



# ANNUAL REPORT

## 2021-22



**REGD. OFFICE**

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**BANKERS**

**State Bank of India**  
Panaji-Goa

**Indian Overseas Bank**  
Panaji-Goa

**HDFC Bank**  
Panaji-Goa

**Vijaya Bank**  
Panaji-Goa

**AUDITORS**

M/s. A B M & Associates LLP,  
Flat No. A1,  
Bella Vista Apartments,  
Near Casino Motel,  
Alto Porvorim, Bardez-Goa

## **BOARD OF DIRECTORS**

Shri Sadanand Shet Tanavade- Chairman

Shri Sanjay Satardekar – Vice Chairman

Shri Santosh Kenkre

Shir Sandip Bhandare

Dr. Purushottam Pednekar

Shri Ralph De Souza

Shri Shivprasad Manerker

Mrs. Lalita Correia Afonso

Shri Manish Pal – IDBI Bank Nominee Director

Shri Bhalchandra Srikant Pai Angle – Managing Director

## BOARD'S REPORT TO THE MEMBERS

The Directors take pleasure in presenting their 47<sup>th</sup> Annual Report on the business and operations and the Audited Financial Statements of the Company for the year ended March 31, 2022.

### **BACKGROUND EDC LIMITED:**

This year, our Corporation - EDC Limited - completes 47 years of operations and continues to contribute to the 'Economic Development' of Goa. It was established in 1975, as a Development Financial Institution for the state of Goa under the aegis of IDBI (and subsequently of SIDBI) to extend financial assistance for industrial and infrastructure development in Goa.

Our Corporation was primarily entrusted with the task of extending term loan to the SME sector so that the Industrial Growth of the state could be boosted. The Term Loans that we extended were initially 'refinanced' by the IDBI/SIDBI, thereby ensuring sufficient funds and liquidity to us. This, as it turned out, was not a sustainable model and our Corporation faced severe crisis in the early 2000's. However, our Corporation not only faced the crisis with grit and perseverance, but it came out of the situation much stronger with a sustainable and scalable business model.

### **CURRENT BUSINESS VERTICALS:**

Currently, our Corporation contributes to the 'Economic Development' of the state of Goa in various ways as enumerated below:

1. **Industrial Growth:** It may please be noted that since our inception, one out of every three industry set up in Goa has been directly or indirectly supported by our Corporation. Entrepreneurs setting up units in Goa can avail Term Loan from our Corporation at a subsidized rate of interest. The cost of this interest subsidy is borne by the State Government. The effective rate of interest to the borrower after subsidy works out up to as low as 1.5% p.a. in eligible cases. An overview of our Industrial Term Loan Portfolio is as below:

| Loan Scheme               | Amount<br>(₹ in Lakhs) |
|---------------------------|------------------------|
| COMPOSITE                 | 6955                   |
| CONSTRUCTION              | 1231                   |
| EDC CREDIT SUPPORT SCHEME | 864                    |
| MICRO FINANCE             | 1                      |
| MORTGAGE                  | 2435                   |
| NORMAL                    | 6437                   |
| QUALIFIED PROFESSIONALS   | 41                     |
| Total                     | 17964                  |

2. **Infrastructure Development:** Our Corporation has been instrumental in the infrastructural development of Goa by extending loans to infrastructure projects undertaken by the State Owned Corporations like the Goa State Infrastructure Development Corporation, Sewerage & Infrastructural Development Corporation Of Goa Ltd, etc. As on 31<sup>st</sup> March 2022, our loans extended to the Infrastructure developing Corporations are to the tune of Rs.323 Crores and some of our major borrowers are as mentioned in the table below:

| Particulars   | Amount<br>(₹ in Crores ) |
|---|--------------------------|
| Goa State Infrastructure Development Corporation Limited          | 208                      |
| Sewerage & Infrastructural Development Corporation of Goa Limited | 99                       |
| The Sports Authority of Goa                                       | 9                        |
| Goa Education Development Corporation                             | 7                        |
| <b>Total</b>  | <b>323</b>               |

3. **Welfare Schemes of Government:** Our Corporation acts as the implementation agency for various financial and non-financial schemes of the Government. The financial schemes are devised to extend low cost finance to the budding entrepreneurs of Goa & the non-financial schemes (implemented through our subsidiary – M/s. Goa Electronics Limited) are devised for the welfare of the Goans – especially the downtrodden communities and backward areas of Goa. The flagship scheme of the Government of Goa for encouraging self-employment – the Chief Minister’s Rozgar Yojana – is implemented by our Corporation.

Some of the schemes and our role is as enumerated in the table below:

| Government Scheme  | EDC Ltd's Role  |
|--|---|
| Chief Minister's Rozgar Yojana                             | Implementation agency   |
| Goa Tribal Employment Generation Programme                 | Implementation agency   |
| Subsidy Schemes for entrepreneur's setting up units in Goa | Implementation agency   |
| Goa Online Portal  | Development & Maintenance of Portal through Goa Electronics Limited (a 100% subsidiary of EDC Ltd)                          |
| Laadli Laxmi Scheme  | Software and IT Support through Goa Electronics Limited (a 100% subsidiary of EDC Ltd)                                      |
| Griha Aadhaar  | Software and IT Support through Goa Electronics Limited (a 100% subsidiary of EDC Ltd)                                      |
| Dayanand Social Security Scheme                            | Software and IT Support through Goa Electronics Limited (a 100% subsidiary of EDC Ltd)                                      |
| Deen Dayal Swastha Sewa Yojana                             | Software and IT Support through Goa Electronics Limited (a 100% subsidiary of EDC Ltd)                                      |
| Debt Relief Subsidy Scheme                                 | Intermediary for releasing the subsidy for mining dependents through Goa Electronics Limited (a 100% subsidiary of EDC Ltd) |

In addition to the above, our Corporation also manages the Land Acquisition funds of the state Government.

