-
6 Current tax assets (Net)		
Current income taxes	1,670.03	2,532.21
(net of provision for taxation: 31 March 2020 - Nil; 31 March 2019 - ₹ 1,15,57.24)		
	1,670.03	2,532.21
7 Deferred tax assets and liabilities		
Deferred tax assets		
MAT credit entitlement (Note 38)	-	3,385.24
Disallowances U/s. 43B of Income Tax Act, 1961	65.89	-
Share issue expenses and other expenses	469.61	1,585.44
	535.50	4,970.68
Deferred tax liabilities		
Property, Plant and Equipment and Intangible assets	12.51	107.39
Re-measurement of the defined benefit plan	522.99	-
	535.50	107.39
Total	-	4,863.29

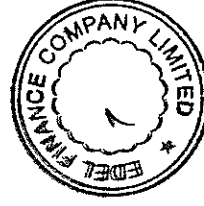
Also refer note 23 - Components of deferred tax



8 Property, plant and equipment

Description of assets	Gross Block			Depreciation / Amortization			Net Block
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	Charge for the year	Deductions/Adjustment during the year	As at March 31, 2020
Property, Plant and Equipment							
Flat and Building	1,799.26	-	-	1,799.26	91.55	-	1,663.63
Office equipment	5.67	-	-	5.67	0.76	-	4.75
Computers	1,071.06	-	-	1,071.06	171.37	-	832.29
Total	2,875.99	-	-	2,875.99	263.68	-	1,903.32

Description of assets	Gross Block			Depreciation / Amortization			Net Block
	As at April 01, 2018	Additions during the year	Deductions during the year	As at March 31, 2019	Charge for the year	Deductions/Adjustment during the year	As at March 31, 2019
Property, Plant and Equipment							
Flat and Building	-	1,799.26	-	1,799.26	44.08	-	1,755.18
Office equipment	5.67	-	-	5.67	1.38	-	3.99
Computers	1,025.51	45.55	-	1,071.06	256.13	-	660.92
Total	1,031.18	1,844.81	-	2,875.99	301.59	-	2,167.00



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	31-Mar-20	31-Mar-19
9 Other Non-financial assets		
Input tax credit	3,002.79	2,628.19
Prepaid expenses	2.50	23.63
Vendor advances	4.14	-
Advances recoverable in cash or in kind or for value to be received	9.10	-
Deposits - others	25.00	25.00
Contribution to Gratuity Fund (net of provision)	610.00	6.00
Total	3,653.53	2,682.82
10.1	Trade Payables includes ₹ NIL (as at 31 March 2019 ₹ 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.	
10.2 Trade Payables		
Trade payables to non-related parties	553.12	699.46
Trade payables to related parties	1,220.12	947.53
Total	1,773.24	1,646.99
11 Borrowings other than Debt Securities (at Amortised Cost)		
Unsecured		
Loan from related parties (repayable on demand)	27,06,586.89	24,10,149.04
(Repayable on demand, Interest rate payable in the range of 12.10% to 17.90% (31 March 2019: 10% to 11%))		
	27,06,586.89	24,10,149.04
Borrowings in India	27,06,586.89	24,10,149.04
Borrowings outside India	-	-
Total	27,06,586.89	24,10,149.04
12 Other Financial Liabilities		
Payable to group companies (Note 29)	27.77	-
Total	27.77	-
13 Provisions		
Provision for employee benefits		
Compensated leave absences	273.00	11.21
Total	273.00	11.21
14 Other non-financial liabilities		
Statutory dues*	23,947.04	5,444.78
Total	23,947.04	5,444.78

* Includes withholding taxes, Provident fund, profession tax and other statutory dues payables



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

15 Equity share capital

Authorised :

275,000,000 (31 March 2019: 275,000,000) Equity Shares of ₹ 100 each

Issued, Subscribed and Paid up:

10,000,000 (31 March 2019: 10,000,000) Equity Shares of ₹ 100 each

Movement in share capital

Outstanding at the beginning of the year

Shares issued during the year

Outstanding at the end of the year

Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 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.

