



**DHIRAJ & DHEERAJ**  
CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Edel Investments Limited

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying Special Purpose Financial Statements of Edel Investments 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 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 Special Purpose 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 losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

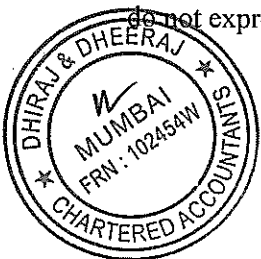
#### **Basis for Opinion**

We conducted our audit of the Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements.

#### **Other Information**

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

Our opinion on the Special Purpose 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 Special Purpose 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Special Purpose Financial Statements**

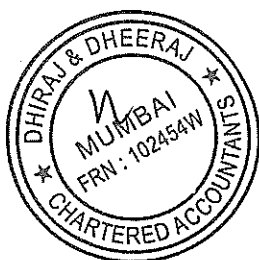
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose 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 with reference to financial statements 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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.



## Other Matter

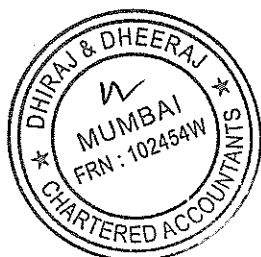
The Company has prepared a separate set of financial statements for the year ended March 31, 2020 which is prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, on which we issued a separate auditor's report to the members of the Company dated June 24, 2020. The separate auditor's report can be used by S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements.

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Financial Services Limited ('Ultimate Holding Company' or 'EFSL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2020 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

## Report on Other Legal and Regulatory Requirements

1. 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 special purpose 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 special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided 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 **Dhiraj & Dheeraj**  
Chartered Accountants  
Firm's Registration Number: 102454W

*Pritesh Shah*

**Pritesh Shah**  
Partner  
Membership Number: 109573



Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

UDIN: 20109573AAAAAZ7261

## **Annexure A**

### **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 Investments Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

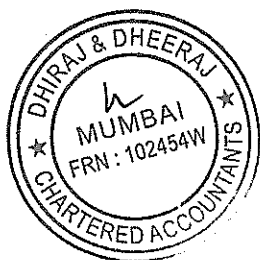
#### **Management's Responsibility for Internal Financial Controls**

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 with reference to these special purpose financial statements 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 with reference to these special purpose financial statements 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 over financial reporting with reference to these special purpose financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these special purpose financial statements, 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.



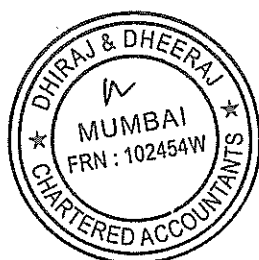
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these special purpose financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these special purpose financial statements 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 With Reference to these Special purpose Financial Statements**

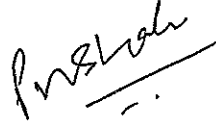
Because of the inherent limitations of internal financial controls over financial reporting with reference to these special purpose financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not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



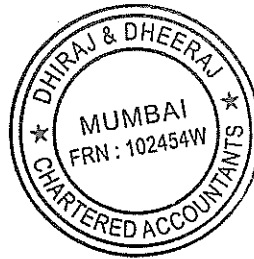
## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements 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 **Dhiraj & Dheeraj**  
Chartered Accountants  
Firm's Registration Number: 102454W



**Pritesh Shah**  
Partner  
Membership Number: 109573



Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

UDIN: 20109573AAAAAZ7261



# **Edel Investments Limited**

## **Balance Sheet**

(Currency: Indian rupees)

	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	7	1,09,82,928	11,24,499
(b) Bank balances other than cash and cash equivalents	8	11,12,26,409	25,28,648
(c) Derivative financial instruments	9	2,53,20,253	-
(d) Trade receivables	10	29,14,855	3,60,000
(e) Stock in trade	11	10,24,58,098	28,69,99,796
(f) Investments	12	2,34,81,21,194	-
(g) Other financial assets	13	6,82,72,329	12,30,48,245
		<u>2,66,92,96,065</u>	<u>41,40,61,188</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	14	2,77,93,634	2,73,21,421
(b) Deferred tax assets (net)	15	19,10,36,387	7,08,92,171
(c) Property, Plant and Equipment	16	33,98,561	5,70,076
(d) Other Intangible assets	16	29,16,445	2,79,345
(e) Other non- financial assets	17	15,73,120	28,81,045
		<u>22,67,18,147</u>	<u>10,19,44,058</u>
<b>TOTAL ASSETS</b>		<u><b>2,89,60,14,213</b></u>	<u><b>51,60,05,246</b></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,59,35,711	1,13,32,285
(b) Borrowings (other than debt securities)	19	1,48,28,941	20,17,10,921
(c) Subordinated Liabilities	20	26,61,43,782	-
(c) Other financial liabilities	21	16,11,777	2,28,98,486
		<u>29,85,20,211</u>	<u>23,59,41,692</u>
<b>Non-financial liabilities</b>			
(a) Provisions	22	15,73,673	18,91,455
(b) Other non-financial liabilities	23	25,60,901	17,04,697
		<u>41,34,574</u>	<u>35,96,152</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	24	35,02,20,000	3,37,00,000
(b) Other equity	25	2,24,31,39,428	24,27,67,402
		<u>2,59,33,59,428</u>	<u>27,64,67,402</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>2,89,60,14,213</b></u>	<u><b>51,60,05,246</b></u>

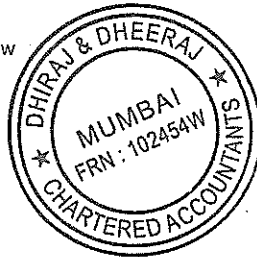
The accompanying notes are an integral part of the financial statements

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This is the Balance Sheet referred to in our report of even date

For Dhiraj & Dheeraj  
Chartered Accountants  
Firms' Registration No. 102454W

*Pritesh Shah*  
Pritesh Shah  
Partner  
Membership No: 109573



For and on behalf of the Board of Directors

*Punyashree Kanade*  
Punyashree Kanade  
Director  
DIN: 08104699

Deepak Mundra  
Director  
DIN: 05733120

*Rajeev Khanda*  
Rajeev Khanda  
Chief Financial Officer

*Siddiqua Raean*  
Siddiqua Raean  
Company Secretary

Mumbai  
24 June 2020



Mumbai  
24 June 2020

# Edel Investments Limited

## Statement of Profit and Loss

(Currency: Indian rupees)

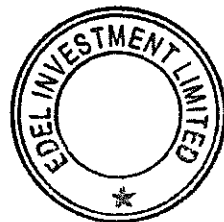
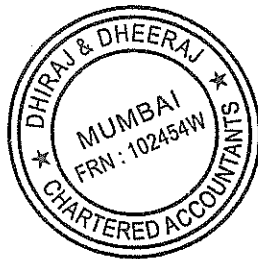
	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
Interest income	26	1,30,19,984	8,93,93,119
Dividend income	27	-	990
Fee and commission income	28	1,04,89,726	2,00,37,687
Net gain on fair value changes	29	-33,55,97,157	12,14,21,617
<b>Total Revenue from operations</b>		<b>-31,20,87,447</b>	<b>23,08,53,413</b>
<b>Other Income</b>	30	-	56,000
<b>Total Revenue</b>		<b>-31,20,87,447</b>	<b>23,09,09,413</b>
<b>Expenses</b>			
Finance costs	31	3,12,69,307	13,83,68,070
Employee benefit expenses	32	3,06,86,384	4,57,27,205
Depreciation, amortisation and impairment	16	19,67,916	5,79,133
Other expenses	33	5,66,90,436	4,22,97,837
<b>Total expenses</b>		<b>12,06,14,043</b>	<b>22,69,72,245</b>
<b>(Loss)/ Profit before tax</b>		<b>-43,27,01,490</b>	<b>39,37,168</b>
<b>Tax expense:</b>			
Current tax		34,410	7,25,000
Deferred tax		-12,01,63,833	-5,91,80,321
<b>(Loss)/ Profit for the year</b>		<b>-31,25,72,067</b>	<b>6,23,92,489</b>
<b>Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		70,514	-1,80,000
Tax effect on Remeasurement gain / loss on defined benefit plans (OCI)		-19,617	50,076
<b>Total other comprehensive income</b>		<b>50,897</b>	<b>-1,29,924</b>
<b>Total comprehensive income</b>		<b>-31,25,21,170</b>	<b>6,22,62,565</b>
<b>Earnings per equity share (Face value of Rs 10 each):</b>	36		
Basic and diluted (in Rs.)		<b>-41.91</b>	<b>18.51</b>

The accompanying notes are an integral part of the financial statements 1-50

This is the Statement of Profit and Loss referred to in our report of even date

For Dhiraj & Dheeraaj  
Chartered Accountants  
Firms' Registration No. 102454W

*Pritesh Shah*  
Pritesh Shah  
Partner  
Membership No: 109573



Mumbai  
24 June 2020

For and on behalf of the Board of Directors

*Punyashree Kanade*

Punyashree Kanade  
Director  
DIN: 08104699

Deepak Mundra  
Director  
DIN: 05733120

*Rajeev Khandal*  
Rajeev Khandal  
Chief Financial Officer

*Siddiq Raen*  
Siddiq Raen  
Company Secretary

Mumbai  
24 June 2020

# Edel Investments Limited

## Cash Flow Statement

(Currency: Indian rupees)

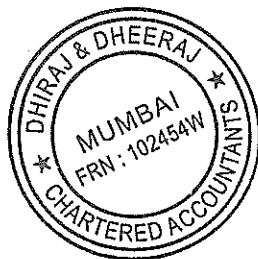
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flow from operating activities</b>		
(Loss)/ Profit before taxation	-43,27,01,490	39,37,168
<b>Adjustments for</b>		
Interest income	-20,09,857	-11,23,920
Depreciation	19,67,916	5,79,133
Interest expense	3,10,69,630	10,56,31,533
Interest expense on Subordinated Liabilities	92,979	-
Share of loss/(profit) from partnership firm	-	2,672
Provision for gratuity and compensated leave absences (incl Actuarial gain/loss)	-2,47,268	13,56,747
<b>Operating cash flow before working capital changes</b>	<b>-40,18,28,090</b>	<b>11,03,83,333</b>
<b>Adjustments for working capital changes</b>		
(Decrease)/ Increase in financial liabilities (incl trade payables)	-1,66,83,283	1,82,77,701
(Decrease) / Increase in non-financial liabilities	8,56,204	-13,28,972
Increase in fixed deposit accrued interest	-3,97,761	-1,04,205
Decrease / (Increase) in derivative financial instruments (Assets)	-2,53,20,253	42,75,000
Decrease/(increase) in bank balances other than cash and cash equivalents	-10,83,00,000	-
Decrease / (Increase) in Stock-in-trade	18,45,41,698	28,48,24,142
Decrease / (Increase) in trade receivables	-25,54,855	18,26,49,210
(Increase) / Decrease in other financial assets	5,47,75,916	-8,77,256
(Increase) / Decrease in other non-financial assets	13,07,926	-22,07,212
<b>Cash (used in)/ generated from operations</b>	<b>-31,36,02,498</b>	<b>59,58,91,741</b>
Income tax paid	-5,06,623	-49,39,688
<b>Net cash (used in)/ generated from operating activities - A</b>	<b>-31,41,09,121</b>	<b>59,09,52,053</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	-74,33,500	-30,596
Contribution in partnership firm through current account	-	-382
Investment in Equity Shares of EISPL	-2,34,81,21,194	-
Interest received	20,09,857	11,23,920
<b>Net cash (used in) / generated from investing activities - B</b>	<b>-2,35,35,44,837</b>	<b>10,92,942</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of shares including premium and share application money	2,59,54,64,000	-
Proceeds from issue of preference shares	30,00,00,000	-
Borrowings (other than debt securities) (Refer Note 2)	-18,53,28,114	-30,38,87,075
Interest paid	-3,26,23,499	-10,64,55,824
Interim dividend and dividend distribution tax paid	-	-18,28,22,104
<b>Net cash generated from/ (used in) financing activities - C</b>	<b>2,67,75,12,387</b>	<b>-59,31,65,003</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>98,58,429</b>	<b>-11,20,008</b>
Cash and cash equivalents as at the beginning of the year	11,24,499	22,44,507
Cash and cash equivalents as at the end of the year	1,09,82,928	11,24,499
<b>Notes:</b>		
1 Cash and cash equivalents include the following:		
Balances with bank		
In current account	1,09,82,928	11,24,499
	<b>1,09,82,928</b>	<b>11,24,499</b>
2 Net figures have been reported on account of volume of transactions.		