4. **Development of Commercial & Industrial Space:** Our Corporation has developed a land bank admeasuring almost 20 Lac square feet in the capital city of Goa into prime commercial plots which are leased out on Long Term Leases to around 14 Central Government agencies, 2 State Government agencies. 3 Banks and several private sector entities. We expect to receive the mandate from the Government of Goa to develop additional Commercial Zones across Goa and also actively venture into development of Industrial Zones
5. **Subsidiary Operations:** Our Corporation as per the mandate of the Government of Goa from time to time had incorporated various subsidiary companies since 1980 onwards. However, since the financial liberalization in 1992, it was decided to disinvest from all the companies. Therefore, over the years most of the companies have either been disinvested to private sector or closed down. Presently the Corporation has only one subsidiary company (M/s. Goa Electronics Limited) in operation and one Associate Company (M/s. Goa Antibiotics and Pharmaceuticals Limited) with 26% shareholding. M/s. Goa Antibiotics and Pharmaceuticals Limited is managed by HLL Lifecare Limited, a miniratna Public Sector Enterprise.

In our opinion, we believe it would be fair to conclude that EDC Limited has done complete justice to the objectives of “Economic Development” for which it was established. It is our endeavor to continue to strive our objectives and contribute positively to the economic development of Goa in the years to come.

#### **CURRENT OUTLOOK OF THE INDIAN ECONOMY:**

The impact of the COVID-19 pandemic which began in early 2020 could be seen even during the FY 2021-22. The second wave (“Delta”) and the third wave (“Omicron”) impacted lives and livelihood with more lethal impact than the first wave that stuck in the beginning of 2020. However, the vaccine immunization programme by the Indian Government has been exemplary. It saved lives as well as livelihood. We would like to place on record our wholehearted gratitude towards the Government of India and the healthcare workers across India who achieved this commendable feat.

Needless to say, the FY 2021-22 began with an expectation that we would witness our GDP surpass the pre-pandemic level of the financial year FY 2019-20. The second advance estimates of national income for FY2022 released by the Central Statistics Office on 28 February 2022 expects GDP growth in FY2022 to be 8.9%. Sectoral growth estimates show that all three sectors — agriculture, manufacturing, and services — grew well. In absolute terms, the economic output of all the three

sectors crossed the pre-pandemic levels of FY2020. RBI in its monetary policy report dated 8 April 2022 projected a real GDP growth of 7.2% for the financial year 2022-23.

The Government Consumption and Capital Expenditures have increased substantially making up for the muted Consumption and Capital Expenditures of the Private Sector. The GST collection is usually a good indicator to assess country's growth and economic recovery. There has been an increase by over 30% in FY2021-22 to ₹ 14.83 lakh crore, indicating revival and growth momentum. The Government of India announced a growth oriented and expansionary budget for the FY2023 with a strong push on investments to lift economic growth. This is expected to further increase the capital expenditure (both by the Government as well as the Private Sector) and correspondingly the demand for loans and capital.

### **CURRENT OUTLOOK OF THE GOAN ECONOMY:**

The entire world grappled due to the effects and the after effects of the COVID-19 pandemic and the Goan economy was no exception to this. During uncertain times, the first thing that is curtailed is the discretionary spendings and the capital expenditures. Goa too witnessed a considerable fall in the capex cycle (both private as well as Government). However, the Government of Goa took every step to insulate the lives as well as the livelihood of the Goan population from the adverse impact. From safeguarding the health of every person through immunization to ensuring safe passage for people from other states/countries stuck in Goa and from making sufficient provisions for capital expenditures in the budgets to making timely payments to the Government vendors, the Government of Goa took every possible step at appropriate times. We would like to place on record our sincere appreciation to the efforts of the Government, COVID warriors and frontline workers for their commendable efforts.

The unprecedented COVID pandemic has been the second more impactful event since the mining ban ordered by the Supreme Court in 2018. The mining ban had directly impacted the cash flow and the economic activities in the state. After bracing the impact of the mining ban for two years – by 2020 – the Goan economy had begun to recalibrate and adapt to the new normal, when the COVID pandemic stuck India and all the calibrations were thrown out of sync.

Since our Corporation has a mandate to operate and lend only within Goa, any adverse impact on the Goan economy has a 'direct' impact on our Corporation's operations. Needless to say, any adverse situation in the Indian or Global economy also has an adverse impact on our Corporation's operations – although mostly the impact is 'indirect'!!

Mining Ban and the COVID pandemic impacted the Goan economy – and consequently our Corporation's performance – in primarily three areas:

1. The investments in Goa – especially the industrial investments dwindled. Due to this there was less off-take of Industrial Term Loans
2. The Government's focused on saving lives – and rightly so. Hence the Government owned Infrastructure Companies did not borrow as much as they borrowed in the past
3. The RBI's decision to reduce the policy rates make cheaper funds available to the banks and the above two factors resulted in surplus funds available to the banks – hence the Banks too started taking increased exposures to Government Owned Corporations in Goa by advancing loans at a cheaper rates. This further reduced our loan book as well as our Interest Income.

### **FUTURE OUTLOOK:**

As in the past, our Corporation has reassessed the developing situation periodically and has pre-empted the situation and has taken appropriate measures so as to ensure that the adverse impact is minimal. Furthermore, we have also prepared strategies so to ensure that when the opportunity knocks, our doors are wide open to capitalize on every opportunity.

As mentioned in the above paras, the two major events which adversely impacted the Goan economy were the Mining Ban and the COVID-19 pandemic. Fortunately, the impact of the COVID-19 pandemic is waning since the beginning of FY 2022-23 and to add to this, there has been remarkable traction towards restarting of the mining activities in Goa.

We believe, that the above two factors, will give a boost to our existing business verticals by increasing the off-take of Industrial Term Loans as well as the Term Loans to Government Owned Corporations involved in Infrastructure Development in Goa. Also, we are extremely optimistic that this would throw open several new business opportunities to our Corporation which would not only be profitable, but will also help us achieve our primary objective – i.e. the '**Economic Development**' of Goa!