Shares held by holding company

Edelweiss Financial Services Limited*

* including 6 shares held by Nominees

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

Edelweiss Financial Services Limited*

* including 6 shares held by Nominees

Note: The Company has not issued any shares for consideration other than cash

31-Mar-20	31-Mar-19
2,75,00,000.00	2,75,00,000.00

31-Mar-20	31-Mar-19
10,00,000.00	10,00,000.00
10,00,000.00	10,00,000.00

31-Mar-20		31-Mar-19	
No. of shares	Amount	No. of shares	Amount
1,00,00,000	10,00,000.00	73,98,823	7,39,882.30
-	-	26,01,177	2,60,117.70
1,00,00,000	10,00,000.00	1,00,00,000	10,00,000.00

31-Mar-20		31-Mar-19	
No of shares	%	No of shares	%
1,00,00,000	100%	1,00,00,000	100%
1,00,00,000	100%	1,00,00,000	100%

31-Mar-20		31-Mar-19	
No of shares	%	No of shares	%
1,00,00,000	100%	1,00,00,000	100%
1,00,00,000	100%	1,00,00,000	100%



16 Other Equity

	31-Mar-20	31-Mar-19
Securities premium account	6,76,200.09	6,76,200.09
Retained earnings	(4,08,141.74)	(70,529.34)
Statutory reserve	9,012.69	9,012.69
Total	2,77,071.04	6,14,683.44

16.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

16.2 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

16.3 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

b. Movement in other equitySecurities Premium Account

Opening balance	6,76,200.09	4,94,117.70
Add : Additions during on issue of equity shares	-	1,82,082.39
Closing balance	6,76,200.09	6,76,200.09

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

Opening balance	9,012.69	9,012.69
Add : Additions during the year	-	-
Closing balance	9,012.69	9,012.69

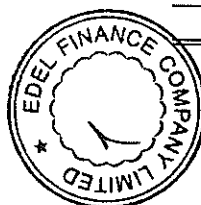
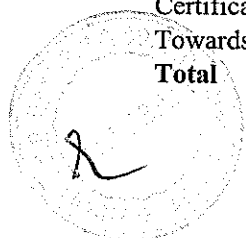
Retained Earning

Opening Balance	(70,529.34)	6,952.22
Add: Profit / (Loss) for the year	(3,39,167.41)	(77,492.56)
Add: Other comprehensive income for the year	1,555.01	11.00
Closing balance	(4,08,141.74)	(70,529.34)
Total Other Equity	2,77,071.04	6,14,683.44



Edel Finance Company Limited
Notes to the financial statements (Continued)
(Currency : Indian rupees in thousands)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
17 Interest income (on financial assets measured at amortised cost)		
Interest on Loans	691.55	13,548.77
Interest on deposits with Banks	-	2,394.19
Total	691.55	15,942.96
18 Other Income		
Interest on income tax refund	53.37	741.41
Miscellaneous income	73.66	176.40
Total	127.03	917.81
19 Finance cost (at amortised cost)		
Interest on borrowings (other than debt securities)	3,17,610.18	53,031.85
Interest on debt securities	-	14,898.00
Other finance cost	5.05	288.43
Total	3,17,615.23	68,218.28
20 Employee benefits expense		
Salaries and wages	11,657.44	1,170.87
Contribution to provident and other funds (Note 27)	912.42	67.51
Staff welfare expenses	244.50	14.03
Total	12,814.36	1,252.41
21 Other expenses		
Advertisement and business promotion	34.23	-
Auditors' remuneration (Refer note 21(a))	575.59	404.40
Computer software and other expenses	237.09	16.82
Directors' sitting fees	440.00	480.00
Legal and professional fees	482.08	930.50
Membership and subscription	10.85	-
Office expenses	15.10	893.46
Printing and stationery	34.88	3.57
Rates and taxes	410.34	3,221.82
Rent	2,412.30	201.51
Repairs and maintenance	-	88.34
Electricity charges	6.25	14.74
Travelling and conveyance	88.94	141.08
Rating support fees	150.28	63.38
ROC Expenses	1.23	17,369.00
Miscellaneous expenses	53.26	474.30
Total	4,952.42	24,302.92
21 (a) Auditors' remuneration		
	2019-20	2018-19
As Auditors	225.00	267.00
Limited Review Fees	225.00	100.00
Certification	100.00	30.00
Towards reimbursement of expenses	25.59	7.40
Total	575.59	404.40