This is the Cash flow statement referred to in our report of even date.

For Dhiraj & Dheeraj  
Chartered Accountants  
Firms' Registration No. 102454W

*Pritesh Shah*

Pritesh Shah  
Partner  
Membership No: 109573



For and on behalf of the Board of Directors

*Punyashree Kanade*

Punyashree Kanade  
Director  
DIN: 08104699

Deepak Mundra  
Director  
DIN: 06733120

*Rajeev Khandal*

Rajeev Khandal  
Chief Financial Officer

*Siddiqa Raeen*

Siddiqa Raeen  
Company Secretary

Mumbai  
24 June 2020



24 June 2020

**Edel Investments Limited**

**Statement of changes in Equity**

(Currency: Indian rupees)

**(a) Equity share capital**

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,37,00,000	3,37,00,000
Changes in equity share capital	31,65,20,000	-
Balance at the end of the year	<u>35,02,20,000</u>	<u>3,37,00,000</u>

**(b) Other equity**

	Capital Redemption Reserve	Securities Premium	ESOP reserve	Retained earnings	Total
Balance at 1 April 2019 (Ind AS)	45,00,000	1,23,00,000	6,73,094	22,52,94,308	24,27,67,402
Profit for the year	-	-	-	-31,25,72,067	-31,25,72,067
Other comprehensive income	-	-	-	50,897	50,897
Issue of equity instruments	-	2,27,89,44,000	-	-	2,27,89,44,000
Total Comprehensive Income for the year	-	2,27,89,44,000	-	-31,25,21,170	1,96,64,22,830
Transaction with shareholders in their capacity as such	-	-	-	3,39,49,196	3,39,49,196
Dividend to equity shareholders	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Balance at 31 March 2020 (Ind AS)	<u>45,00,000</u>	<u>2,29,12,44,000</u>	<u>6,73,094</u>	<u>-5,32,77,666</u>	<u>2,24,31,39,428</u>

**Capital redemption reserve:**

As per Companies Act, 2013, capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**Securities premium:**

Securities premium is used to record the premium on issue of shares and the reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

**ESOP reserve:**

Certain employees of the Company have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the Company.

This is the Statement of changes in Equity referred to in our report of even date.

For Dhiraj & Dheeraaj  
Chartered Accountants  
Firms' Registration No. 102454W

*Pritesh Shah*

Pritesh Shah  
Partner  
Membership No: 109573

Mumbai  
24 June 2020



For and on behalf of the Board of Directors

*Punyashree Kanade*

Punyashree Kanade  
Director  
DIN: 08104699

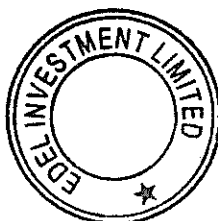
Deepak Mundra  
Director  
DIN: 06733120

*Rajeev Khandal*

Rajeev Khandal  
Chief Financial Officer

*Siddiqua Raean*

Siddiqua Raean  
Company Secretary



Mumbai  
24 June 2020

**Edel Investments Limited**  
**Notes to the financial statements**  
**for the year ended 31 March 2020**

**1. Background**

Edel Investment Limited ('the Company') was incorporated on 24-Nov-2009 as a public limited company.

The Company is a subsidiary of ECap Equities Limited and is registered as a trading member in Equity segment, Derivatives segment and Currency derivatives Segment with National Stock Exchange of India Limited (NSE) and in Currency Derivatives segment of the Bombay Stock Exchange ('BSE').

The Company is also registered as an Authorised Participant ('AP') of Edelweiss Securities Limited for Capital Market Segment With BSE.

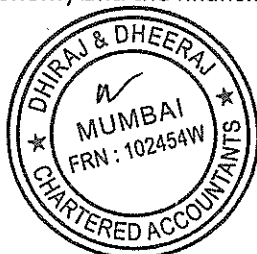
**2. Basis of preparation of financial statements**

The Company's financial statements 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 Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVTOCI) instruments, derivative financial instruments, fair value through profit and loss account and other financial assets held for trading, which have been measured at fair value. The Company's financial statements are presented in Indian Rupees (INR).

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.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results 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 results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.



**Edel Investments Limited**  
**Notes to the financial statements**  
for the year ended 31 March 2020

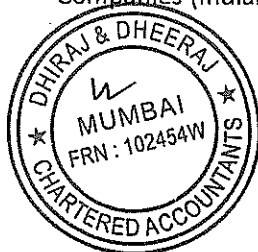
**3. Presentation of financial statements**

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 Note 48.

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

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2020 for Edelweiss Financial Services Limited Reporting (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act"). The Company has prepared a separate set of financial statements for the year ended 31 March 2020 in Indian Rupees in millions which is prepared in accordance with Division III of Schedule III and Ind-AS prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

### 4. Significant accounting policies

#### 4.1 Revenue recognition

4.1.1 Fee income including advisory fees for services rendered is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

4.1.2 Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVTOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

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).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

4.1.3 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.

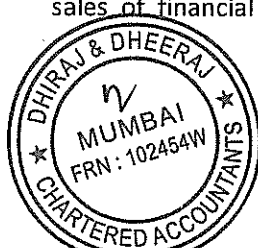
4.1.4 Brokerage income on currency derivatives broking business is recognised as per contracted rates at the time of execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses.

4.1.5 Profit/loss on sale of investments is recognised on trade date basis.

#### 4.2 Financial Instruments

##### 4.2.1 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



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

established by regulation or convention in the market place. The Company recognises borrowings when funds are available for utilisation to the Company.

### 4.2.2 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 statement of profit and loss.

### 4.2.3 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 statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

## 4.3 Classification of financial instruments

### 4.3.1 Financial assets:

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:

- Amortised cost
- Fair value through other comprehensive income [FVTOCI]
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and





# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

- 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.

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

### 4.3.1.1 Amortized cost and Effective interest rate method (EIR)

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected credit life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### 4.3.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

### 4.3.1.3 Financial asset measured at FVOCI

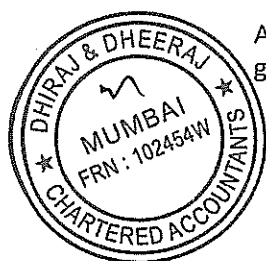
Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to statement of profit and loss. Interest income on such instrument is recognised in statement of profit and loss as per EIR method.

### 4.3.1.4 Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

### 4.3.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

### 4.3.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

### 4.3.2.2 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in statement of profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### 4.3.2.3 Financial guarantee:

Financial guarantees are contracts that require the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

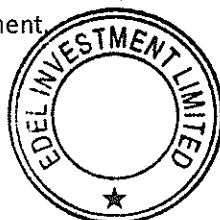
Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

### 4.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

### 4.3.3 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.



**Edel Investments Limited**  
**Notes to the financial statements**  
**for the year ended 31 March 2020**

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.

**4.3.4 Derivatives**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in statement of profit and loss immediately.

**4.4 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. Financial liabilities are never reclassified.

**4.5 Derecognition of financial assets and financial liabilities**

**4.5.1 Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCL.

When assessing whether or not to derecognise a financial asset, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**4.5.2 Derecognition of financial assets other than due to substantial modification**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

### 4.5.3 Derecognition of financial liabilities

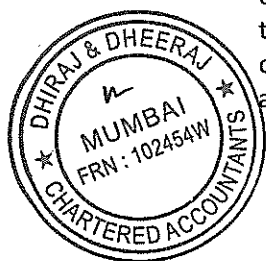
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the statement of profit and loss.

### 4.6 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

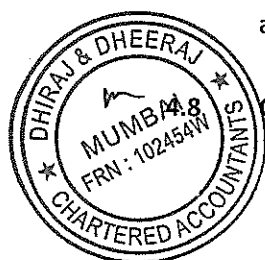
For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

### 4.7 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.



Collateral repossessed



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

### 4.9 Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

### 4.10 Forborne and modified loan

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

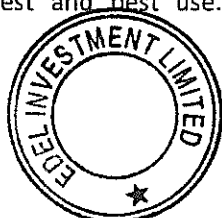
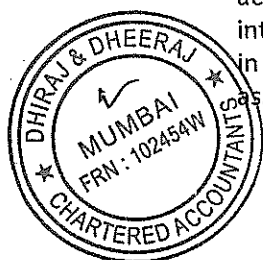
### 4.11 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are



# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

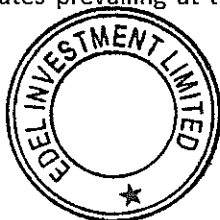
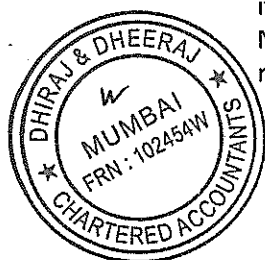
#### 4.12 Earnings per share

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.

#### 4.13 Foreign currency transactions

The financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-



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monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

**4.14 Retirement and other employee benefit**

**4.14.1 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.

**4.14.2 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.

Remeasurements, 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 statement of profit and loss in subsequent periods.

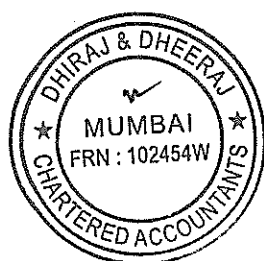
**4.14.3 Compensated Absences**

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.

**4.14.4 Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Company are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.





# Edel Investments Limited

## Notes to the financial statements

for the year ended 31 March 2020

### 4.15 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Useful Life
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years
Motor Vehicles	8 years

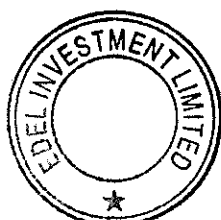
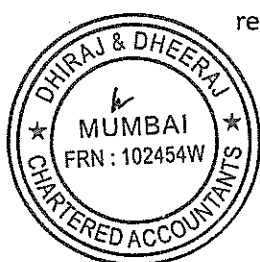
### 4.16 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 4.17 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 recognized 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 of the depreciable historical cost.