**1. FINANCIAL RESULTS:***(₹ in Lakh)*

|  | Consolidated |             | Standalone  |             |
|--|--------------|-------------|-------------|-------------|
|  | 2022         | 2021        | 2022        | 2021        |
| Revenue from Operations (Net) and other income | 9373         | 9854        | 7558        | 8276        |
| Exceptional item (income)                      | -            | 2730        | -           | 2730        |
| Profit Before Tax (PBT)                        | 7139         | 7534        | 7023        | 7392        |
| Provision for Tax                              | 1796         | 734         | 1776        | 723         |
| Share of Profit /Loss in Associate             | -            | -161        | -           | -           |
| Prior period Income/ Expenditure               | -            | -           | -           | -           |
| <b>Profit After Tax (PAT)</b>                  | <b>5343</b>  | <b>6638</b> | <b>5247</b> | <b>6669</b> |
| Other Comprehensive Income                     | 1800         | 428         | 1785        | 470         |
| Total Comprehensive Income                     | 7142         | 7066        | 7032        | 7139        |
| Balance brought forward from previous year     | 31987        | 27678       | 31612       | 27230       |
| Profit available for Appropriations            | 39130        | 34744       | 38644       | 34369       |
| <b>Appropriations:</b>                         |              |             |             |             |
| Transfer to Special Reserve, Dividend & others | 2833         | 2757        | 2833        | 2757        |
| Surplus carried to the next year's account     | 36297        | 31987       | 35811       | 31612       |

**2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:****Revenue -**

Total revenue (including exceptional item) on a standalone basis was ₹ 7558 lakh compared to ₹ 8276 lakh in the previous year representing a marginal Y-o-Y decrease of about 8.67%.

The total revenue (including exceptional item) on a consolidated basis was ₹ 9373 lakh compared to ₹ 9941 lakh in the previous year, representing a marginal Y-o-Y decrease of about 6 %.

**Profit – Standalone**

Profit after Tax on a standalone basis was ₹ 5247 lakh compared to ₹ 6669 lakh in the previous year, representing a Y-o-Y fall of 21% %.

Profit after tax on a consolidated basis was ₹ 5343 lakh compared to ₹ 6638 lakh in the previous year, a increase of fall of 20 %.

### **3. COVID-19**

In the year 2021-22, the COVID-19 pandemic continued to have its impact on the economy. The outbreak of the coronavirus pandemic has clouded the growth outlook. This has impacted the consumption of non-essential items and most of the activities in the services (particularly in tourism and hospitality) as well as the manufacturing sector and the Government Finances. As a result there is a reduction in the repayments capacity as well as the borrowings. This has eventually resulted in decrease in interest income.

### **4. DIVIDEND:**

Directors are pleased to recommend a final dividend of ₹ 1/- per equity share of the face value of ₹ 100/- each (@ 1 %)(Previous Year ₹1/-) for the financial year ended March 31, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

### **5. TRANSFER TO RESERVES:**

The Company has transfer an amount of ₹ 1327 lakh (Previous Year ₹ 1177.35 lakh) to the Special Reserve u/s 36 (1) (viii) of the Income Tax out of the amount available for appropriation.

### **6. SHARE CAPITAL:**

The paid up Equity Share Capital of the Company was ₹ 10092 lakh (Previous Year ₹ 10092 lakh) as on March 31, 2022. During the year under review, there was no change in the Share Capital of the Company.

### **7. FIXED DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as of the date of balance sheet.

### **8. STATE OF AFFAIRS OF THE COMPANY :**

There was neither change in the status of the Company nor any other material events which has an impact on the affairs of the Company.

#### **9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The provisions of Section 186 of the Act relating to Loans, Guarantees or Investments are not applicable to the Company, being engaged in the business of giving loans.

Further, the details of investment made by the Company are given in the Notes to the Financial Statement.

#### **10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the transactions with related parties are in the ordinary course of business and on arm's length basis. No material related party transactions were entered into during the financial year. Accordingly, the disclosure required u/s134 (3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### **11. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business carried on by the Company.

#### **12. MATERIAL CHANGES AND COMMITMENTS,IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **13. CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements of the Company for the financial year ended March 31, 2022 are prepared, in compliance with the applicable provisions of the Act and Accounting Standards, on the basis of the audited financial statements of the Company, its subsidiaries and associated companies, as approved by their respective Board of Directors.

These standalone financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and the Companies Act, 2013.

Pursuant to the provisions of Section 136 of the Act, the Standalone Financial Statements of the Company and the Consolidated Financial Statements along with all relevant documents and Auditors' Report thereon form part of this Annual Report.

#### **14. INTERNAL FINANCIAL CONTROL SYSTEMS:**

The Company has in place a well defined and adequate internal control system commensurate with its size and nature of business which provides a reasonable assurance in respect of financial and operational information, safeguarding assets of the Company and ensuring compliance with corporate policies. All transactions are recorded and reported in the defined manner.

The Company also appointed a firm of Chartered Accountants as Internal Auditors to conduct ongoing internal audits, covering all aspects of operations, and adherence to internal policies and procedures as well as to regulatory and legal requirements. The internal audit reports are reviewed regularly by the Audit Committee of the Board, and thereby, internal control systems are strengthened and corrective actions are taken.

#### **15. VIGIL MECHANISM POLICY**

The Company follows highest standards of business ethics and management practices in the conduct of its business. Forming a Vigil Mechanism policy is to encourage the employees and directors of the Company to come forward and express their suspected misconduct concerns without fear of punishment or unfair treatment. The Company has disclosed the details of the policy on its website [www.edc-goa.com](http://www.edc-goa.com).

A Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit committee.

No personnel of the Company have been denied access to Vigil mechanism Committee.

#### **16. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES :**

##### **16.1 Subsidiary Companies.**

As on March 31, 2022, the Company has one subsidiary company:

##### **Goa Electronics Limited (GEL)**

The total Revenue of GEL during the year is ₹ 1871 lakh (Previous Year ₹ 1755 lakh). The Profit before Tax and exceptional items for the year was ₹ 115 lakh (Previous Year ₹ 141 lakh).

##### **Goa Auto Accessories Limited (GAAL)**

During the year, Goa Auto Accessories Limited ceased to be subsidiary on dissolution order passed by National Company Law Tribunal under The Insolvency And Bankruptcy Code, 2016.

## 16.2 Associate/Joint Venture Companies

As on March 31, 2022, the following is the Associate Company:

### 16.3 Goa Antibiotics & Pharmaceuticals Limited (GAPL).

The total revenue of GAPL during the year is ₹ 7096 lakh (Previous Year ₹ 2708 lakh). The Profit/(Loss) before Tax for the year was ₹ (667) lakh (Previous Year ₹ (1196) lakh).

