

EFCL/Sec/2023/47

January 30, 2023

BSE Limited

P J Towers, Dalal Street,
Fort,
Mumbai – 400 001.

Dear Sir/ Madam,

Sub.: Outcome of Board Meeting

In accordance with the provisions of Regulation 52 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we would like to inform you that the Board of Directors of the Company (the Board) at its Meeting held today, has *inter alia* approved the:-

- i) standalone unaudited financial results of the Company for the third quarter and nine months period ended December 31, 2022 (the Results).

The copy of the Results together with the Limited Review Report issued by the Auditors of the Company are enclosed. The Auditors have issued an unmodified opinion on the Results; and

- ii) raising of funds, subject to receipt of necessary approvals, by issue of Non-convertible Debentures for an amount not exceeding Rs. 2,000 crores on private placement basis, in tranches.

The Asset Cover Certificate pursuant to Regulation 54 of the Listing Regulations is also enclosed herewith.

The meeting commenced at 3.30 p.m. and concluded at 4.45 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Edel Finance Company Limited

Tarun Khurana
Company Secretary

Encl.: as above



DHIRAJ & DHEERAJ
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report for the quarterly and year to date unaudited standalone financial results of the Company pursuant to Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Edel Finance Company Limited

1. We have reviewed the accompanying special purpose statement of unaudited Ind AS standalone financial results of Edel Finance Company Limited, for the quarter ended December 31, 2022 and year to date April 1, 2022 to December 31, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the listing regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Dhiraj and Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102454W

Digitally signed by
SHAILENDRA
DADHICH
A DADHICH
Date: 2023.01.30
16:49:29 +05'30'

Shailendra Dadhich
Partner
Membership No. 425098
UDIN: 23425098BGWWSM6705
Place: Mumbai
Date: January 30, 2023

Standalone financial results for Quarter and Nine months ended December 31, 2022

Particulars	(₹ in Crores)					
	Quarter Ended			Nine months ended		Year ended
	December 31, 2022 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2022 (Audited)
1 Revenue from operations						
(a) Interest income	17.86	9.61	4.28	35.55	19.31	25.24
(b) Fee and commission income	-	0.01	-	0.01	-	-
(c) Net gain / (loss) on fair value changes	0.08	4.20	8.43	11.93	81.96	94.49
Total revenue from operations	17.74	13.82	12.71	47.49	101.27	119.73
2 Other income	0.11	0.12	0.11	45.12	3.91	68.93
3 Total Income (1+2)	17.85	13.94	12.82	92.61	105.18	188.66
4 Expenses						
(a) Finance costs	53.80	46.47	30.41	154.81	135.06	176.65
(b) Impairment on financial instruments	1.22	(0.49)	0.42	1.04	0.75	0.53
(c) Employee benefits expense	0.05	0.06	0.30	0.15	0.95	1.14
(d) Depreciation and amortisation expense	-	0.01	0.06	0.01	0.20	0.21
(e) Other expenses	0.62	0.14	0.93	1.36	2.88	4.38
Total expenses	55.69	46.19	32.12	157.37	139.84	182.91
5 Profit/ (Loss) before tax (3-4)	(37.84)	(32.25)	(19.30)	(64.76)	(34.66)	5.75
6 Tax expense						
Current tax	-	-	-	-	0.01	0.01
Deferred tax	(9.55)	(6.03)	(15.72)	(17.09)	(15.72)	(16.44)
7 Net Profit/ (Loss) for the period (5-6)	(28.29)	(24.22)	(3.58)	(47.67)	(18.95)	22.18
8 Other Comprehensive Income / (Loss)	-	-	(0.01)	-	(0.01)	(0.07)
9 Total Comprehensive Income/ (Loss) (7+8)	(28.29)	(24.22)	(3.59)	(47.67)	(18.96)	22.11
10 Earnings Per Share (₹) (Face Value of ₹ 100/- each)						
- Basic (Refer note 5)	(3.92)	(3.36)	(0.50)	(6.61)	(2.63)	3.07
- Diluted (Refer note 5)	(3.92)	(3.36)	(0.50)	(6.61)	(2.63)	3.07

Notes:

- Edel Finance Company Limited (the 'Company' / 'EFCL') has prepared unaudited financial results (the 'Statement') for the quarter and nine months ended December 31, 2022 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provision of the Companies Act, 2013, as applicable.
- The above financial results of the Company for the quarter and nine months ended December 31, 2022 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 30, 2023.
- The above financial results of the Company for the quarter and nine months ended December 31, 2022 have been subjected to limited review by the Statutory Auditors of the Company and the auditors have issued an unmodified review report.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- Earnings per share for the quarter ended December 31, 2022, September 30, 2022, December 31, 2021 and nine months ended December 31, 2022 and December 31, 2021 are not annualised.

- Nuwama Clearing Services Limited ("NCSL") (Formerly known as Edelweiss Custodial Services Limited), a associate of Edelweiss Financial Services Limited (EFSL) challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM"). Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which NCSL was a clearing member, is still under process, the said Court contended that it had no objection to setting aside the lien order, upon NCSL providing an undertaking to keep sufficient assets unencumbered. The above case which pending for hearing before ACMM, has now been transferred to the City Civil & Sessions Court under Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (MPID). The matter is sub-judice and has been listed for further hearing and there is no further update on this matter during the quarter.