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**4.18 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.

**4.19 Provisions and 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.

**4.20 Income tax expenses**

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

**4.20.1 Current tax**

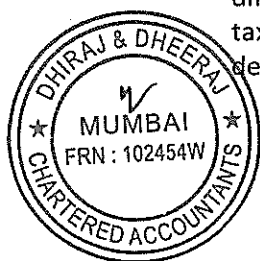
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**4.20.2 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.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or



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back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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.

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.

**4.20.3 Minimum Alternative Tax (MAT) credit**

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

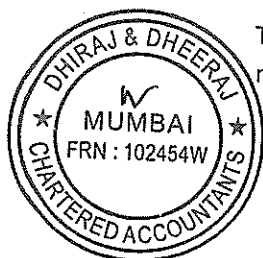
**5. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the management is required to make judgments, 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.

**5.1 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



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that have the most significant effect on the amounts recognised in the consolidated financial statements.

a. 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 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.

b. 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.

c. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Company, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Company consolidates the structured entities that it controls. When making this judgement, the Company also considers voting and similar rights available to itself and other parties, who may limit the Company's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Company has the ability to use its power to affect the amount of the Company's returns i.e. the variability of returns in relation to the total returns of the investee entity.

d. Determining lease term for lease contracts with renewal and termination option:



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for the year ended 31 March 2020

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

**5.2 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 stand-alone financial statements are 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.

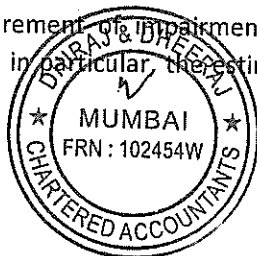
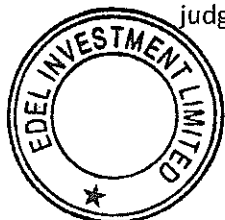
**a. Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

**b. Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular the estimation of the amount and timing of future cash flows and



**Edel Investments Limited**  
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collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

c. Effective interest rate method

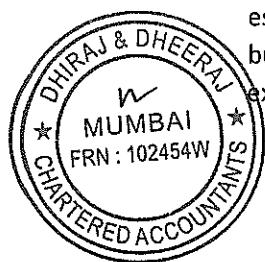
The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.



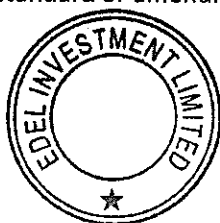
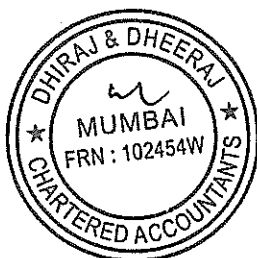
**Edel Investments Limited**  
**Notes to the financial statements**  
**for the year ended 31 March 2020**

e. Estimating the incremental borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

**6. Standards issued but not yet effective**

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



## Edel Investments Limited

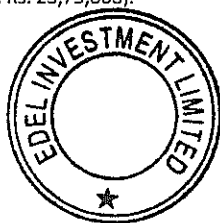
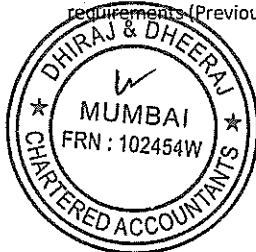
### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>7 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	1,09,82,928	11,24,499
	<u>1,09,82,928</u>	<u>11,24,499</u>
<b>8 Bank balances other than cash and cash equivalents</b>		
Fixed deposits, held as margin money	11,06,75,000	23,75,000
Accrued interest on fixed deposits	5,51,409	1,53,648
	<u>11,12,26,409</u>	<u>25,28,648</u>

#### 8.1 Encumbrances' on fixed deposits held by the Company

The Company has pledged fixed deposits aggregating to Rs. 11,06,75,000 with Stock exchange for meeting margin requirements (Previous year: Rs. 23,75,000).





# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

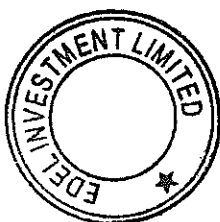
### 9 Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

31 March 2020						
Particulars	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount*		Unit	Notional amount*	
Currency derivatives						
-Currency Futures	Number of currency units	-	-	Number of currency units	1,98,12,000	2,17,58,467
-Options purchased	Number of currency units	1,20,65,000	2,53,20,253	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	1,20,65,000	22,10,853
Less: amounts offset (refer Note in offsetting disclosure)			-			-2,39,69,319
<b>Total derivative financial instruments</b>			<b>2,53,20,253</b>			<b>-</b>

31 March 2019						
Particulars	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount*		Unit	Notional amount*	
Equity linked derivatives						
-Stock Futures	Number of shares	4,27,200	10,75,337	Number of shares	8,16,942	20,33,164
Less: amounts offset (refer Note in offsetting disclosure)			-10,75,337			-20,33,164
<b>Total derivative financial instruments</b>			<b>-</b>			<b>-</b>

\* Notional amount represents quantity in case of equity linked and index linked derivatives



**Edel Investments Limited****Notes to the financial statements (Continued)**

(Currency: Indian rupees)

**9 Derivative financial instruments****(a) Offsetting of financial assets and liabilities****Financial assets subject to offsetting 31 March 2020**

Particulars	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	2,53,20,253	-	2,53,20,253

**Financial liabilities subject to offsetting 31 March 2020**

As at 31 March 2020 Particulars	Offsetting recognised in balance sheet		Total liabilities
	Gross liability before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	2,39,69,319	2,39,69,319	-

As at the reporting date, the amount of gross derivative assets and liabilities that has been offset against the cash margin is Rs. Nil and Rs 23,969,319 respectively.

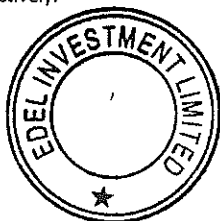
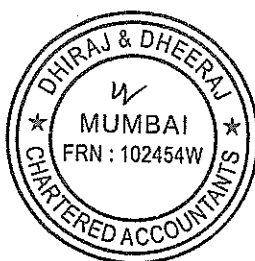
**Financial assets subject to offsetting 31 March 2019**

Particulars	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	10,75,337	10,75,337	-

**Financial liabilities subject to offsetting 31 March 2019**

As at 31 March 2019 Particulars	Offsetting recognised in balance sheet		Total liabilities
	Gross liability before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	20,33,164	20,33,164	-

As at the reporting date, the amount of gross derivative assets and liabilities that has been offset against the cash margin is Rs. 1,075,337 and Rs 2,033,164 respectively.



## Edel Investments Limited

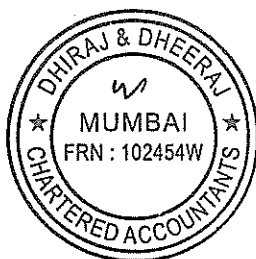
### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>10 Trade receivables</b>		

(i) Trade receivables  
Receivables considered good - Unsecured

29,14,855	3,60,000
<u>29,14,855</u>	<u>3,60,000</u>



Edel Investments Limited

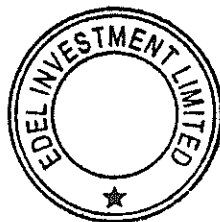
Notes to the financial statements (Continued)

(Currency: Indian rupees)

11 Stock-in-trade

Carried at fair valued through profit & loss account

	As at 31 March 2020			As at 31 March 2019		
	Face value	Quantity	Amount	Face value	Quantity	Amount
(A) Equity shares (quoted)						
Vodafone Idea Ltd	-	-	-	10	1,000	18,250
CPSE ETF	-	-	-	10	66,47,136	18,10,67,985
			<u>-</u>			<u>18,10,86,235</u>
(B) Mutual funds (unquoted)						
Edelweiss Liquid Fund - Direct Plan - Growth Option	-	-	-	-	44,068	10,59,13,561
			<u>-</u>			<u>10,59,13,561</u>
(C) Debt Instruments						
10.65% EDELWEISS RURAL & CORPORATE SERVICES LIMITED 07.04.2022 BONDS			10,24,58,098			
			<u>10,24,58,098</u>			<u>-</u>
Grand Total (A+B+C)			<u>10,24,58,098</u>			<u>28,69,99,796</u>



**Edel Investments Limited****Notes to the financial statements (continued)**

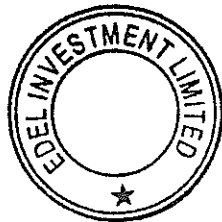
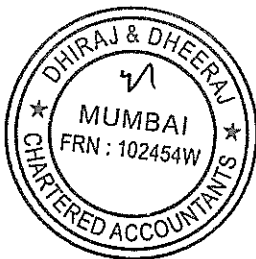
(Currency : Indian Rupees)

**12 Investments****As at 31 March 2020**

Particulars	At cost (subsidiaries, associates, and joint ventures)	Total
Investments in subsidiaries Equity	2,34,81,21,194	2,34,81,21,194
<b>Total - Gross (A)</b>	<b>2,34,81,21,194</b>	<b>2,34,81,21,194</b>
(i) Investments outside India	2,34,81,21,194	2,34,81,21,194
(ii) Investment in India	-	-
<b>Total (B)</b>	<b>2,34,81,21,194</b>	<b>2,34,81,21,194</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>2,34,81,21,194</b>	<b>2,34,81,21,194</b>

**12 Investments (continued)****As at 31 March 2019**

Particulars	At cost (subsidiaries, associates, and joint ventures)	Total
Investments in subsidiaries Equity	-	-
<b>Total - Gross (A)</b>	<b>-</b>	<b>-</b>
(i) Investments outside India	-	-
(ii) Investment in India	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>-</b>	<b>-</b>

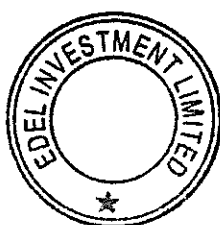


# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>13 Other financial assets</b>		
Deposits placed with/ for exchange/ depositories	1,62,00,000	-
Deposits placed with/exchange/depositories	2,25,000	2,25,000
Accrued interest on margin	-	11,16,051
Margin placed with broker	5,31,35,225	12,01,03,527
Premium received on outstanding exchange traded options	-22,10,853	-
Advances recoverable in cash or in kind or for value to be received	9,22,957	16,03,667
	<u>6,82,72,329</u>	<u>12,30,48,245</u>
<b>14 Current tax assets (net)</b>		
Advance income taxes (net of provision for tax)	2,77,93,634	2,73,21,421
	<u>2,77,93,634</u>	<u>2,73,21,421</u>
<b>15 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Unrealised loss on derivatives	26,07,388	2,66,467
<u>Employee benefit obligations</u>		
Provision for leave accumulation	-30,954	1,11,271
Disallowances under section 43B of the Income Tax Act, 1961	6,11,317	4,65,008
<u>Unused tax credit</u>		
MAT credit entitlement	1,20,02,879	1,19,68,469
<u>Unused tax losses</u>		
Accumulated Losses	17,59,13,853	6,18,27,027
	<u>19,11,04,483</u>	<u>7,46,38,242</u>
<b>Deferred tax liabilities</b>		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	2,50,039	16,638
<u>Investments and other financial instruments</u>		
Fair valuation of investments and stock-in-trade	-1,81,943	37,29,433
	68,096	37,46,071
	<u>19,10,36,387</u>	<u>7,08,92,171</u>