Financial statements of the Associate Company for the year ended 31 March 2022 have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015.

### Statement containing salient features of Accounts of Subsidiaries/ Associate/ Joint Venture Companies

Pursuant to Section 129(3) of the Act, a statement in **Form "AOC 1"** containing the salient features of the Financial Statements of each of the Subsidiaries, Associates and Joint Venture Companies is appended as an **'Annexure-I'** to the Board's Report.

## 17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### 17.1 Board of Directors:

Your Company's Board of Directors is broad-based and its constitution is governed by Government of Goa as per clause 68 of the Articles of Association of the Company and are not liable to retire by rotation.

As on date of this report, the Board consist of ten (10) Directors as follows:

| Sr. No. | Category                | DIN No.  | Name of Director                                       |
|---------|-------------------------|----------|--|
| 1)      | Non-Executive Directors | 08525108 | Shri Sadanand Shet Tanavade- Chairman                  |
|         |                         | 08525198 | Shri Sanjay Satardekar – Vice Chairman                 |
| 2)      | Independent Directors   | 06408985 | Shri Santosh Kenkre                                    |
|         |                         | 00141573 | Shir Sandip Bhandare                                   |
|         |                         | 00228288 | Dr. Purushottam Pednekar                               |
|         |                         | 00311598 | Shri Ralph De Souza                                    |
|         |                         | 07815415 | Shri Shivprasad Manerker                               |
|         |                         | 07986827 | Mrs. Lalita Correia Afonso                             |
| 3)      | Nominee Director        | 08719305 | Shri Manish Pal – IDBI Bank Nominee Director           |
| 4)      | Executive Director      | 07206897 | Shri Bhalchandra Srikant Pai Angle – Managing Director |

## **17.2 Board Evaluation:**

By virtue of MCA notification dated 5<sup>th</sup> June 2015, provisions of section 134(3)(p) of the Act shall not apply to Government Companies and accordingly the same is not applicable to the Company.

## **17.3 Independent Directors:**

In accordance with Section 149(7) of the Act, each Independent Director has given a declaration to the Company confirming that they meet the criteria of independence as mentioned under Section 149(6) of the Act.

## **17.4 Key Managerial Personnel:**

Pursuant to the provisions of section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are:

- Shri Kiran V. Ballikar, Managing Director
- Shri Ashwin Kamat , Chief Financial Officer
- Shri Govind Narvekar, Company Secretary

## **18. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provisions of Section 134(5) of Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. In preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2022 and of the profit of the Company for the year ended on that date;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the Annual Accounts on a 'going concern' basis;
- v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

## 19. MEETINGS:

### 19.1 Board Meetings:

The Board meetings are convened by giving appropriate notice well in advance. The Directors are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item.

Video-conferencing facility or other audio visual means are also provided at the Board meetings in case any director is unable to physically remain present at the meeting but wishes to participate in the meeting.

During the year, Five (5) Board Meetings were held. The meetings were held on May 26, 2021, July 2, 2021, August 27 2021, October 26, 2021 and December 12, 2021.

Details of attendance at the Board meetings held during the year and attendance at the last AGM are as below:

| Name of Director                       | Board meetings attended during the year | Attendance at last AGM |
|--|---|------------------------|
| <b>Non-executive Directors</b>         |   |                        |
| Shri Sadanand Shet Tanavade –Chairman  | 5                                       | N.A                    |
| Shri Sanjay Satardekar –Vice Chairman  | 5                                       | N.A                    |
| <b>Independent Directors</b>           |   |                        |
| Shri Santosh Kenkre                    | 5                                       | N.A                    |
| Shir Sandip Bhandare                   | 5                                       | N.A                    |
| Dr. Purushottam Pednekar               | 5                                       | N.A                    |
| Shri Ralph De Souza                    | 4                                       | N.A                    |
| Shri Shivprasad Manerker               | 4                                       | N.A                    |
| Mrs. Lalita Correia Afonso             | 5                                       | N.A                    |
| <b>Executive Director</b>              |   |                        |
| Shri Kiran Ballikar -Managing Director | 5                                       | Yes                    |

## 20. COMPOSITION OF COMMITTEES OF DIRECTORS, TERMS OF REFERENCE AND ATTENDANCE AT THE MEETINGS

The Board has constituted following Committees of Directors required under the Act.

## 20.1 Audit Committee:

Your Company Audit Committee comprised of three Independent Directors as on March 31, 2022.

- Shri Sandip Bhandare - Chairman
- Dr. Purushottam Pednekar - Member
- Smt. Lalita Correia Afonso - Member

The primary objective of the Audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Audit committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditors.

During the year, Four Audit Committee Meetings were convened and held during the year on May 24, 2021, June 22, 2021, November 23, 2021 and December 17, 2021.

| <b>Name of Director</b>    | <b>Number of meeting attended</b> |
|----------------------------|-----------------------------------|
| Shri Sandip Bhandare       | 4                                 |
| Smt. Lalita Correia Afonso | 4                                 |
| Dr. Purushottam Pednekar   | 4                                 |

## NOMINATION & REMUNERATION COMMITTEE:

Your Company has constituted a HR, Nomination and Remuneration Committee in accordance with the provisions of Section 178(3) of the Act, and applicable Rules. The committee comprised of following Directors.

- Shri Sadanand Shet Tanavade -Chairman, Director
- Shri Ralph De Souza -Independent Director
- Dr. Purushottam Pednekar -Independent Director
- Shri Sandip Bhandare -Independent Director
- Shri Kiran Ballikar -Managing Director

The role of HR, Nomination and Remuneration Committee of the Company is to guide the Board in relation to appointment, promotion/removal of Key Managerial Personnel and Sr. Management level Personnel and also to fix the remuneration.

During the year, no HR, Nomination and Remuneration Committee Meetings were convened and held.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Your Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of Section 135 of the Act and applicable Rules. The CSR Committee was constituted by the Board of Directors of the Company in November, 2014. The committee comprised of following Directors.