22 Income Tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2020 and 2019 are:

Particulars	2019-20	2018-19
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Adjustments in respect of deferred tax (Refer note 23)	4,340.30	-
Deferred tax relating to origination and reversal of temporary differences	-	278.13
Total tax expense	4,340.30	278.13
Total Current Tax	-	-
Total Deferred Tax	4,340.30	278.13

22.1 Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2020 and 2019 is, as follows:

Particulars	2019-20	2018-19
Profit / (Loss) before tax	(3,34,827.11)	(77,214.43)
Tax rate	25.17%	26.00%
Income tax expense calculated based on above tax rate	(84,269.29)	(20,075.75)
Adjustment in respect of current income tax of prior years	-	-
Effect of non-recognition of deferred tax asset on current-period losses	85,144.02	16,267.53
Adjustments in respect of deferred tax (Refer note 23)	3,465.57	4,086.35
Tax expense recognised in profit or loss	4,340.30	278.13
Effective income tax rate	-1.30%	-0.36%



23 Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

31 March 2020	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Unused tax credits (including but not limited to Minimum Alternate Tax credit) (Refer note 38)	3,385.24	(3,385.24)	-	(3,385.24)	-
Property, Plant and Equipment	(107.39)	94.88	-	94.88	(12.51)
Re-measurement of defined benefit plan	-	-	(522.99)	(522.99)	(522.99)
Share issue and other expenses disallowances U/s. 43B of Income Tax Act, 1961	1,585.44	(1,049.94)	-	(1,049.94)	535.50
Total	4,863.29	(4,340.30)	(522.99)	(4,863.29)	-

During the year, based on management's assessment, the Company has reversed the opening deferred tax asset (to the extent of the available deferred tax liability) due to absence of reasonable certainty to utilise the deferred tax asset within the applicable regulatory time frame.

31 March 2019	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	3,385.24	-	-	-	3,385.24
Property, Plant and Equipment	(121.02)	13.63	-	13.63	(107.39)
Share issue and other expenses	1,877.20	(291.76)	-	(291.76)	1,585.44
Total	5,141.42	(278.13)	-	(278.13)	4,863.29

23.1 Deductible temporary differences where deferred tax assets have not been recognised in balance sheet

As at March 31, 2020		Unused tax losses
Financial Year to which the loss relates to		Carry Forward Losses
		Expiry financial year
	Amount	
2019-20	3,38,302.67	2027-2028
2018-19	62,637.84	2026-2027
2015-16	458.90	2023-2024
Total	4,01,399.41	

As at March 31, 2019	Unused tax losses	
Financial Year to which the loss relates to	Carry Forward Losses	
	Amount	Expiry financial year
2018-19	62,567.42	2026-2027
2015-16	9,216.28	2023-2024
2014-15	516.81	2022-2023
Total	72,300.51	



24 Contingent liabilities and commitments

Company has Nil (Previous year: Nil) contingent liability as at the balance sheet date.

The capital commitment is ₹ 50.2 thousand (Previous year: Nil) as at the balance sheet date.

25 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

	2019-20	2018-19
a) Profit / (Loss) for the year attributable to owners of the parent	(3,39,167.41)	(77,492.56)
b) Calculation of weighted average number of Equity Shares of ₹ 100 each:		
- Number of equity shares outstanding at the beginning of the year	1,00,00,000	73,98,823
- Number of equity shares issued during the year	-	26,01,177
Total number of equity shares outstanding at the end of the year	1,00,00,000	1,00,00,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,00,00,000	83,96,535
Basic and diluted earnings per share (in ₹) (a/b)	(33.92)	(9.23)

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

26 Segment information

The Company is a Core Investment Company ("CIC") and is primarily engaged in making investments in equity shares of the group companies and has only one reportable segment (Capital Based as disclosed above) identified as per Indian Accounting Standard 108 – Operating Segment Reporting.