## 15.1 Income tax disclosure

(a) The components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	31 March 2020	31 March 2019
Current tax	34,410	7,25,000
Adjustment in respect of current income tax of prior years	-	-
Deferred tax asset recognised on unused tax credit or unused tax losses	-12,01,63,833	-5,91,80,321
<b>Total tax charge</b>	<b>-12,01,29,423</b>	<b>-5,84,55,321</b>
Current tax	34,410	7,25,000
Deferred tax	-12,01,44,216	-5,91,80,321

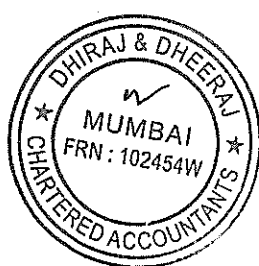
(b) Reconciliation of total tax charge

Particulars	31 March 2020	31 March 2019
Accounting profit before tax as per financial statements	-43,27,01,490	39,37,168
Tax rate (in percentage)	27.82%	27.82%
Income tax expense calculated based on this tax rate	-12,03,77,555	10,95,320
Effect of non-deductible expenses:		
Effect of recognition of deferred tax asset on prior period losses earlier not recognised	-	-6,18,27,027
Others	2,48,132	22,76,386
<b>Tax charge for the year recorded in statement of profit and loss</b>	<b>-12,01,29,423</b>	<b>-5,84,55,321</b>

(c) The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2019-20)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	-16,638	-2,33,401	-	-2,33,401	-2,50,039
Stock-in-trade	-37,29,433	39,11,376	-	39,11,376	1,81,943
Employee benefits obligations	5,76,279	23,701	-19,617	4,084	5,80,363
Fair valuation of Derivatives	2,66,467	23,40,921	-	23,40,921	26,07,388
Unused tax losses	6,18,27,027	11,40,86,826	-	11,40,86,826	17,59,13,853
Unused tax credits	1,19,68,469	34,410	-	34,410	1,20,02,879
<b>Total</b>	<b>7,08,92,171</b>	<b>12,01,63,833</b>	<b>-19,617</b>	<b>12,01,44,216</b>	<b>19,10,36,387</b>

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	-34,081	17,443	-	17,443	-16,638
Stock-in-trade	-10,015	-37,19,418	-	-37,19,418	-37,29,433
Employee benefits obligations	98,680	4,27,523	50,076	4,77,599	5,76,279
Fair valuation of Derivatives	3,63,724	-97,257	-	-97,257	2,66,467
Unused tax losses	-	6,18,27,027	-	6,18,27,027	6,18,27,027
Unused tax credits	1,12,43,469	7,25,000	-	7,25,000	1,19,68,469
<b>Total</b>	<b>1,16,61,777</b>	<b>5,91,80,318</b>	<b>50,076</b>	<b>5,92,30,394</b>	<b>7,08,92,171</b>



# Edel Investments Limited

Notes to the financial statements (Continued)

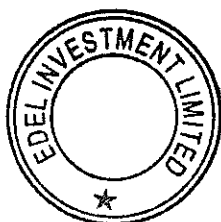
(Currency: Indian rupees)

## 16 (a) Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation				Net Block
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 Mar 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at 31 Mar 2020	As at 31 Mar 2020
Computers	9,83,688	38,02,260	-	47,85,948	4,13,612	9,73,776	-	13,87,387	33,98,561
<b>Total</b>	<b>9,83,688</b>	<b>38,02,260</b>	<b>-</b>	<b>47,85,948</b>	<b>4,13,612</b>	<b>9,73,776</b>	<b>-</b>	<b>13,87,387</b>	<b>33,98,561</b>

## (b) Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation				Net Block
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 Mar 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at 31 Mar 2020	As at 31 Mar 2020
Software	4,44,866	36,31,240	-	40,76,106	1,65,521	9,94,140	-	11,59,661	29,16,445
<b>Total</b>	<b>4,44,866</b>	<b>36,31,240</b>	<b>-</b>	<b>40,76,106</b>	<b>1,65,521</b>	<b>9,94,140</b>	<b>-</b>	<b>11,59,661</b>	<b>29,16,445</b>





# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 16 (a) Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation				Net Block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 Mar 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at 31 Mar 2019	As at 31 Mar 2019
Computers	9,53,092	30,596	-	9,83,688	-	4,13,612	-	4,13,612	5,70,076
<b>Total</b>	<b>9,53,092</b>	<b>30,596</b>	<b>-</b>	<b>9,83,688</b>	<b>-</b>	<b>4,13,612</b>	<b>-</b>	<b>4,13,612</b>	<b>5,70,076</b>

### (b) Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation				Net Block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 Mar 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at 31 Mar 2019	As at 31 Mar 2019
Software	4,44,866	-	-	4,44,866	1,65,521	-	-	1,65,521	2,79,345
<b>Total</b>	<b>4,44,866</b>	<b>-</b>	<b>-</b>	<b>4,44,866</b>	<b>1,65,521</b>	<b>-</b>	<b>-</b>	<b>1,65,521</b>	<b>2,79,345</b>



## Edel Investments Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>17 Other non-financial assets</b>		
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	8,01,819	-
Other deposits	45,000	45,000
Prepaid expenses	4,78,135	4,97,764
Vendor Advances	2,48,166	2,44,808
Others	-	20,93,473
	<u>15,73,120</u>	<u>28,81,045</u>
<b>18 Trade Payables</b>		
Trade payables from non-related parties	1,08,51,470	5,47,452
Trade payables from related parties	50,84,241	1,07,84,833
	<u>1,59,35,711</u>	<u>1,13,32,285</u>

#### 18.1 Details of dues to micro and small enterprises

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

#### 19 Borrowings (other than debt securities)

##### At amortised cost

Loan from related parties	87,46,542	19,40,74,656
Interest accrued and due on borrowings	60,82,399	76,36,265
<b>Total - Gross</b>	<u>1,48,28,941</u>	<u>20,17,10,921</u>
Borrowings in India	1,48,28,941	20,17,10,921
<b>Total</b>	<u>1,48,28,941</u>	<u>20,17,10,921</u>

#### 20 Subordinated Liabilities

Preference Shares Capital	26,61,43,782	-
<b>Total - Gross</b>	<u>26,61,43,782</u>	<u>-</u>
Borrowings outside India	-	-
Borrowings in India	26,61,43,782	-
<b>Total</b>	<u>26,61,43,782</u>	<u>-</u>

#### 20.1 Subordinated Liabilities

Terms and conditions related to subordinated liabilities

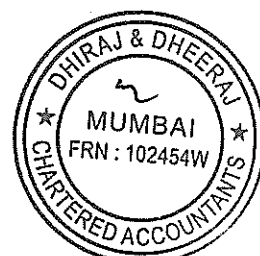
Subordinate Liabilities - 31 March 2020

Maturities	<1 years	Total
Rate of Interest		
11.00 - 12.00% (12 %)	26,61,43,782	26,61,43,782
<b>Total</b>	<u>26,61,43,782</u>	<u>26,61,43,782</u>

Terms and conditions related to subordinated liabilities

Subordinate Liabilities - 31 March 2019

Maturities	<1 years	Total
Rate of Interest - NA		
	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

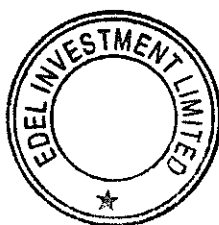
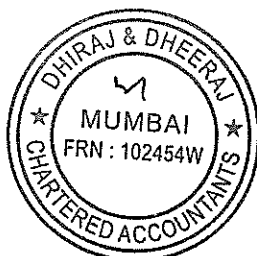


## Edel Investments Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>21 Other financial liabilities</b>		
Other payables	14,46,312	11,72,286
Accrued salaries and benefits	1,65,465	98,00,000
Provision for short sale	-	1,19,26,200
	<u>16,11,777</u>	<u>2,28,98,486</u>
<b>22 Provisions</b>		
Provision for employee benefits		
Gratuity	12,84,975	14,91,489
Compensated leave absences	2,88,698	3,99,966
	<u>15,73,673</u>	<u>18,91,455</u>
<b>23 Other non-financial liabilities</b>		
Statutory dues	25,60,901	17,04,697
Others	-	-
	<u>25,60,901</u>	<u>17,04,697</u>



# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2020	As at 31 March 2019
<b>24 Equity share capital</b>		
<b>Authorised :</b>		
4,00,00,000 (Previous year 4,500,000) Equity shares of Rs. 10/- each	40,00,00,000	4,50,00,000
500,000 (Previous year: 500,000) Preference shares of Rs. 10/- each	50,00,000	50,00,000
	<u>40,50,00,000</u>	<u>5,00,00,000</u>
<b>Issued, Subscribed and Paid up:</b>		
3,50,22,000 (Previous year: 3,370,000) Equity shares of Rs. 10/- each, fully paid-up*	<u>35,02,20,000</u>	<u>3,37,00,000</u>
	<u>35,02,20,000</u>	<u>3,37,00,000</u>

### Note:

\* 3,370,000 (Previous year: 3,370,000) equity shares of Rs. 10 each fully paid up are held by Edelweiss Financial Services Limited, the holding company and its nominees

\* 31,652,000 (Previous year - nil) equity shares of Rs.10 each fully paid up are held by Ecap Equities Limited.