- Shri Sadanand Shet Tanavade -Chairman, Director
- Shri Sanjay Satardekar -Vice Chairman, Director
- Shri Shivprasad Manerker -Independent Director
- Dr. Purushottam Pednekar -Independent Director
- Shri Kiran Ballikar -Managing Director

The SOP for CSR Policy of the company was also uploaded on its website [www.edc-goa.com](http://www.edc-goa.com) .The CSR Committee of the Company is functioning in accordance with the provisions of Section 135 of Act and applicable Rules.

The detailed Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, undertaken by the Company during the year is appended as an 'Annexure-II' to the Board's Report.

## **21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company's operations in future.

## **22. AUDITORS:**

### **22.1 Statutory Auditors**

The Comptroller and Auditor General of India had appointed **M/s. A B M & Associates LLP, Flat No. A1, Bella Vista Apartments, Near Casino Motel, Alto Porvorim, Bardez-Goa** under Section 139 (5) of the Act, as Statutory Auditors of the Company for the financial year ended March 31, 2022.

### **22.2 Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, and the rules framed thereunder, the Board had appointed Shri Dharmaraj J. Bhonsle, a Company Secretary in practice to undertake Secretarial

Audit of the Company for the financial year 2021-22. The Report of the Secretarial Auditor is appended as 'Annexure – III' to this report.

### **23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The provisions of Section 134 (3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company. However, Company has been using information technology in its operations.

Foreign Exchange Earnings and Outgo: Nil

### **24. ANNUAL RETURN:**

The Annual Return of the company in the prescribed form MGT-7 is available on the website of the Corporation.

### **25. PARTICULARS OF EMPLOYEES:**

None of the employee of the Company were in receipt of remuneration of more than ` 60 Lakh per annum or ` 5 lakh per month if employed for part of the year. The disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, is not applicable.

**As on March 31, 2022 Company had 71 employees.**

### **26. RISK MANAGEMENT:**

The company has formulated Risk Management Policy which encompasses the various procedures to be followed thereby mitigating the various risks associated with its business operations. Further, the Management of the Company on a continuous basis identifies all strategic, operational and financial risk that the Company faces, by assessing and analysing the latest trends in risk information available internally and externally and use the same to plan for risk mitigation activities.

### **27. PREVENTION OF SEXUAL HARASSMENT IN THE COMPANY:**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. Pursuant to Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and rules made thereunder, the Company has a Policy named "Policy against Sexual Harassment" for prevention of Sexual Harassment in the Company. (All employees (permanent, contractual, temporary and trainees) are covered under this policy.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013.

## **28. ACKNOWLEDGMENTS:**

Your Directors wish to place on record their appreciation for the co-operation and assistance rendered by the various Departments of the Government of Goa, as well as Central Government, and also all its Bankers & Consultants.

Your Directors also place on record their appreciation for the dedicated services rendered by the employees of the Company, for achieving the improved performance and look forward to the continuous support given by them to the Company and their confidence in the management.

**For and on behalf of the Board of EDC Limited**

**- Sd -**

**(Shri Sadanand Shet Tanavade)**

**CHAIRMAN**

**DIN:08525108**

Place: Panaji-Goa

Date: 25.11.2022

**ANNEXURE- I TO BOARD'S REPORT**

**Form AOC-1**

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF  
SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES.**

**(PURSUANT TO FIRST PROVISIO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF  
COMPANIES (ACCOUNTS) RULES, 2014)**

**Part "A" Subsidiary Companies**

*(in Lakh)*

|     |   |  |
|-----|---|--|
| 1.  | Name of the Subsidiary  | <b>Goa<br/>Electronics<br/>Limited</b> |
| 2.  | Reporting period of the subsidiary  | April 1, 2021<br>to March 31,<br>2022  |
| 3.  | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary | INR                                    |
| 4.  | Share Capital   | 180                                    |
| 5.  | Reserves and surplus  | 305                                    |
| 6.  | Total assets  | 2508                                   |
| 7.  | Total Liabilities (Equity not included)   | 2023                                   |
| 8.  | Investments   | -                                      |
| 9.  | Turnover  | 1838                                   |
| 10. | Profit/(Loss) before tax  | 115                                    |
| 11. | Tax expenses  | 20                                     |
| 12. | Profit/(Loss) after tax   | 96                                     |
| 13. | Proposed Dividend   | -                                      |
| 14. | % of shareholding   | 100                                    |

## ANNEXURE- II TO BOARD'S REPORT

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

|    |   |  |
|----|---|--|
| 1. | A brief outline of the Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes                         | Refer Section: Corporate Social Responsibility (CSR) in the Board's Report.<br>Section 135 of the companies Act 2013 |
| 2. | The Composition of the CSR Committee  | Refer Section: Corporate Social Responsibility (CSR) in the Board's Report.  |
| 3. | Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any |  |
| 4. | Average net profit of the Company as per Section 135 (5)  | Rs. 66,87,20,913/-   |
|    | (a) Two percent of average net profit of the company as per section 135 (5)   | Rs. 1,33,74,418/-  |
|    | (b) Amount required to be set off for the financial year if any   | Rs. 1,55,024/-   |
|    | (c) Total CSR obligation for the financial year (4a-4c)   | Rs. 1,32,19,394/-  |
| 5. | Details of CSR spent or unspent during the financial year   |  |
|    | (a) Total Amount spent for the Financial Year   | Rs. 8,08,045/-   |
|    | (b) Total amount transferred to Unspent CSR Account as per section 135 (6)  | Rs. 1,25,66,000/-  |
|    | (c) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)  | Nil; Not applicable  |

#### Details of amount spent on CSR activities during the financial year 2021-22

| Sr. No. | CSR project/activity  | Section in which the project is covered (Schedule VII) | Location      | Amount Outlay (Budget) | Amount spent on Projects or Programmes | Cumulative Expenditure up to the reporting period | Amount spent Direct or through Implementing Agency |
|---------|---|--|---------------|------------------------|--|---|--|
| 1.      | Construction of toilet and laboratory.                          | Education  | Porvorim-Goa  | 10,18,000/-            | 2,50,000/-                             | 2,50,000/-  | Direct   |
| 2.      | School benches  | Education  | Margao-Goa    | 1,96,350/-             | 1,37,445/-                             | 3,87,445/-  | Direct   |
| 3.      | Construction of shade to the existing building of Health Centre | Health   | Siolim-Goa    | 1,95,600/-             | 1,95,600/-                             | 5,83,045/-  | Direct   |
| 4.      | Desktop computers and accessories, projector                    | Education  | Curchorem-Goa | 2,81,400/-             | 2,25,000/-                             | 8,08,045/-  | Direct   |

6. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil; Not Applicable
7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

During the year company has spent Rs. 8,08,045/- on various projects. The unspent balance of Rs. 1,25,66,000/- towards various ongoing projects and has been transferred to the unspent CSR account and spent in accordance with the CSR Amendment Rules.