27 Retirement benefit plan

A) Defined contribution plan (Provident fund):

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount. Amount of ₹ 592.42 thousand (Previous year: ₹ 62.78 thousand) is recognised as expenses and included in "Employee benefit expense - Note 20" in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

	2020	2019
Current service cost	243.00	5.00
Interest on defined benefit obligation	77.00	-
Past service cost	-	-
Exchange rate adjustment	-	-
Total included in 'Employee benefits expense'	320.00	5.00

Movement in Other Comprehensive Income:

	2020	2019
Balance at start of year (Loss)/ Gain	11.00	-
Re-measurements on defined benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(123.00)	-
b. Actuarial (Loss)/ Gain from experience over the past year	44.00	-
Re-measurements on Plan Assets		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(126.00)	11.00
Re-measurements on Asset Ceiling		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	2,283.00	-
Balance at end of year (Loss)/ Gain	2,089.00	11.00

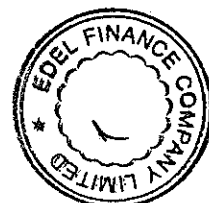
Balance sheet

Reconciliation of defined benefit obligation (DBO) :

	2020	2019
Present value of DBO at the beginning of the year	5.00	-
Acquisition/ (Divestiture)	-	-
Transfer (out)/in	1,154.00	-
Interest cost	78.00	-
Current service cost	243.00	5.00
Benefits paid	-	-
Past service cost	-	-
Actuarial (gain)/loss	79.00	-
Exchange Rate Adjustment	-	-
Present value of DBO at the end of the year	1,559.00	5.00

Reconciliation of fair value of plan assets:

	2020	2019
Fair value of plan assets at the beginning of the year	2,151.00	2,000.00
Acquisition / (Divestiture)	-	-
Contributions by Employer	-	-
Benefits paid	-	-
Interest income	144.00	140.00
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	(126.00)	11.00
Fair value of plan assets at the end of the year	2,169.00	2,151.00



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

Reconciliation of asset ceiling:

	2020	2019
Asset ceiling at the start of the year	2,140.00	2,000.00
Interest cost on asset ceiling	143.00	140.00
Re-measurements	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability / (asset)	(2,283.00)	-
Asset ceiling at the end of the year	-	2,140.00

Net asset / (liability) recognised in the balance sheet:

	2020	2019	2018	2017
Present value of DBO	1,559.00	5.00	-	148.00
Fair value of plan assets at the end of the year	2,169.00	2,151.00	2.00	1,848.00
Net Liability / (asset) recognised in the Balance Sheet	(610.00)	(2,146.00)	(2.00)	(1,700.00)
Funded Status [Surplus/ (Deficit)]	610.00	2,146.00	2.00	1,700.00
Less: Effect of limiting net assets to asset ceiling	-	2,140.00	2.00	1,400.00
Liability recognised in the balance sheet	610.00	6.00	-	300.00

Principal actuarial assumptions at the balance sheet date:

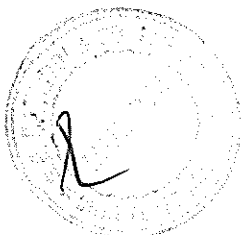
	2020	2019
Discount rate	5.50%	6.70%
Salary escalation	7%	7%
Employees attrition rate	13% - 60%	13% - 60%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets

	2020	2019
Investment Funds with Insurance Company	99.83%	99.8%
Of which, Unit Linked	83.7%	84.7%
Of which, Traditional/ Non-Unit Linked	16.1%	15.1%
Cash and cash equivalents	0.2%	0.2%
Total	100.0%	100.0%

Sensitivity Analysis :

	2020	2019
1% Increase in Salary Growth Rate	104.00	Negligible Change
1% Decrease in Salary Growth Rate	(96.00)	Negligible Change
1% Increase in Discount Rate	(96.00)	Negligible Change
1% Decrease in Discount Rate	107.00	Negligible Change
1% Increase in Withdrawal Rate	(7.00)	Negligible Change
1% Decrease in Withdrawal Rate	8.00	Negligible Change
Mortality (increase in expected lifetime by 1 year)	Negligible Change	Negligible Change
Mortality (increase in expected lifetimes by 3 years)	1.00	Negligible Change



28 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities basis when they are expected to be recovered or settled.