### a. Movement in share capital :

	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	33,70,000	3,37,00,000	33,70,000	3,37,00,000
Shares issued during the year	3,16,52,000	31,65,20,000	-	-
Outstanding at the end of the year	<u>3,50,22,000</u>	<u>35,02,20,000</u>	<u>33,70,000</u>	<u>3,37,00,000</u>

### b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs 10. 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.

### 25 Other equity

	As at 31 March 2020	As at 31 March 2019
<b>Capital Redemption Reserve</b>		
Opening balance	45,00,000	45,00,000
Add : Additions during the year	-	-
	<u>45,00,000</u>	<u>45,00,000</u>
<b>Securities Premium</b>		
Opening balance	1,23,00,000	1,23,00,000
Add : Additions during on issue of Equity Shares	2,27,89,44,000	-
	<u>2,29,12,44,000</u>	<u>1,23,00,000</u>
<b>ESOP Reserve</b>		
Opening balance	6,73,094	6,73,094
Add : Additions during the year	-	-
	<u>6,73,094</u>	<u>6,73,094</u>
<b>Retained earnings</b>		
Opening Balance	22,52,94,308	34,58,53,847
Add: (Loss)/ Profit for the year	-31,25,72,067	6,23,92,489
Add: Other comprehensive income for the year	50,897	-1,29,924
Add: Transaction with shareholders in capacity as such	3,39,49,196	-
	<u>-5,32,77,666</u>	<u>40,81,16,412</u>
<b>Amount available for appropriation</b>		
Appropriations:		
Interim dividend	-	15,16,50,000
Dividend distribution tax	-	3,11,72,104
Closing Balance	<u>-5,32,77,666</u>	<u>22,52,94,308</u>
	<u>2,24,31,39,428</u>	<u>24,27,67,402</u>

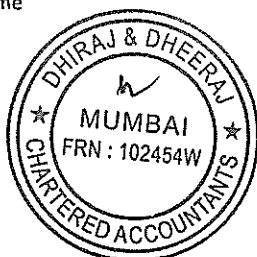


# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		
26 Interest Income		
On financial assets measured at amortised cost		
Interest on Loans	20,09,857	11,23,920
Interest on deposits with Banks	22,02,315	1,68,956
Interest income on debt instrument - fair value through P&L	1,45,491	-
Interest Income on Margin	86,62,321	8,81,00,243
	<b>1,30,19,984</b>	<b>8,93,93,119</b>
27 Dividend Income		
Dividend on stock in trade	-	990
	-	990
28 Fee and commission income		
Income from Securities Broking	-	37,687
Advisory and other fees	1,04,89,726	2,00,00,000
	<b>1,04,89,726</b>	<b>2,00,37,687</b>
28.1 Particulars		
Service transferred at a point in time	1,04,89,726	2,00,37,687
Service transferred over time	-	-
Total revenue from contract with customers	<b>1,04,89,726</b>	<b>2,00,37,687</b>
29 Net gain on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(A) On trading portfolio		
Profit / (loss) on trading of securities (net)	1,34,37,853	14,20,86,627
Fair value gain - P&L - equity	-1,27,61,926	1,33,79,926
Profit on equity derivative instruments (net)	14,29,011	23,98,792
(Loss)/profit on trading in currency derivative instruments (net)	-13,53,66,462	-3,32,51,422
(Loss)/profit on interest rate derivative instruments (net)	-20,23,35,633	-31,89,634
(B) Others		
Share of (Loss) / Profit in partnership firm	-	-2,672
Total Net gain/(loss) on fair value changes (A+B)	<b>-33,55,97,157</b>	<b>12,14,21,617</b>
Fair value changes:		
- Realised (loss) / gain	-31,34,73,130	-32,02,82,293
- Unrealised gain / (loss)	-2,21,24,027	44,17,03,910
Total Net gain/loss on fair value changes	<b>-33,55,97,157</b>	<b>12,14,21,617</b>
30 Other income		
Provisions written back	-	54,286
Miscellaneous income	-	1,714
	-	56,000

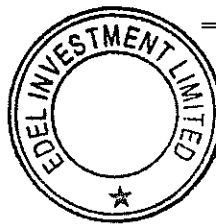


## Edel Investments Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>31 Finance costs</b>		
On financial liabilities measured at amortised cost		
Interest on borrowings	2,58,49,630	9,55,26,254
Interest on Margin	728	-
Interest on working capital demand loan	52,20,000	-
Interest / dividend on preference shares	92,979	-
Other interest expenses	-	4,20,35,469
Financial and Bank Charges	1,05,970	8,06,347
	<b>3,12,69,307</b>	<b>13,83,68,070</b>
<b>32 Employee benefit expenses</b>		
Salaries and wages	2,80,47,209	4,42,21,132
Contribution to provident and other funds	17,31,589	8,33,924
Expense on employee stock option scheme (ESOP)	-	3,38,051
Staff welfare expenses	9,07,586	3,34,098
	<b>3,06,86,384</b>	<b>4,57,27,205</b>



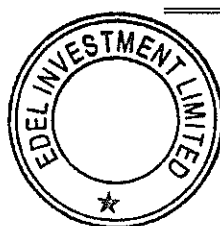
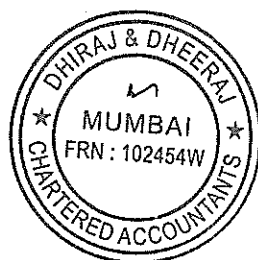
## Edel Investments Limited

### Notes to the financial statements (Continued)

	for the year ended 31 March 2020	for the year ended 31 March 2019
<b>33 Other expenses</b>		
Advertisement and business promotion	-	22,540
Auditors' remuneration (refer note below)	1,32,500	90,800
Communication	18,75,466	5,42,258
Directors' sitting fees	60,000	-
Insurance	33,147	86,789
Legal and professional fees	28,85,012	8,18,970
Printing and stationery	48,813	4,722
Rates and taxes	12,895	7,440
Rent	59,19,801	21,09,657
Repairs and maintenance	12,33,409	5,880
Electricity charges	-	1,75,967
Foreign exchange loss (net)	9,892	11,405
Computer expenses	6,46,093	79,618
Computer software	1,26,312	83,162
Corporate social responsibility -Donation	-	1,00,000
Clearing & custodian charges	69,00,024	1,94,700
Dematerialisation charges	2,810	9,000
Membership and subscription	20,07,436	15,56,697
Office expenses	2,36,74,900	1,67,48,371
ROC Expenses	26,27,412	-
Securities transaction tax	1,69,778	1,59,19,424
Goods & Service tax expenses	58,63,964	32,60,085
Stamp duty	5,40,820	27,558
Stock exchange expenses	12,35,568	65,611
Travelling and conveyance	6,27,088	3,74,771
Housekeeping and security charges	57,296	2,412
	<b>5,66,90,436</b>	<b>4,22,97,837</b>

#### 33.1 Auditors' remuneration:

As Auditors	1,01,000	86,000
For taxation matters	25,000	-
Towards reimbursement of expenses	6,500	4,800
	<b>1,32,500</b>	<b>90,800</b>



# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 34 Segment reporting

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Interest Income on loans and other capital based activities
Treasury	Income from treasury operations, income from investments, interest income on debt instruments and dividend income.
Agency business	Broking, advisory and product distribution services

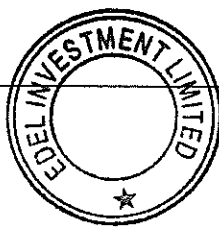
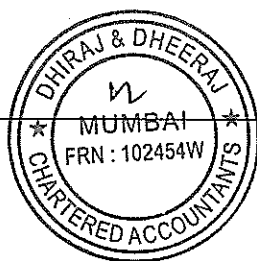
Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic/reasonable basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Ind AS -108 - Operating Segment Reporting:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I Segment revenue</b>		
a) Capital based business	42,12,172	12,92,886
b) Agency business	1,04,89,726	2,00,42,548
c) Treasury	-32,67,89,345	20,95,73,979
d) Unallocated	-	-
Total	-31,20,87,447	23,09,09,413
Less : Inter segment revenue	-	-
Total income	-31,20,87,447	23,09,09,413
<b>II Segment results</b>		
a) Capital based business	5,34,438	8,90,758
b) Agency business	78,74,071	1,38,09,166
c) Treasury	-44,11,09,999	-1,07,62,756
d) Unallocated	-	-
Total	-43,27,01,490	39,37,168
(Loss)/ Profit before taxation	-43,27,01,490	39,37,168
Less : Provision for taxation	-12,01,29,423	-5,84,55,321
(Loss)/ Profit after taxation	-31,25,72,067	6,23,92,489
<b>III Segment assets</b>		
a) Capital based business	2,34,82,28,686	36,84,785
b) Agency business	2,67,691	4,62,994
c) Treasury	31,69,03,068	40,96,30,730
d) Unallocated	23,06,14,768	10,22,26,737
Total	2,89,60,14,213	51,60,05,246
<b>IV Segment liabilities</b>		
a) Capital based business	26,78,28,647	1,35,508
b) Agency business	5,94,078	21,00,174
c) Treasury	3,16,71,159	23,55,97,465
d) Unallocated	25,60,901	17,04,697
Total	30,26,54,785	23,95,37,844
<b>V Capital expenditure (Including capital work-in-progress)</b>		
a) Capital based business	1,00,328	171
b) Agency business	2,49,851	2,656
c) Treasury	70,83,321	27,769
d) Unallocated	-	-
Total	74,33,500	30,596
<b>VI Depreciation and amortisation</b>		
a) Capital based business	26,561	3,243
b) Agency business	66,145	50,268
c) Treasury	18,75,211	5,25,622
d) Unallocated	-	-
Total	19,67,916	5,79,133
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	4,687	3,723
b) Agency business	11,671	57,702
c) Treasury	3,30,888	6,03,357
d) Unallocated	-	-
Total	3,47,246	6,64,782





## Edel Investments Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees)

#### 35 Related Parties

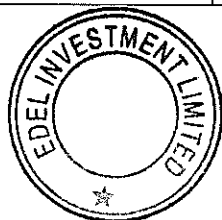
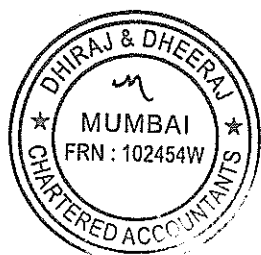
In accordance with Indian Accounting Standard 24 on Related party transactions notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

##### i. List of related parties and relationship:

Name of related parties by whom control is exercised	Ecap Equities Limited (Holding company) Edelweiss Financial Services Limited (Ultimate Holding company)
Name of related parties over whom control is exercised	Edelweiss International (Singapore) Pvt. Ltd.
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) Edelweiss Finance and Investments Limited Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Securities Limited Ecap Equities Limited ECL Finance Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Investment Adviser Limited Edelweiss Securities Trading and Management Pvt.Ltd.(Formerly known Oshila Commodities Svc Pvt Ltd) Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)  EC Commodity Limited Edelweiss Multi Strategy Fund Advisors LLP Edel Land Limited Edelweiss Asset Reconstruction Co. Limited Edelcap Securities Limited
Key Management Personnel	Ms. Punyashree Kanade

##### ii. Transactions with related parties :

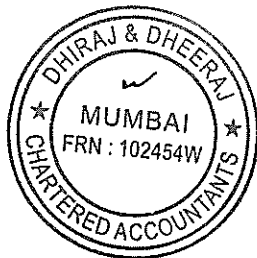
Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Capital account transactions during the Year</b>				
1	Issue of Preference Share capital to	Ecap Equities Limited	30,00,00,000	-
2	Issue of Equity Share capital to	Ecap Equities Limited Edelweiss Financial Services Limited	2,59,54,64,000 4,66,73,094	-
3	Investment in Partnership firm (Retirement)	Edelweiss Multi Strategy Fund Advisors LLP	-	10
4	Investment in Subsidiary company	Edelweiss International (Singapore) Private Limited	2,34,81,21,194	-
<b>Current account transactions during the year</b>				
5	Short term loans taken from (refer note below)	Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	69,52,09,896 30,50,00,000	12,08,18,14,062 -
6	Short term loans repaid to (refer note below)	Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	88,16,74,402 30,50,00,000	12,04,77,61,052 -
7	Margins placed with (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	1,998 28,31,01,560	2,39,85,69,992 3,94,33,58,501
8	Margins withdrawn by (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	43,029 35,00,27,124	2,39,99,89,922 3,94,50,83,267
9	Margin received from	ECL Finance Limited Edelweiss Finance and Investments Limited Edelweiss Financial Services Limited	22,58,257 11,16,457 67,869	- 67,869 -
10	Margin repaid to	ECL Finance Limited Edelweiss Finance and Investments Limited Ecap Equities Limited Edel Land Limited Edelweiss Financial Services Limited	22,61,731 11,84,326 28,343 8,462 320	- - - - 67,869
11	Share of loss in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	-	2,672
12	Interest income on margins placed with	Edelweiss Securities Limited Edelweiss Custodial Services Limited	87 86,62,234	1,68,78,560 7,12,21,283
13	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited Ecap Equities Limited	2,41,69,629 16,80,000	9,55,26,254 -
14	Interest expense on margin received from	Edelweiss Finance and Investments Limited ECL Finance Limited Edelweiss Securities And Investments Private Limited	408 75 245	- - -
15	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	4,400 8,76,363	37,06,088 -