8. Responsibility Statement

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

|   |   |
|---|---|
| - Sd -<br>(Managing Director)<br>Shri B. S. Pai Angle | - Sd -<br>(Chairman)<br>Shri Sadanand Shet Tanavade |
|---|---|

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the financial year ended 31st March 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
The Members,  
EDC Limited,  
EDC House, Dr. Atmaram Borkar Road,  
Panaji Goa, 403001.

I, Dharmaraj J Bhonsle, Company Secretary in Practice, bearing CP No.7258 and having my office at 505, Citi-centre, Patto plaza, Panaji Goa 403001, pleased to place before the Shareholders of EDC Ltd;

That I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by EDC Limited (hereinafter called 'EDC') for the audit period covering the financial year ended on 31st March 2022 ('the audit period'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

That Based on my verification of the EDC books, minute books, Documents, forms and returns, filed and other records maintained by the EDC and also the information provided by the EDC officers during the conduct of Secretarial Audit and subject to my separate report attached as **Appendix "I"** (enclosed herein with). Further I hereby report that in my opinion, the EDC has complied with the statutory provisions listed hereunder and also that the EDC has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

That I have examined the books, papers, minute books, forms and returns filed and other records maintained by the EDC for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- i. The Companies Act 2013 and the rules made there under (the Act);

That I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.
2. Section 135 of Companies Act 2013 relating to Corporate Social Responsibility read with Companies (Corporate Social Responsibility) Rules 2014.
3. Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal Act 2013) as amended from time to time.
4. Reserve Bank of India Act 1934 and applicable provisions of Loan Company (LC) under NBFC, as amended from time to time.
5. The Building and other Construction Workers (Regulation of employment and condition of Service) Act 1996 and also Welfare Cess Act 1996, as amended from time to time.
6. As to my observation the Security Exchange Board of India Act 1992 and various provisions and regulations there on are not applicable to the EDC, being shares are not listed on the stock exchange and shares are held by Govt. of Goa, by Industrial Development Bank of India (IDBI) and by Administration of Daman.

**I further report that;**

The Board of Directors of the EDC is duly constituted with proper balance of Executive Directors, Non Executive Directors, Independent Directors and Women Director.

Adequate notice is given in advance to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent in

advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the EDC were carried through on the basis of majority.

**I further report that;**

There are adequate systems and processes in the EDC commensurate with the size and its operation to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

**I further report that;**

Compliance of applicable financial laws and labour laws, including Direct and Indirect Tax laws by the EDC has not been reviewed in this audit, since the same has been subject to review by Statutory Auditor and other designated professionals appointed by the Corporation.

**I further report;**

That the pending litigations, claims and counter claims in the court of law are given in the Balance Sheet under accounting head “Contingent Liability”.

**Place:** Panaji

**Date:** 27/09/2022

-Sd-

CS DHARMARAJ J. BHONSLE  
(Company Secretary)

**UDIN:** R007258D001054722

**Appendix-I**

**This Appendix is part of my “Secretarial Audit Report” for the financial year ended 31<sup>st</sup> March 2022**

**To,  
The Members,  
EDC Limited.**

My Secretarial Audit report of even date is to be read along with this Appendix “I”;

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations standards are the responsibility of the management of the EDC Limited. My responsibility is to express an opinion on these secretarial records and compliance based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial Records. I believe that processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the EDC limited.

**Place:** Panaji

**Date:** 27/09/2022

-Sd-

**CS DHARMARAJ J. BHONSLE  
(Company Secretary)**

**UDIN:** R007258D001054722



**INDEPENDENT AUDITOR'S REPORT****To the Members of EDC Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying financial statements of EDC Limited ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

| <b>Sr. No</b> | <b>Key Audit Matter</b>  | <b>Auditor's response</b>   |
|---------------|--|---|
| <b>1.</b>     | <b>Impairment and Write-offs</b><br>The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter. | <b>Our key audit procedures included:</b> <ul style="list-style-type: none"><li>• We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in various categories of accounts based on industry patterns.</li><li>• We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet.</li><li>• We reviewed the changes made by the management in estimating additional ECL Provisions on the background of COVID 19 outbreak.</li><li>• We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same.</li><li>• We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD.</li><li>• We performed analytical procedures for ascertaining of reasonableness of Impairment provisions.</li><li>• We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.</li><li>• Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.</li></ul> |

## **Information other than Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report, for example, Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance etc., but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc. is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

## **Management's responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards and accounting principles generally accepted in India, 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 other comprehensive income, Statement of changes in equity and the statements of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
  - e) Since the company is State Public-Sector undertaking of the Government of Goa, in view of the exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Companies Act, 2013 regarding disqualification of the directors are not applicable to the Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) The Company falls within the ambit of definition of Government Company under section 2(45) of the Act. Hence, in our opinion, provisions related to Managerial Remuneration under section 197 of the Act are not applicable to the government company in terms of MCA notification No.GSR 463 (E) dated June 05th, 2015.

- 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:
- a.** The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements ;
  - b.** The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - c.** There are no outstanding amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d. i.** The management has represented that, to the best of the knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - ii.** The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and
  - iii.** Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause 1(h)(d)(i) and (ii) contain any material misstatement.

# abm & associates LLP

CHARTERED ACCOUNTANTS

e. The dividend declared or paid during the year by the Company follows Section 123 of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by the directions issued by the Office of the Comptroller and Auditor General of India under section 143(5) of the Act, we give in 'Annexure - C', a statement on the matters referred to in those directions.