During the quarter the Company has purchased from Edelweiss Rural and Corporate Services Limited (ERCSL) perpetual bond that was given as undertaking to investigating agencies, amounting to Rs. 195 crores in accordance with undertaking submitted to investigating agency that total given undertaking will remain with Edelweiss Group. On behalf of NCSL, the Company has provided the undertaking to keep sufficient unencumbered assets amounting to Rs. 195 crores belonging to the Company and the said lien has been set aside. The Company is in the process of writing a letter to investigating agency to update them on this matter.

The Company has been represented by NCSL that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the quarter and nine months ended December 31, 2022.

- Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to confirm to current period/ year presentation.

On behalf of the Board of Directors

VIDYA SHAH
 Digitally signed
 by VIDYA SHAH
 Date: 2023.01.30
 16:34:20 +05'30'

Vidya Shah
 Director
 DIN: 00274831

Mumbai, January 30, 2023

Annexure

- i) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as at December 31, 2022 are being utilised as per the objects stated in the offer document. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- ii) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured & redeemable debt securities issued by the Company and outstanding as on December 31, 2022 are fully secured by first charge/ pari passu charge, as the case may be, on the mortgaged premises and on receivables, stock in trade and listed / unlisted holdings, investments of the Company as stated in the respective Debenture Trust Deeds. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/ Information Memorandum and additional security clause.
- iii) Information as required pursuant to Regulation 52 (4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

	Particulars	Nine months ended	Year ended
		December 31, 2022 (Unaudited)	March 31, 2022 (Audited)
1	Debt-equity ratio (Refer note 1)	1.60	1.40
2	Net worth (Rs. in Crores) (Refer note 2)	1,210.43	1,258.10
3	Debt Service Coverage Ratio (DSCR) (Refer note 3)	NA	NA
4	Interest Service Coverage Ratio (ISCR) (Refer note 3)	NA	NA
5	Outstanding redeemable preference shares (no.of shares)	Nil	Nil
6	Capital redemption reserve (Rs. in Crores)	8.43	8.43
7	Debenture redemption reserve (Refer note 4)	Nil	Nil
8	Net profit/ (loss) after tax (Rs.in Crores)	(47.67)	22.18
9	Earnings Per Share (₹) (Face Value of ₹ 100/- each)		
	- Basic (Refer note 5)	(6.61)	3.07
	- Diluted (Refer note 5)	(6.61)	3.07
10	Total debt to Total assets (%) (Refer note 6)	61.43%	58.24%
11	Sector specific relevant ratios		
	a) Investments & loans to group companies as a proportion of Net Assets (%)	99.97%	99.98%
	b) Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	76.05%	78.77%
	c) Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	37.72%	41.05%
	d) Leverage Ratio (Times) [Outside liabilities / Adjusted Networth]	1.69	1.46

Notes:

- 1 Debt-equity Ratio = Total debt (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Net worth
- 2 Net worth = Equity share capital + Instruments entirely equity in nature + Other equity
- 3 The Company, being Core Investment Company (CIC), this disclosure is not applicable pursuant to Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.
- 4 As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 the Company, being Core Investment Company (CIC), is not required to create debenture redemption reserve in respect of privately placed debentures.
- 5 Earnings per share for the nine months ended December 31, 2022 is not annualised.
- 6 Total debt to Total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Total assets
- 7 Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin (%) and Net profit margin (%) are not applicable owing to the business model of the Company.



DHIRAJ & DHEERAJ
CHARTERED ACCOUNTANTS

Independent Auditor's Report on Security Cover and Compliance with Financial Covenants as at December 31, 2022 under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to SBICAP Trustee Company Limited and Beacon Trusteeship Limited (the 'Debenture Trustees')

To,
The Board of Directors
Edel Finance Company Limited,
Edelweiss House,
Off CST Road, Kalina,
Mumbai – 400098.

1. This Report is issued in accordance with the terms of the service of master engagement agreement dated November 29, 2021 between Dhiraj & Dheeraj (“we” or “us”) and Edel Finance Company Limited (the “Company”).
2. We Dhiraj & Dheeraj, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing ‘Security Cover as per the terms of the Debenture Trust Deed/ Information Memorandum and Compliance with Financial Covenants’ for non-convertible debt securities as at December 31, 2022. (hereinafter the “Statement”) which has been prepared by the Company as prescribed by Securities and Exchange Board of India (SEBI) circular dated November 12, 2020, as amended, from the Unaudited financial results and other relevant records and documents maintained by the Company as at and for the Nine Months ended December 31, 2022. pursuant to the requirements of the Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter the “SEBI Regulations”).