## 35 Related Parties (continued)

## ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2020	For the year ended 31 March 2019
16	Clearing charges paid to	Edelweiss Custodial Services Limited	62,24,459	1,94,700
17	Brokerage Paid	Edelweiss Securities Limited	2,67,217	28,24,195
18	Brokerage received	Edelweiss Securities Trading and Management Pvt.Ltd. (Merged with Edelweiss Securities and Investments Private Limited)	-	50
		ECap Equities Limited	72,759	50
		Edelweiss Rural and Corporate Services Limited	60,000	-
		Edel Land Limited	87,605	-
		ECL Finance Limited	1,01,74,629	17,977
		Edelweiss Finance and Investments Limited	27,213	8,228
		Edelweiss Financial Services Limited	19,009	6,928
		Edelweiss Securities And Investments Private Limited	48,510	4,453
19	Cost reimbursements recovered from	Edelweiss Rural & Corporate Services Limited	4,31,943	2,05,637
		Edelweiss Securities Limited	1,033	-
		Edelweiss Financial Services Limited	886	-
		ECap Equities Limited	334	-
20	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	2,38,44,289	1,83,31,943
		Edelweiss Financial Services Limited	68,28,098	4,72,478
		ECap Equities Limited	1,411	4,037
		Edelweiss Asset Management Limited	-	46,341
		Edelweiss Broking Limited	-	6,34,672
		ECL Finance Limited	-	6,399
		Edelweiss Securities Limited	61,696	-
21	Reimbursements received from	Edelweiss Financial Services Limited	-	22,35,199
22	Interest income on loans Given to	Edelweiss Rural & Corporate Services Limited	20,19,660	11,23,920
23	Fixed asset purchased from	Edelweiss Rural & Corporate Services Limited	1,327	-
		Edelcap Securities Limited	68,275	-
		Edelweiss Broking Limited	1,773	-
		ECap Equities Limited	1,76,289	-
		Edelweiss Asset Reconstruction Company Limited	2,917	-
		ECL Finance Limited	11,061	-
24	Advisory fee income from	Edelweiss Securities Trading and Management Pvt.Ltd. (Merged with Edelweiss Securities and Investments Private Limited)	-	1,25,00,000
		Edelweiss Securities And Investments Private Limited	-	75,00,000
25	Interim Dividend Paid	Edelweiss Financial Services Limited	-	15,16,50,000
26	Amount paid to broker for Cash segment	Edelweiss Securities Limited	17,95,99,372	1,92,96,33,879
27	Amount received to broker for Cash segment	Edelweiss Securities Limited	34,80,95,822	1,74,35,22,436
28	Purchase of Debt securities from	ECap Equities Limited	10,00,00,000	-
29	Key managerial remuneration paid to	Ms. Punyashree Kanade	78,40,613	1,89,75,000
	Balances with related parties			
30	Short term loans taken from	Edelweiss Rural & Corporate Services Limited	87,46,542	19,40,74,656
31	Trade payables to	Edelweiss Rural & Corporate Services Limited	45,30,323	62,05,998
		Edelweiss Financial Services Limited	5,51,557	45,139
		Edelweiss Securities Limited	1,332	44,65,192
		Edelweiss Finance and Investments Limited	40	67,869
		Edelcap Securities Limited	5,38,312	-
		Edelweiss Securities And Investments Private Limited (Magnolia)	24	-
32	Trade receivable from	Edelweiss Securities Trading and Management Pvt.Ltd. (Merged with Edelweiss Securities and Investments Private Limited)	-	2,25,000
		ECap Equities Limited	28,261	-
		Edel Land Limited	8,462	-
		ECL Finance Limited	31,452	-
		Edelweiss Custodial Services Limited	17,12,153	-
		Edelweiss Securities And Investments Private Limited	-	1,35,000



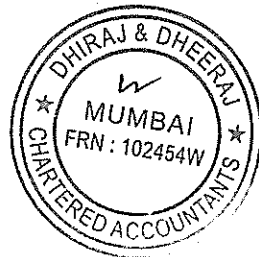
35 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2020	For the year ended 31 March 2019
33	Interest payable on loans taken from	Edelweiss Rural & Corporate Services Limited	60,77,644	76,34,789
34	Interest payable on margin received from	Edelweiss Securities Limited	-	635
35	Interest receivable on margins placed with	Edelweiss Securities Limited Edelweiss Custodial Services Limited	- -	- 11,16,051
36	Margin receivable from	ECL Finance Limited Ecap Equities Limited Edel Land Limited Edelweiss Financial Services Limited	3,474 28,343 8,462 320	- - - 67,869
37	Margins payable to clients	Edelweiss Financial Services Limited	-	67,869
38	Other payable to	ECL Finance Limited Edelweiss Financial Services Limited	1,25,000 -	8,34,235 3,38,051
39	Other receivable from	Edelweiss Finance and Investments Limited Ecap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited EC Commodities Limited Edelweiss Securities Limited Edelweiss Financial Services Limited	- 41,000 1,19,000 - 32,000 1,92,000 -	7,18,118 16,786 1,25,712 5,54,138 381 1,11,065 67,869
40	Interest receivable on Loan Income	Edelweiss Rural & Corporate Services Limited	4,755	5,619
41	Margin placed with	Edelweiss Custodial Services Limited Edelweiss Securities Limited	5,31,34,934 291	12,00,60,498 43,029

Note: Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

Disclosure under section 186(a) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.



## Edel Investments Limited

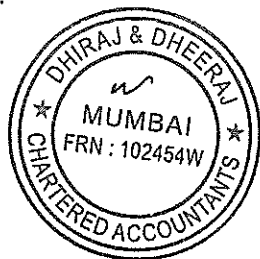
### Notes to the financial statements (Continued)

(Currency: Indian rupees)

#### 36 Earnings per share

	Particulars	2019-20	2018-19
(a)	Profit/(loss) after tax	-31,25,72,067	6,23,92,489
	Less:- Dividend on preference share capital		
	Net profit/(loss) for the year attributable to equity shareholders	-31,25,72,067	6,23,92,489
(b)	Calculation of weighted average number of equity shares of Rs 10 each		
	Number of equity shares outstanding at the beginning of the year	33,70,000	33,70,000
	Number of shares issued during the year	3,16,52,000	-
	Total number of equity shares outstanding at the end of the year	3,50,22,000	33,70,000
	Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	74,58,604	33,70,000
(c)	Basic and diluted earnings per share (in rupees)		
	(a/b)	-41.91	18.51

The basic and dilutive earnings per share are the same as there are no dilutive potential equity shares.



## Edel Investments Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees)

#### 37 Disclosure pursuant to IND AS 19 - Employee benefits

##### (a) Defined contribution plan (provident fund)

Amount of Rs. 17,31,589/- (Previous year: Rs. 8,33,924/-) is recognised as expenses and included in "Employee benefit expenses".

##### (b) Defined benefit plan (gratuity):

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

#### Statement of profit and loss of the year:

##### Net employee benefit expenses (recognised in employee cost):

	31 March 2020	31 March 2019
Current service cost	3,20,000	2,65,000
Interest on defined benefit obligation	68,000	71,000
Past service cost	-	-
Actuarial loss/(gain)	-	-
<b>Total included in employee benefit expenses</b>	<b>3,88,000</b>	<b>3,36,000</b>

#### Balance sheet:

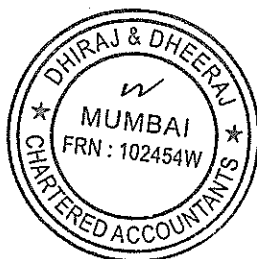
##### Details of provision for gratuity:

	31 March 2020	31 March 2019
Liability at the end of the year	12,85,000	14,92,000
Amount in balance sheet	12,85,000	14,92,000

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

	31 March 2020	31 March 2019
Liability at the beginning of the year	14,92,000	2,84,374
Transfer in/(out)	(5,24,000)	6,91,626
Interest cost	68,000	71,000
Current service cost	3,20,000	2,65,000
Past service cost	-	-
Actuarial (gain)/loss on obligations	(71,000)	1,80,000
<b>Liability at the end of the year</b>	<b>12,85,000</b>	<b>14,92,000</b>

Non-current liability at the end of the year	11,67,000
Current liability at the end of the year	1,18,000



## Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

## Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

### 37 Disclosure pursuant to IND AS 19 - Employee benefits

#### Amount recognised in the balance sheet:

	For the year ended	For the year ended
	31 March 2020	31 March 2019
Liability at the end of the year	12,85,000	14,92,000
Fair value of plan assets at the end of year	-	-
Amount recognized in balance sheet	12,85,000	14,92,000

#### Experience adjustment:

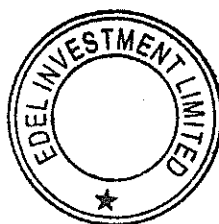
	For the year ended	
	31 March 2020	31 March 2019
On plan liabilities (gain)/loss	(1,51,000)	1,51,000
On plan assets (gain)/loss	-	-
Estimated contribution for next year	(1,51,000)	1,51,000

#### Principle actuarial assumptions at the balance sheet date:

	31 March 2020	31 March 2019
Discount rate current	5.90%	7.00%
Salary escalation current	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%

#### Sensitivity analysis:

DBO increases/ (decreases) by	31 March 2020	31 March 2019
1% Increase in Salary Growth Rate	80,000	1,04,000
1% Decrease in Salary Growth Rate	(74,000)	(94,000)
1% Increase in Discount Rate	(74,000)	(93,000)
1% Decrease in Discount Rate	82,000	1,05,000
1% Increase in Withdrawal Rate	(4,000)	(12,000)
1% Decrease in Withdrawal Rate	5,000	12,000
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 years)	Negligible change	Negligible change



# Edel Investments Limited

## Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

### 38 *Earnings and expenditure in foreign currency*

The Company does not have any foreign currency exposure as on the date of balance sheet. The Company has incurred expenditure in foreign currency during the year of Rs 13,50,825 (previous year Rs. 830,933) equivalent to USD 18,834.71 (previous year USD 11,718.75).

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Market Data Services	13,50,825	830,933

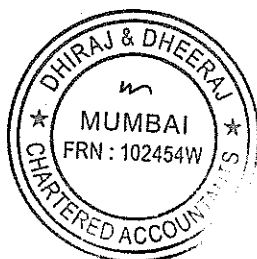
### 39 *Capital commitments, contingent liabilities and litigations:*

The Company has no capital commitments and contingent liabilities as at the balance sheet date (Previous year Rs. Nil).