## For abm& associates LLP

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

August 22, 2022

UDIN : 22152631BABYVJ7664

## **Annexure 'A' to the Independent Auditor's Report**

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of EDC Limited of even date)

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

We have audited the internal financial controls over financial reporting of **EDC LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, 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 abm& associates LLP**

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

August 22, 2022

UDIN :22152631BABYVJ7664

**Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of EDC Limited of even date)

- i. a. A.** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- B.** The company is maintaining proper records showing full particulars of intangible assets;
- b.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d.** The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e.** According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a.** The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- b.** The company has been sanctioned working capital limits in excess of ₹ Five

crores by banks on the basis of security of Current Assets. The quarterly returns or statements filed by the company with the banks or financial institutions agree with the books of account of the Company.

- iii. a.** Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.
- b.** The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934, in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facies, not prejudicial to the Company's interest.
- c.** The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- d.** The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 40(B) and 44(L) to the Standalone Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.
- e.** Since the Company's principal business is to give loans, the provision of clause

- 3(iii)(e) of the Order is not applicable to it.
- f.** Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. No such loans have been granted to Promoters and Related Parties as defined under Clause (76) of Section 2 of the Act.
- iv.** In our opinion and according to the information and explanations given to us, the Company has not granted any loan, nor made any investments or nor provided guarantees and securities within purview of Section 185 and Sec 186 of the Act.
- v.** Based on our scrutiny of company's records and according to the information and explanations provided by the management, in our opinion the Company has not accepted any deposits. There are no amounts which are deemed to be deposits. Therefore, the provisions of the clause 3 (v) of the order are not applicable to the company.
- vi.** We have been informed by the management that no cost records have been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the business activities of the company. Accordingly, the provisions of clause 3 (vi) of order on preparation and maintenance of such cost records are not applicable to the company.
- vii. a.** According to the information and explanation given to us and on the basis of our examination of books of accounts, the company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise duty, Cess and other material statutory dues applicable to it with appropriate authorities during the year.
- According to the information and explanations given to us no undisputed statutory dues payable were in arrears as on the last day of the financial year concerned, for a period of more than six months from the date on which they become payable except for Service tax dues of Rs. 13,509.

- b.** According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute except for following cases:

| Name of the Statute | Nature of dues | Forum where the Dispute is Pending   | Period to which amount relates | Amount ₹ Lakhs |
|---------------------|----------------|--|--------------------------------|----------------|
| Income Tax Act      | Income Tax     | The Appellate Tribunal<br>(Refer Note below)<br>Commissioner<br>of Income Tax<br>Appeals | F.Y. 2017-18                   | 16.82          |
| Income Tax Act      | Income Tax     |  | F.Y. 2019-20                   | 1.91           |

Note- As per information and explanations offered to us, the order passed by Commissioner of Income Tax (Appeal Unit) is being challenged by company with Income Tax Appellate Tribunal.

- viii.** There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix**
- a.** The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;
  - b.** The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;
  - c.** The term loans were applied for the purpose for which the loans were obtained;
  - d.** The funds raised on short term basis have not been utilised for long term purposes;
  - e.** The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
  - f.** The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- x.**
- a.** The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
  - b.** The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not applicable;

- xi. a.** To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**b.** To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

**c.** As per information and explanations offered to us, there are no complaints received during the year under whistle-blower Mechanism.
- xii.** The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- xiii.** In our opinion and according to the information and explanations given to us, the company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a.** The Company has an internal audit system commensurate with the size and nature of its business.

**b.** We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"
- xv.** The Company has not entered into any non-cash transactions with Directors or any persons connected with him.

- xvi.** **a.** The Company is a Non-Banking Financial Company and is required to be registered under section 45-IA of the Reserve Bank of India Act 1934. The Company has obtained the registration.
- b.** According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c.** According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- d.** The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii.** The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors of the Company during the year.
- xix.** On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a.** There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.
- b.** In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

## For abm& associates LLP

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

August 22, 2022

UDIN :22152631BABYVJ7664

**Annexure C to the Independent Auditor's Report**

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" of, section of our report to the members of EDC Limited of even date),

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of Standalone Annual Accounts of EDC Limited for the financial year ended March 31, 2022 issued by the Comptroller & Auditor General of India under Section 143 (5) of the Companies Act, 2013.

| <b>Sr No.</b> | <b>Areas Examined</b>   | <b>Observation/Finding</b>   |
|---------------|---|--|
| 1.            | Whether the company has system in place to process all the accounting transactionsthrough IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.   | The Company has ERP system in place that enables to process all the accounting transactions through IT system. Journal entries are accounted with maker-checker concept to ensure integrity of the system. Hence, integrity of accounts is properly ensured. |
| 2.            | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company) | In the period covered under our audit, no such case of restructuring, waiver of loan or write off of debts/loans/ interest etc by a lender to the company has taken place.   |

# abm & associates LLP

CHARTERED ACCOUNTANTS

|    |  |  |
|----|--|--|
| 3. | Whether funds (grants/subsidy etc) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation. | The Company has received funds from Government of Goa for implementation of various loan schemes. Based on our examination, these funds have been properly accounted and utilised as per its Terms and Conditions of sanction. No deviation in this case has been noticed by us. |
|----|--|--|

## For abm& associates LLP

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

August 22, 2022

UDIN :22152631BABYVJ7664

**EDC Limited**  
**Standalone Balance Sheet as at 31 March 2022**  
(Amounts in INR unless otherwise stated)

(in lakhs)