This Report is required by the Company for the purpose of submission with SBICAP Trustee Company Limited and Beacon Trusteeship Limited (hereinafter the ‘Debenture Trustees’) of the Company to ensure compliance with the SEBI Regulations in respect of its non-convertible debt securities (‘Debentures’). The Company has entered into agreement with the Debenture Trustees vide agreements dated as mentioned in the Statement in respect of such Debentures.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for complying with all the financial covenants as prescribed in the Debenture Trust Deeds entered into between the Company and the Debenture Trustees (‘Trust Deeds’)/Information Memorandum.

Auditor's Responsibility

5. It is our responsibility to provide limited assurance as to whether:
 - (a) the Company has maintained security cover as per the terms of the Information memorandum/Trust Deeds; and
 - (b) the Company is in compliance with all the financial covenants as mentioned in the Trust Deeds as on December 31, 2022.

6. We have performed review of the financial results of the Company for the quarter and nine months ended December 31, 2022, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an review conclusion dated January 30, 2023. Our review of such Financial Results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Obtained and read the Trust Deeds/Information Memorandum and noted the asset security cover required to be maintained by the Company.
 - b) Traced and agreed the principal amount of the non-convertible debt securities outstanding as on December 31, 2022. to the unaudited financial results and books of account maintained by the Company as on December 31, 2022.
 - c) Obtained and read the list of security cover in respect of non-convertible debt securities outstanding as per the Statement. Traced the value of assets from the Statement to the unaudited financial results and books of accounts maintained by the Company as on December 31, 2022.
 - d) Obtained the list of security created in the register of charges maintained by the Company and 'Form No. CHG-9' filed with Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against Assets to the Asset Cover in the attached Statements.
 - e) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of non-convertible debt security.
 - f) Examined and verified the arithmetical accuracy of the computation of Security Cover, in the accompanying Statement.
 - g) Compared the Security Cover with the Security Cover required to be maintained as per Trust Deeds/ Information Memorandum.
 - h) With respect to compliance with financial covenants, we have performed following procedures:
 - (i) Obtained the copies of bank statements and traced the date of repayment of principal and interest due on sample basis during the period April 1, 2022 to December 31, 2022.
 - (ii) We have verified the compliance of financial debt covenants as per the Trust Deeds/Information Memorandum till date of this certificate. With respect to the financial covenants for the quarter year ended December 31, 2022. for which due date is after the date of this certificate, management has represented to us that the same shall be duly complied with within the due date; and
 - (iii) Performed necessary inquiries with the management regarding any instances of non-compliance of covenants during the nine months ended December 31, 2022.

- i) With respect to covenants other than those mentioned in paragraph 10(h) above, the management has represented and confirmed that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the Trust Deeds/Information memorandum, as at December 31, 2022. We have relied on the same and not performed any independent procedure in this regard.
- j) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:

- a. The Company has not maintained security cover as per the terms of the Trust deeds/ Information memorandum; and
- b. The Company is not in compliance with all the financial covenants as mentioned in the Trust deeds/ Information memorandum as on December 31, 2022.

Restriction on Use

The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

For Dhiraj & Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102454W

SHAILENDR Digitally signed by
SHAILENDRA DADHICH
A DADHICH Date: 2023.01.30
16:47:44 +05'30'

per Shailendra Dadhich
Partner
Membership Number: 425098
UDIN: 23425098BGWWSO3617
Place of Signature: Mumbai
Date: January 30,2023

Statement of Security Cover and covenants compliance

a) The listed entity has vide its Board Resolution and information memorandum / offer document and under various Debenture Trust Deeds has issued the following debt securities.

(Rs. in crore)

Sr.No.	DTD date	Trustee Name	Outstanding principal amount as on 31-Dec-2022
1	31-Dec-14	SBICAP Trustee Company Limited	15.00
2	25-Aug-16	SBICAP Trustee Company Limited	238.40
3	05-Oct-17	SBICAP Trustee Company Limited	4.57
4	28-Jun-22	Beacon Trusteeship Limited	200.00
TOTAL			457.97

b) Security cover for Secured Debt Securities

(i) The financial information as on 31 December 2022 has been extracted from the books of accounts for the quarter ended 31 December 2022 and other relevant records of Edel Finance Company Limited.

(ii) The assets of the listed entity provide coverage of 1x times in accordance with the terms of issue/ debenture trust deed (calculation as per statement of security cover ratio for the Secured Debt securities - Annexure)

c) Compliances of all the covenants/terms of issue in respect of debt securities

Sr. No.	Particulars	Trustee Name	DTD Date	Complied Covenants	If No, reason for Non-Compliance
1	MLDs	SBICAP Trustee Company Limited	25 th August 2016	Yes	N.A.
2	MLDs	SBICAP Trustee Company Limited	5 th October 2017	Yes	N.A.
3	NCDs	Beacon Trusteeship Limited	28 th June 2022	Yes	N.A.
4	NCDs	SBICAP Trustee Company Limited	31 st December 2014	Yes	N.A.

Truly Yours,
Edel Finance Company Limited

VIDYA Digitally signed
 by VIDYA SHAH
 Date: 2023.01.30
 16:34:51 +05'30'

SHAH

Vidya Shah
 Director
 DIN: 00274831
 Date: January 30, 2023