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	1,270.44	-	1,270.44	1,194.27	-	1,194.27
(b) Loans	-	-	-	18,495.99	-	18,495.99
(c) Investments	-	39,99,999.88	39,99,999.88	-	39,99,999.88	39,99,999.88
(d) Other financial assets	1,181.77	-	1,181.77	-	-	-
Total financial assets (A)	2,452.21	39,99,999.88	40,02,452.09	19,690.26	39,99,999.88	40,19,690.14
Non-financial assets						
Current tax assets (net)	-	1,670.03	1,670.03	-	2,532.21	2,532.21
Deferred tax assets (net)	-	-	-	-	4,863.29	4,863.29
Property, plant and equipment	-	1,903.33	1,903.33	-	2,167.00	2,167.00
Other non-financial assets	15.74	3,637.79	3,653.53	23.63	2,659.19	2,682.82
Total non-financial assets (B)	15.74	7,211.15	7,226.89	23.63	12,221.69	12,245.32
TOTAL ASSETS (C = A+B)	2,467.95	40,07,211.03	40,09,678.98	19,713.89	40,12,221.57	40,31,935.46

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Trade payables	1,773.24	-	1,773.24	1,646.99	-	1,646.99
Borrowing (other than debt securities)	27,06,586.89	-	27,06,586.89	24,10,149.04	-	24,10,149.04
Other financial liabilities	27.77	-	27.77	-	-	-
Total financial liabilities (D)	27,08,387.90	-	27,08,387.90	24,11,796.03	-	24,11,796.03
Non-financial liabilities						
Provisions	-	273.00	273.00	-	11.21	11.21
Other non-financial liabilities	23,947.04	-	23,947.04	5,444.78	-	5,444.78
Total non-financial liabilities (E)	23,947.04	273.00	24,220.04	5,444.78	11.21	5,455.99
TOTAL LIABILITIES (F = D+E)	27,32,334.94	273.00	27,32,607.94	24,17,240.81	11.21	24,17,252.02

NET TOTAL ASSETS / (LIABILITIES) (C-F)	(27,29,866.99)	40,06,938.03	12,77,071.04	(23,97,526.92)	40,12,210.36	16,14,683.44
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Edel Finance Company is 100% subsidiary of Edelweiss Financial Services Limited and is CIC registered with Reserve Bank of India. The Company will continue to get support in form of equity infusion and funding from the parent company and other fellow subsidiaries respectively to repay its dues. Also, a scheme of merger with Edelweiss Finvest Private Limited has been filed with NCLT and this merger will lead to additional liquidity to repay the dues.



29 Related party disclosures

List of related parties and relationship:

(A) Name of related parties by whom control is exercised: Holding Company

Edelweiss Financial Services Limited

(B) Fellow subsidiaries

(with whom transactions have taken place during the year)

Edelweiss Securities Limited
 Edelweiss Business Services Limited (Merged with
 Edelweiss Rural & Corporate Services Limited w.e.f. 1st
 August 2018)
 Edelweiss Rural & Corporate Services Limited (Formerly
 Edelweiss Commodities Services Limited)
 Edelweiss Custodial Services Limited
 ECL Finance Limited
 Edelweiss Housing Finance Limited
 Edelcap Securities Limited
 ECap Equities Limited
 Edelweiss Finvest Private Limited

(C) Name of related parties exercising significant influence with whom after transactions have taken place during the year

Atul Ambavat
 Vinod Juneja
 Ravindra Dhobale

Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31 March 2020	31 March 2019
Transactions with related parties				
1	Capital account transactions during the year	Edelweiss Financial Services Limited		
	Issue of equity shares to (including securities premium)		-	4,42,200.09
	Investments in Equity instruments	ECL Finance Limited	-	5,99,999.97
		Edelweiss Housing Finance Limited	-	10,00,000.00
		Edelweiss Rural & Corporate Services Limited	-	11,99,999.91
2	Current Account Transactions during the year			
	Loans given	Edelweiss Rural & Corporate Services Limited	124.36	10,00,000.00
	Loans repaid by	Edelweiss Rural & Corporate Services Limited	10,149.04	10,00,000.00
	Loans borrowed from	Edelweiss Rural & Corporate Services Limited	11,90,000.00	1,815.00
		Ecap Equities Limited	-	12,00,000.00
		Edelweiss Finvest Private Limited	11,90,000.00	12,00,000.00
	Loans repaid to	Edelweiss Finvest Private Limited	11,90,000.00	-
		Edelweiss Rural & Corporate Services Limited	11,90,000.00	1,815.00
	Interest Income on loan given	Edelweiss Rural & Corporate Services Limited	691.55	13,550.49
	Interest expense on loan taken	Edelweiss Finvest Private Limited	1,42,461.20	1,084.93
		Ecap Equities Limited	1,69,731.15	51,945.21
		Edelweiss Rural & Corporate Services Limited	5,417.83	-
	Remuneration	Ravindra Dhobale	1,803.67	-
	Directors Sitting Fees	Atul Ambavat	220.00	240.00
		Vinod Juneja	220.00	240.00
	Enterprise Cost - In	Edelweiss Financial Services Limited	0.25	-
		Edelweiss Rural & Corporate Services Limited	7.58	-
	Cost reimbursements paid to	Edelweiss Financial Services Limited	136.84	14.53
		Edelweiss Securities Limited	6.49	-
		Ecap Equities Limited	0.07	-
		Edelweiss Rural & Corporate Services Limited	1,819.62	214.75
		Edelweiss Custodial Services Limited	36.29	-
	Cost reimbursements recovered from	Edelweiss Rural & Corporate Services Limited	27.16	554.99
		Edelweiss Financial Services Limited	0.31	-
		Edelweiss Securities Limited	0.10	-
	Rating support fee expense paid to	Edelweiss Financial Services Limited	50.28	63.38
	Cross charge on account of fixed assets	Edelweiss Securities Limited	0.44	-
		Ecap Equities Limited	0.08	-
		Edelweiss Rural & Corporate Services Limited	8.34	-
		Edelweiss Financial Services Limited	0.06	-