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote

### 40 *Cost Sharing:*

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like processing fees, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 33 include reimbursements paid based on the management's best estimate.



# Edel Investments Limited

## Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

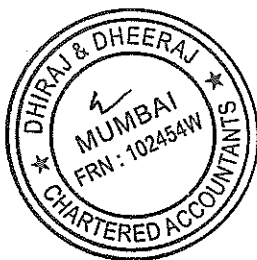
### 41 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013,

- a) Gross amount required to be spent by the Company during the year was Rs. 25,06,544/-  
b) Amount spent during the year on:

Sr.No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions/acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Nil	Nil	Nil

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 308,133,000/- (Previous year: Rs. 225,190,000/-) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended March 31, 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2020.





## Edel Investments Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees)

#### 42 Approach to capital management

Company objectives, when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

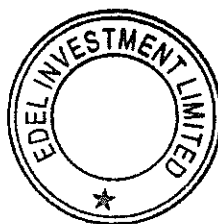
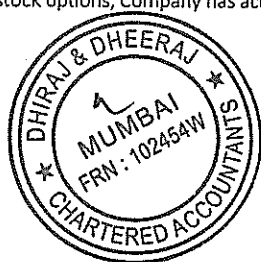
For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	31 March 2020	31 March 2019
Total Debt	28,09,72,723	20,17,10,921
Equity	2,59,33,59,428	27,64,67,402
Net Debt to Equity	0.11	0.73

#### 43 Employee Stock Option Plans

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP 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.



# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 44 Contractual maturity analysis:

#### A. Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2020	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Trade payables		1,08,51,470					1,08,51,470
Trade payables - Group	50,84,241						50,84,241
Borrowings	60,82,399						60,82,399
Borrowing (other than debt securities) - Group	87,46,542						87,46,542
Subordinated financial liabilities - Group	-			26,61,43,782			26,61,43,782
Other financial liabilities	16,11,777						16,11,777
<b>Total undiscounted non-derivative financial liabilities</b>	<b>2,15,24,959</b>	<b>1,08,51,470</b>	<b>-</b>	<b>26,61,43,782</b>	<b>-</b>	<b>-</b>	<b>29,85,20,211</b>

As at 31 March 2019	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Trade payables		6,15,321					6,15,321
Trade payables - Group	1,07,16,964						1,07,16,964
Borrowings	76,36,265						76,36,265
Borrowings - Group	19,40,74,656						19,40,74,656
Other financial liabilities	2,28,98,486						2,28,98,486
<b>Total undiscounted non-derivative financial liabilities</b>	<b>23,53,26,371</b>	<b>6,15,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,59,41,692</b>

#### B. Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.

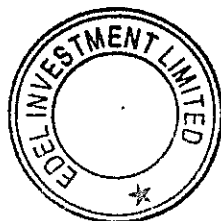
As at 31 March 2020	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Cash and cash equivalent and other bank balances	12,22,09,337						12,22,09,337
Stock-in-trade				10,24,58,098			10,24,58,098
Trade receivables			13,47,164				13,47,164
Trade Receivables - Group	15,67,691						15,67,691
Investments - Group						2,34,81,21,194	2,34,81,21,194
Other financial assets	5,18,47,329				1,64,25,000		6,82,72,329
<b>Total</b>	<b>17,56,24,357</b>	<b>-</b>	<b>13,47,164</b>	<b>10,24,58,098</b>	<b>1,64,25,000</b>	<b>2,34,81,21,194</b>	<b>2,64,39,75,813</b>

As at 31 March 2019	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Cash and cash equivalent and other bank balances	36,53,147						36,53,147
Stock-in-trade	28,69,99,796						28,69,99,796
Trade Receivables - Group	3,60,000						3,60,000
Other financial assets	12,30,48,245						12,30,48,245
<b>Total</b>	<b>41,40,61,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,40,61,188</b>

#### C. Maturity analysis for derivatives:

As at 31 March 2020	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Other net settled derivatives (other than those entered into for trading purposes)	2,53,20,253						2,53,20,253
<b>Total</b>	<b>2,53,20,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,53,20,253</b>

As at 31 March 2019	1 to 14 days	1 month to 2 months	2 months to 3 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Other net settled derivatives (other than those entered into for trading purposes)	-						-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements (Continued)

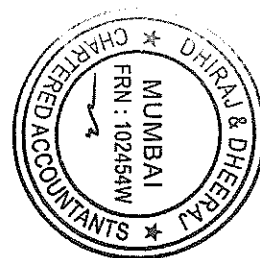
## 45 Sensitivity analysis on derivative instruments

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

2019-20						
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
Currency						
USD	5	-7,39,49,346	-	5	7,39,49,346	-

**(ii) Equity price risk**

Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Debt instruments (incl preference)	5	51,22,905		5	-51,22,905	



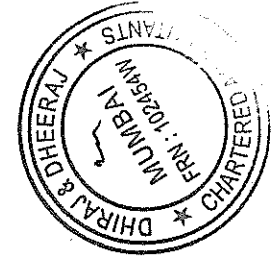
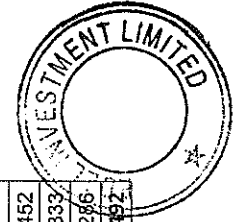
# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 46 Total Market risk exposure

Particulars	31-Mar-20			31-Mar-19		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	12,22,09,337		12,22,09,337	36,53,147		36,53,147
Derivative financial instruments	2,53,20,253	2,53,20,253		-	-	
Stock-in-trade	10,24,58,098	10,24,58,098		28,69,99,796	28,69,99,796	
Trade Receivables - Group	15,67,691		15,67,691	3,60,000	-	3,60,000
Trade receivables	13,47,164		13,47,164	-		
Investments - Group	2,34,81,21,194		2,34,81,21,194	-		
Other financial assets	6,82,72,329	5,09,24,372	1,73,47,957	12,30,48,245	12,01,03,527	29,44,718
<b>Total</b>	<b>2,66,92,96,066</b>	<b>17,87,02,723</b>	<b>2,49,05,93,343</b>	<b>41,40,61,188</b>	<b>40,71,03,323</b>	<b>69,57,865</b>
<b>Liability</b>						
Borrowings (other than Debt Securities)	60,82,399		60,82,399	76,36,265		76,36,265
Borrowing (other than debt securities) - Group	87,46,542		87,46,542	19,40,74,656		19,40,74,656
Subordinated liabilities - Group	26,61,43,782		26,61,43,782	-		
Financial liability designated at fair value through profit and loss	-			-		
Deposits	-			-		
Debt securities	-			-		
Trade payables	1,08,51,470		1,08,51,470	5,47,452		5,47,452
Trade payables - Group	50,84,241		50,84,241	1,07,84,833		1,07,84,833
Other financial liabilities	16,11,777		16,11,777	2,28,98,486	1,19,26,200	1,09,72,286
<b>Total</b>	<b>29,85,20,211</b>	<b>-</b>	<b>29,85,20,211</b>	<b>23,59,41,692</b>	<b>1,19,26,200</b>	<b>22,40,15,492</b>



# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 47 (a) Fair Values of Financial Instruments

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	March 31, 2020	
	Level 1	Total
<b>Assets measured at fair value on a recurring basis</b>		
Derivative financial instruments (assets):		
Exchange-traded derivatives	2,53,20,253	2,53,20,253
<b>Total derivative financial instruments (assets)</b>	<b>2,53,20,253</b>	<b>2,53,20,253</b>
<b>Stock-in-trade</b>		
Mutual fund units	-	-
Debt securities	10,24,58,098	10,24,58,098
Equity instruments	-	-
<b>Total stock-in-trade</b>	<b>10,24,58,098</b>	<b>10,24,58,098</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>12,77,78,351</b>	<b>12,77,78,351</b>

Particulars	March 31, 2020	
	Level 1	Total
<b>Liabilities measured at fair value on a recurring basis -</b>		
Derivative financial instruments (Liabilities):		
Exchange-traded derivatives	2,39,69,319	2,39,69,319
<b>Total derivative financial instruments (liabilities)</b>	<b>2,39,69,319</b>	<b>2,39,69,319</b>
<b>Financial liabilities at fair value through profit or loss -</b>		
Provision for short sale - SLBM trading	-	-
<b>Total financial liabilities designated at FVTPL</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>2,39,69,319</b>	<b>2,39,69,319</b>

Particulars	March 31, 2019	
	Level 1	Total
<b>Assets measured at fair value on a recurring basis</b>		
Derivative financial instruments (assets):		
Exchange-traded derivatives	10,75,337	10,75,337
<b>Total derivative financial instruments (assets)</b>	<b>10,75,337</b>	<b>10,75,337</b>
<b>Stock-in-trade</b>		
Mutual fund units	10,59,13,561	10,59,13,561
Equity instruments	18,10,86,235	18,10,86,235
<b>Total stock-in-trade</b>	<b>28,69,99,796</b>	<b>28,69,99,796</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>28,80,75,133</b>	<b>28,80,75,133</b>

Particulars	March 31, 2019	
	Level I	Total
<b>Liabilities measured at fair value on a recurring basis -</b>		
Derivative financial instruments (Liabilities):		
Exchange-traded derivatives	20,33,164	20,33,164
<b>Total derivative financial instruments (liabilities)</b>	<b>20,33,164</b>	<b>20,33,164</b>
<b>Financial liabilities designated at fair value through profit or loss -</b>		
Provision for short sale - SLBM trading	1,19,26,200	1,19,26,200
<b>Total financial liabilities designated at FVTPL</b>	<b>1,19,26,200</b>	<b>1,19,26,200</b>
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>1,39,59,364</b>	<b>1,39,59,364</b>

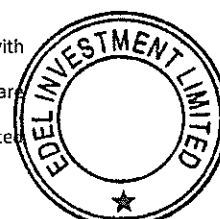
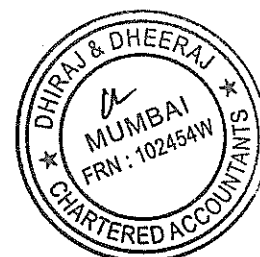
#### Fair valuation techniques:

#### (i) Equity instruments and units of Alternative Investment Funds

The majority of equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

#### (ii) Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are exchange traded futures and options contracts. The most frequently applied valuation techniques include quote price for exchange traded derivatives and Black Scholes models (for option valuation).