Edel Finance Company Limited

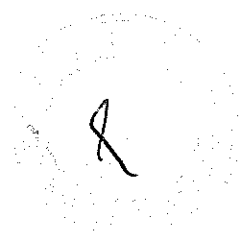
Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

3 Balances with related parties			
Investments in Equity Shares in	Edelweiss Rural & Corporate Services Limited	11,99,999.91	11,99,999.91
	ECL Finance Limited	17,99,999.97	17,99,999.97
	Edelweiss Housing Finance Limited	10,00,000.00	10,00,000.00
Accrued interest on loans given to	Edelweiss Rural & Corporate Services Limited	-	138.18
Accrued interest on loans taken from	Edelweiss Finvest Private Limited	9,592.13	1,084.93
	ECap Equities Limited	25,356.96	10,191.78
	Edelweiss Rural & Corporate Services Limited	4,585.91	-
Loans given to	Edelweiss Rural & Corporate Services Limited	-	18,371.63
Loans taken from	ECap Equities Limited	12,00,000.00	12,00,000.00
	Edelweiss Finvest Private Limited	12,00,000.00	12,00,000.00
	Edelweiss Rural & Corporate Services Limited	2,67,051.89	-
Trade payables to	Edelweiss Rural & Corporate Services Limited	1,134.27	454.24
	Edelweiss Financial Services Limited	80.30	106.26
	Edelweiss Securities Limited	0.53	-
	Edelweiss Custodial Services Limited	5.00	-
	ECap Equities Limited	0.02	-
ESOP cost payable	Edelweiss Financial Services Limited	22.77	-
ESOP cost receivable	Edelweiss Rural & Corporate Services Limited	22.77	-
Transfer of gratuity liability on account of employee transfer to	Edelweiss Housing Finance Limited	5.00	-
Transfer of gratuity liability on account of employee transfer from	Edelcap Securities Limited	82.00	-
	Edelweiss Rural & Corporate Services Limited	866.00	-
	ECL Finance Limited	211.00	-

Note:

As part of fund based activities, intergroup company loans and advances activities are undertaken that are generally in the nature of revolving demand loans. Such intergroup loans and advances activities, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosure, maximum amount of loans and advances given and repaid are disclosed above as in view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances activities are disclosed on the basis of full amounts of such loans and advances given and repaid.



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

30 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and healthy capital ratios in order to support its business and to maximize shareholder value. Further as CIC, the Company maintains the norms prescribed by Reserve Bank of India.

31 Financial instruments not measured at fair Value

The information with respect to financial assets and financial liabilities measured at amortised cost, the carrying amount approximates the fair value.

32 Risk Management

32.1 Introduction and risk profile

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is a CIC and its exposure is mainly restricted to the group companies and hence, limited exposed to credit risk, liquidity risk and there is no market risk, since there is no market exposure.

32.2 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

32.3 Credit risk

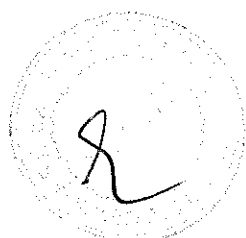
Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial / contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company is a CIC whereby it requires to have minimum 90% of the exposure in its group companies, out of which 60% should be in equity instruments. The Company has limited risk of credit to the extent of loans given and investments made in the group companies. Company is monitoring its exposure continuously within the allowable parameters.

32.4 Liquidity Risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained the exposure within allowable limits. Presently, full exposure including borrowing is from the group companies. Hence, Company do not have any significant liquidity risk.

32.5 Analysis of financial assets and liabilities by remaining contractual maturities

The table given in note number 32.6 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2020.



32.6 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities, financial assets as at 31 March 2020.

Analysis of non-derivative financial liabilities and non-derivative financial assets by remaining contractual maturities

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Company can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. The analysis with respect to financial assets is based on expected maturities.

As at 31 March 2020

Non-derivative financial liabilities	On demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	1,773.24	-	-	-	-	1,773.24
Borrowings (other than debt securities)	26,67,051.89	39,535.00	-	-	-	-	27,06,586.89
Other financial liabilities	-	-	-	27.77	-	-	27.77
Total undiscounted non-derivative financial liabilities	26,67,051.89	41,308.24	-	27.77	-	-	27,08,387.90

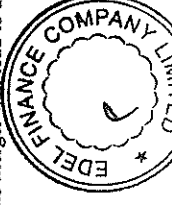
Non-derivative financial assets	On demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	1,270.44	-	-	-	-	-	1,270.44
Investments at cost	-	-	-	-	-	39,99,999.88	39,99,999.88
Other financial assets	-	1,181.77	-	-	-	-	1,181.77
Total	1,270.44	1,181.77	-	-	-	39,99,999.88	40,02,452.09

As at 31 March 2019

Non-derivative financial liabilities	On demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	1,646.99	-	-	-	-	-	1,646.99
Borrowings (other than debt securities)	24,10,149.04	-	-	-	-	-	24,10,149.04
Total undiscounted non-derivative financial liabilities	24,11,796.03	-	-	-	-	-	24,11,796.03

Non-derivative financial assets	On demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	1,194.27	-	-	-	-	-	1,194.27
Loans	18,495.99	-	-	-	-	-	18,495.99
Investments at cost	-	-	-	-	-	39,99,999.88	39,99,999.88
Total	19,690.26	-	-	-	-	39,99,999.88	40,19,690.14

The Company is 100% subsidiary of Edelweiss Financial Services Limited and is CIC registered with Reserve Bank of India. The Company will continue to get support in form of equity infusion and funding from the parent company and other fellow subsidiaries respectively to repay its dues. Also, a scheme of merger with Edelweiss Finvest Private Limited has been filed with NCLT and this merger will lead to additional liquidity to repay the dues.



Edel Finance Company Limited**Notes to the financial statements (Continued)****(Currency : Indian rupees in thousands)****32.7 Market risk:**

Market risk is the risk which can affect the Company's profit/(loss) due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. Presently, in the absence of any market exposure, the Company is not exposed to market risk.

32.8 Analysis of risk concentration:**As at 31 March 2020**

Particulars	Financial services	Services	Total
Financial assets			
Cash and cash equivalent and other bank balances	1,270.44	-	1,270.44
Investments at cost	27,99,999.97	11,99,999.91	39,99,999.88
Other financial assets	315.77	866.00	1,181.77
Total	28,01,586.18	12,00,865.91	40,02,452.09

As at 31 March 2019

Particulars	Financial services	Services	Total
Financial assets			
Cash and cash equivalent and other bank balances	1,194.27	-	1,194.27
Loans	-	18,495.99	18,495.99
Investments at cost	27,99,999.97	11,99,999.91	39,99,999.88
Total	28,01,194.24	12,18,495.90	40,19,690.14

32.9 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not have any foreign currency exposure, hence foreign currency risk is not applicable.

33 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 including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications, etc. On the same lines, employees' cost expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 21 includes cost charged and cost recovered to / from fellow subsidiaries based on the management's best estimate amounting to ₹ 2,066.34 thousands and ₹ 27.57 thousands respectively (Previous Year: ₹ 292.66 thousands and ₹ 554.99 thousands respectively).

34 Employee Stock Option Plans (ESOPs)

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

35 Regulatory disclosure of Core Investment Company (CIC)

The Company is primarily engaged in the business of lending and investment and is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). During the previous year the Company got converted to NBFC-CIC-ND-SI on 9th October, 2018.