**Edel Investments Limited**

Notes to the financial statements (Continued)

(Currency : Indian rupees)

**47 (b) Disclosure related to collateral:**

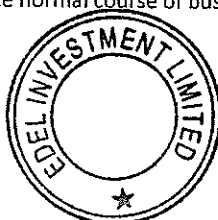
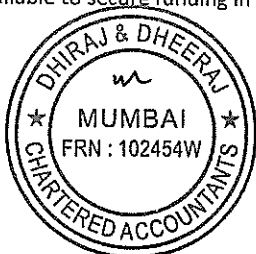
Following table sets out availability of Company's financial assets to support funding:

31 March 2020	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	11,06,75,000	-	1,15,34,337	12,22,09,337
Derivative financial instruments	-	-	-	2,53,20,253	2,53,20,253
Stock in trade	-	-	10,24,58,098	-	10,24,58,098
Investments	-	-	-	2,34,81,21,194	2,34,81,21,194
Trade receivables	-	-	-	29,14,855	29,14,855
Other financial assets	5,33,60,225	-	-	1,49,12,104	6,82,72,329
Property, plant and equipment	-	-	33,98,561	-	33,98,561
Other Intangible assets	-	-	-	29,16,445	29,16,445
Current tax assets (net)	-	-	-	2,77,93,634	2,77,93,634
Deferred tax assets (net)	-	-	-	19,10,36,387	19,10,36,387
Other non financial assets	-	-	-	15,73,120	15,73,120
<b>Total assets</b>	<b>5,33,60,225</b>	<b>11,06,75,000</b>	<b>10,58,56,659</b>	<b>2,62,61,22,329</b>	<b>2,89,60,14,213</b>

31 March 2019	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	23,75,000	-	12,78,147	36,53,147
Stock in trade	9,45,87,599	-	19,24,12,197	-	28,69,99,796
Trade receivables	-	-	-	3,60,000	3,60,000
Other financial assets	12,03,28,527	-	-	27,19,718	12,30,48,245
Property, plant and equipment	-	-	5,70,076	-	5,70,076
Other Intangible assets	-	-	-	2,79,345	2,79,345
Current tax assets (net)	-	-	-	2,73,21,421	2,73,21,421
Deferred tax assets (net)	-	-	-	7,08,92,171	7,08,92,171
Other non financial assets	-	-	-	28,81,045	28,81,045
<b>Total assets</b>	<b>21,49,16,126</b>	<b>23,75,000</b>	<b>19,29,82,273</b>	<b>10,57,31,847</b>	<b>51,60,05,247</b>

\* (Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other reason)

\*\* (Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business)



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

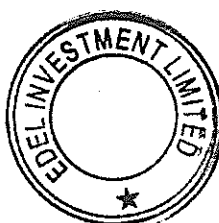
47 (c) Analysis of risk concentration

Industry analysis - Risk concentration for 31 March 2020

Particulars	Financial services	Services	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	12,22,09,337	-	12,22,09,337
Derivative financial instruments	2,53,20,253	-	2,53,20,253
Stock in trade	10,24,58,098	-	10,24,58,098
Trade and other receivables	29,14,855	-	29,14,855
Investments	2,34,81,21,194	-	2,34,81,21,194
Other financial assets	6,82,72,329	-	6,82,72,329
<b>Other Commitments</b>	<b>2,66,92,96,066</b>	<b>-</b>	<b>2,66,92,96,066</b>
<b>Total</b>	<b>2,66,92,96,066</b>	<b>-</b>	<b>2,66,92,96,066</b>

Industry analysis - Risk concentration for 31 March 2019

Particulars	Financial services	Services	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	36,53,147	-	36,53,147
Derivative financial instruments	-	-	-
Stock in trade	28,69,81,546	18,250	28,69,99,796
Trade and other receivables	3,60,000	-	3,60,000
Other financial assets	12,30,48,245	-	12,30,48,245
<b>Other Commitments</b>	<b>41,40,42,938</b>	<b>18,250</b>	<b>41,40,61,188</b>
<b>Total</b>	<b>41,40,42,938</b>	<b>18,250</b>	<b>41,40,61,188</b>



# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

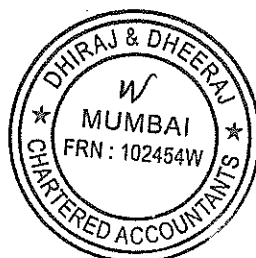
### 47 (d) Fair values of financial instruments (continued)

#### Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Particulars	31 March 2020				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	1,09,82,928	1,09,82,928	1,09,82,928	-	-
Bank balances other than cash and cash equivalent	11,12,26,409	11,12,26,409	11,12,26,409	-	-
Trade receivables	13,47,164	13,47,164	-	13,47,164	-
Trade receivables - Group	15,67,691	15,67,691	-	15,67,691	-
Investments at cost - Group	2,34,81,21,194	2,34,81,21,194	-	2,34,81,21,194	-
Other financial assets	6,82,72,329	6,82,72,329	5,09,24,372	1,73,47,957	-
<b>Total</b>	<b>2,54,15,17,715</b>	<b>2,54,15,17,715</b>	<b>17,31,33,709</b>	<b>2,36,83,84,006</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	1,08,51,470	1,08,51,470	-	1,08,51,470	-
Trade payables - Group	50,84,241	50,84,241	-	50,84,241	-
Borrowing (other than debt securities)	60,82,399	60,82,399	-	60,82,399	-
Borrowing (other than debt securities) - Group	87,46,542	87,46,542	-	87,46,542	-
Subordinated liabilities - Group	26,61,43,782	26,61,43,782	-	26,61,43,782	-
Other financial liabilities - group	14,46,312	14,46,312	-	14,46,312	-
Other financial liabilities	1,65,465	1,65,465	-	1,65,465	-
<b>Total</b>	<b>29,85,20,211</b>	<b>29,85,20,211</b>	<b>-</b>	<b>29,85,20,211</b>	<b>-</b>

Particulars	31 March 2019				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	11,24,499	11,24,499	11,24,499	-	-
Bank balances other than cash and cash equivalent	25,28,648	25,28,648	25,28,648	-	-
Trade receivables - Group	3,60,000	3,60,000	-	3,60,000	-
Other financial assets	12,30,48,245	12,30,48,245	12,01,03,527	29,44,718	-
<b>Total</b>	<b>12,70,61,392</b>	<b>12,70,61,392</b>	<b>12,37,56,674</b>	<b>33,04,718</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	5,47,452	5,47,452	-	5,47,452	-
Trade payables - Group	1,07,84,833	1,07,84,833	-	1,07,84,833	-
Borrowing (other than debt securities)	76,36,265	76,36,265	-	76,36,265	-
Borrowing (other than debt securities) Group	19,40,74,656	19,40,74,656	-	19,40,74,656	-
Other financial liabilities - group	11,72,286	11,72,286	-	11,72,286	-
Other financial liabilities	98,00,000	98,00,000	-	98,00,000	-
<b>Total</b>	<b>22,40,15,492</b>	<b>22,40,15,492</b>	<b>-</b>	<b>22,40,15,492</b>	<b>-</b>





# Edel Investments Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 48 Maturity analysis of assets and liabilities

Particulars	31-Mar-20			31-Mar-19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,09,82,928		1,09,82,928	11,24,499	-	11,24,499
Other bank balances	11,12,26,409		11,12,26,409	25,28,648	-	25,28,648
Derivative financial instruments	2,53,20,253		2,53,20,253	-	-	-
Stock-in-trade	10,24,58,098		10,24,58,098	28,69,99,796	-	28,69,99,796
Other receivables	29,14,855		29,14,855	3,60,000		3,60,000
Investments		2,34,81,21,194	2,34,81,21,194	-	-	-
Other financial assets	5,18,47,329	1,64,25,000	6,82,72,329	12,28,23,245	2,25,000	12,30,48,245
	<b>30,47,49,872</b>	<b>2,36,45,46,194</b>	<b>2,66,92,96,066</b>	<b>41,38,36,188</b>	<b>2,25,000</b>	<b>41,40,61,188</b>
<b>Non-financial assets</b>						
Current tax assets (net)	41,80,279	2,36,13,355	2,77,93,634	2,21,57,438	51,63,983	2,73,21,421
Deferred tax assets (net)		19,10,36,387	19,10,36,387		7,08,92,171	7,08,92,171
Property, plant and equipment <sup>1</sup>	-	33,98,561	33,98,561		5,70,076	5,70,076
Other intangible assets		29,16,445	29,16,445		2,79,345	2,79,345
Other non-financial assets	15,28,120	45,000	15,73,120	28,36,045	45,000	28,81,045
	57,08,399	22,10,09,748	22,67,18,147	2,49,93,483	7,69,50,575	10,19,44,058
<b>Total assets</b>	<b>31,04,58,271</b>	<b>2,58,55,55,942</b>	<b>2,89,60,14,213</b>	<b>43,88,29,671</b>	<b>7,71,75,575</b>	<b>51,60,05,246</b>

Particulars	31-Mar-20			31-Mar-19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Other Payables	1,59,35,711	-	1,59,35,711	1,13,32,285	-	1,13,32,285
Borrowing (other than debt securities)	1,48,28,941	-	1,48,28,941	20,17,10,921	-	20,17,10,921
Subordinated Liabilities	26,61,43,782	-	26,61,43,782	-	-	-
Other financial liabilities	16,11,777	-	16,11,777	2,28,98,486	-	2,28,98,486
	<b>29,85,20,211</b>	<b>-</b>	<b>29,85,20,211</b>	<b>23,59,41,692</b>	<b>-</b>	<b>23,59,41,692</b>
<b>Non-financial liabilities</b>						
Provisions	1,72,000	14,01,673	15,73,673	2,35,000	16,56,455	18,91,455
Other non-financial liabilities	25,60,901	-	25,60,901	17,04,697	-	17,04,697
	27,32,901	14,01,673	41,34,574	19,39,697	16,56,455	35,96,152
<b>Total liabilities</b>	<b>30,12,53,112</b>	<b>14,01,673</b>	<b>30,26,54,785</b>	<b>23,78,81,389</b>	<b>16,56,455</b>	<b>23,95,37,844</b>



## Edel Investments Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 49 Cash flow disclosure

##### Change in liabilities arising from financing activities

Particulars	1-Apr-19	Cash flows	Changes in fair values	Others*	31-Mar-20
Borrowings other than debt securities	20,17,10,921	-18,53,28,114	-	-15,53,866	1,48,28,941
Total liabilities from financing activities	20,17,10,921	-18,53,28,114	-	-15,53,866	1,48,28,941

\* Includes the effect of interest accrued but not paid on borrowings

Particulars	1-Apr-18	Cash flows	Changes in fair values	Others*	31-Mar-19
Debt securities					-
Borrowings other than debt securities	50,64,22,287	-30,38,87,075	-	-8,24,291	20,17,10,921
Total liabilities from financing activities	50,64,22,287	-30,38,87,075	-	-8,24,291	20,17,10,921

\* Includes the effect of interest accrued but not paid on borrowings



# Edel Investments Limited

## Notes to the financial statements (*continued*)

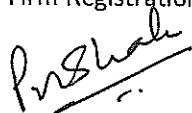
(Currency: Indian Rupees)

### 50. Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

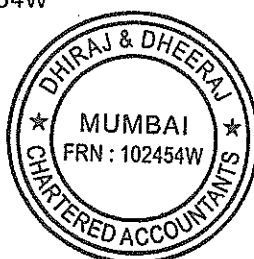
As per our report of even date attached.

For Dhiraj & Dheeraj  
Chartered Accountants  
Firm Registration No. 102454W

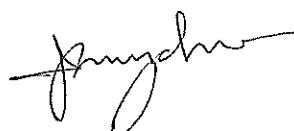


**Pritesh Shah**  
Partner  
Membership No: 109573

Mumbai  
24 June 2020



For and on behalf of the Board of Directors



**Punyashree Kanade**  
Director  
DIN: 08104699



**Rajeev Khandal**  
Chief Financial Officer

**Deepak Mundra**  
Director  
DIN: 06733120



**Siddiqa Raeen**  
Company Secretary