Edel Finance Company Limited**Notes to the financial statements (Continued)****(Currency : Indian rupees in thousands)**

As per the clause no. 19 of Master Direction - DNBR. PD. 003/03.10.119/2016-17 dt. 25th August, 2017 as amended - CIC (Reserve Bank) Directions 2016, following disclosures in the Balance Sheet are given as under:

- a. Provisions made as per paragraph 17 of above mentioned master direction
 - i. Provisions for bad and doubtful debt: Nil
 - ii. Provisions for depreciation in investments: Nil
- b. Since the Company is NBFC-CIC-ND-SI with total assets less than 500 crores , following regulatory disclosures are not applicable.
 - i. Exposure to real estate sector, both direct and indirect; and
 - ii. Maturity pattern of assets and liabilities

35.1 Disclosure on liquidity risk

As required in terms of paragraph 3 of RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(i) Funding concentration based on significant counterparty ((both deposits and borrowings)

Number of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
3	27,06,586.89	NA	99.05%

* "Total liabilities " refers to total external liabilities (i.e. excluding total equity).

(ii) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India got converted into Core Investment Company (CIC) as NBFC-CIC-ND-SI, does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ thousand and % of total borrowings)

Name of Entity	Amount	% of Total Borrowings
Edelweiss Finvest Private Limited	12,09,592.13	44.69%
Edelweiss Rural and Corporate Services Limited	2,71,637.80	10.04%
Ecap Equities	12,25,356.96	45.27%
Total borrowings	27,06,586.89	100.00%

(iv) Funding concentration based on significant instrument / product

Name of the instrument / product	Amount	% of Total Liabilities
Intra Group borrowings	27,06,586.89	99.05%



2

Edel Finance Company Limited**Notes to the financial statements (Continued)****(Currency : Indian rupees in thousands)****(v) Stock Ratios****As at March 31, 2020**

Commercial papers as a % of total public funds	0.00%
Commercial papers as a % of total liabilities	0.00%
Commercial papers as a % of total assets	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
Other short-term liabilities, if any as a % of total public funds	0.00%
Other short-term liabilities*, if any as a % of total liabilities	99.05%
Other short-term liabilities*, if any as a % of total assets	67.50%

* "Other short-term liabilities" refers to only borrowing within the group which are contractually short term in nature.

(vi) Institutional set-up for liquidity risk management

The Asset-Liability gap is being monitored from time to time to overcome the asset-liability mismatches, interest risk exposure, etc, if any. The Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. The Company ensures that the credit and investment exposure are only with the group companies and are within the statutory limits as prescribed by the Reserve Bank of India from time to time. The Company will continue to get support from the Holding Company in the form of equity infusion and is necessary support to repay its dues on timely basis.

36 Disclosure related to collateral

None of the assets of the Company are pledged and are available as collateral.

37 Other Disclosures

i. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

ii. There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

38 The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income-tax Act, 1961, which provides an option for paying income-tax at reduced rates. Company has opted for reduced tax rates. Consequently, the MAT credit asset is reversed through Profit and loss account.

39 A Scheme of Amalgamation for merger of the Edelweiss Finvest Private Limited ("Transferor Company") with Edel Finance Company Limited ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with National Company Law Tribunal ("NCLT") on May 22, 2020.



Edel Finance Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

40 COVID 19

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered financial support from its parent entity and fellow subsidiaries in determining the Company's liquidity position. Management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. A scheme of merger with Edelweiss Finvest Private Limited has been filed with NCLT and this merger will lead to additional liquidity to repay the dues.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its financial assets including the value of its investments as at March 31, 2020 based on estimate of the future statements and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial statements may differ

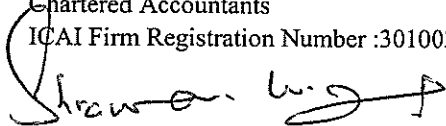
41 Previous year's figures have been regrouped / reclassified to conform to current year presentation.

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number :301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

S. Ranganathan

Director

DIN : 00125493

Atul Ambavat

Director

DIN : 00195875



Ananthakrishnan S

Company Secretary



Ravindra Dhobale

Chief Financial Officer

Mumbai

June 29, 2020

Mumbai

June 29, 2020