|   | Note No. | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|----------|------------------------|------------------------|
| <b>ASSETS</b>   |          |                        |                        |
| <b>Financial Assets</b>   |          |                        |                        |
| (a) Cash and cash equivalents   | 5        | 752                    | 929                    |
| (b) Bank balance other than cash and cash equivalents                                       | 6        | 27,569                 | 8,870                  |
| (c) Loans   | 7        | 52,290                 | 61,498                 |
| (d) Investments   | 8        | 4,131                  | 1,830                  |
| (e) Other financial assets  | 9        | 534                    | 546                    |
| <b>Non-Financial Assets</b>   |          |                        |                        |
| (a) Tax assets  | 10       | -                      | 150                    |
| (b) Property, Plant and Equipment   | 11       | 590                    | 622                    |
| (c) Capital Work In Progress  |          | -                      | -                      |
| (d) Intangible assets   | 12       | 0                      | 4                      |
| (e) Right of use assets   |          | -                      | -                      |
| (e) Other non-financial assets  | 13       | 193                    | 136                    |
| <b>Total Assets</b>   |          | <b>86,057</b>          | <b>74,585</b>          |
| <b>LIABILITIES AND EQUITY</b>   |          |                        |                        |
| <b>LIABILITIES</b>  |          |                        |                        |
| <b>Financial Liabilities</b>  |          |                        |                        |
| (a) Trade Payables  |          |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 14       | 33                     | 33                     |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | -                      | -                      |
| (b) Borrowings  | 15       | -                      | 1,192                  |
| (c) Other financial liabilities   | 16       | 12,338                 | 7,152                  |
| <b>Non-Financial Liabilities</b>  |          |                        |                        |
| (a) Deferred tax liabilities (Net)  | 17       | 3,882                  | 3,234                  |
| (b) Provisions  | 18       | 28                     | 130                    |
| (c) Other non-financial liabilities   | 19       | 503                    | 503                    |
| <b>EQUITY</b>   |          |                        |                        |
| (a) Equity Share capital  | 20       | 10,092                 | 10,092                 |
| (b) Other Equity  | 21       | 59,180                 | 52,248                 |
| <b>Total Liabilities and Equity</b>   |          | <b>86,057</b>          | <b>74,585</b>          |

The accompanying notes are an integral part of the financials statements

As per our report of even date

For and on behalf of the Board of Directors

For ABM & Associates LLP

Chartered Accountants

-Sd-

-Sd-

Firm Registration No. : 105016W / W100015

**SADANAND SHET TANAVADE**

**B S PAI ANGLE**

Chairman  
DIN : 08525108

Managing Director  
DIN : 07206897

-Sd-

**Shailesh Mundaye**

Partner

-Sd-

-Sd-

Membership No : 152631

Place : Porvorim, Goa

**ASHWIN KAMAT**  
Chief Financial Officer

**GOVIND NARVEKAR**  
Company Secretary  
M No. 26759

Date :

Place: Panaji Goa  
Date: 22.8.2022

## EDC Limited

## Standalone Statement of Profit and Loss for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

(in lakhs)

|  | Note No. | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|----------|-----------------------------|-----------------------------|
| <b>Revenue from operations</b>   |          |                             |                             |
| (a) Interest Income  | 22       | 6,399                       | 7,702                       |
| (b) Dividend Income  |          | 1                           | 20                          |
| (c) Rental Income  | 23       | 496                         | 430                         |
| (d) Other Operating income   | 24       | 389                         | 76                          |
| <b>Total Revenue from operations (I)</b>                                   |          | <b>7,286</b>                | <b>8,228</b>                |
| (e) Other Income (II)  | 25       | 272                         | 47                          |
| <b>Total Income (I+II=III)</b>   |          | <b>7,558</b>                | <b>8,276</b>                |
| <b>Expenses</b>  |          |                             |                             |
| (a) Finance costs  | 26       | 287                         | 1,304                       |
| (b) Impairment on financial instruments                                    | 27       | -1,247                      | 660                         |
| (c) Employee Benefits Expenses   | 28       | 1,214                       | 1,220                       |
| (d) Depreciation, amortization and impairment                              | 29       | 39                          | 45                          |
| (e) Others expenses  | 30       | 242                         | 385                         |
| <b>Total Expenses (IV)</b>   |          | <b>535</b>                  | <b>3,613</b>                |
| <b>Profit / (Loss) before exceptional items and tax (III-IV=V)</b>         |          | <b>7,023</b>                | <b>4,662</b>                |
| <b>Exceptional item (VI)</b>   |          |                             |                             |
| Gain on sale of property, plant and equipment                              | 38       | -                           | 2,730                       |
| <b>Profit / (Loss) before tax (V-VI=V)</b>                                 |          | <b>7,023</b>                | <b>7,392</b>                |
| <b>Tax Expense:</b>  |          |                             |                             |
| (a) Current Tax  |          | 1,615                       | 1,176                       |
| (b) Deferred Tax   | 17       | 133                         | -292                        |
| (c) Taxes for earlier periods  |          | 28                          | -162                        |
| <b>Total Income tax expense (VI)</b>                                       |          | <b>1,776</b>                | <b>723</b>                  |
| <b>Profit for the period (V-VI=VII)</b>                                    |          | <b>5,247</b>                | <b>6,669</b>                |
| <b>Other Comprehensive Income</b>  |          |                             |                             |
| <b>Items that will not be reclassified to profit or loss</b>               |          |                             |                             |
| (a) Re-measurement gains / (losses) on defined benefit plans               |          | 0                           | 143                         |
| (b) Changes in fair value of equity instruments                            |          | 2,301                       | 484                         |
| (c) Income tax relating to above items                                     |          | -515                        | -158                        |
| <b>Other Comprehensive Income for the period (VIII)</b>                    |          | <b>1,785</b>                | <b>470</b>                  |
| <b>Total Comprehensive Income for the period (VII+VIII)</b>                |          | <b>7,032</b>                | <b>7,139</b>                |
| <b>Earnings per equity share (Face value Rs. 10 each) (not annualised)</b> | 31       |                             |                             |
| Basic (in full Rs.)  |          | 52                          | 66                          |
| Diluted (in full Rs.)  |          | 52                          | 66                          |

The accompanying notes are an integral part of the financials statements

As per our report of even date

For ABM &amp; Associates LLP

Firm Registration No. : 105016W / W100015

Chartered Accountants

-Sd-

**Shailesh Mundaye**

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

For and on behalf of the Board of Directors

-Sd-

**SADANAND SHET TANAVADE**

Chairman

DIN : 08525108

-Sd-

**B S PAI ANGLE**

Managing Director

DIN :07206897

-Sd-

**ASHWIN KAMAT**

Chief Financial Officer

-Sd-

**GOVIND NARVEKAR**

Company Secretary

M No. 26759

Place: Panaji Goa

Date: 22.8.2022

**A Equity Share Capital**

**Current Reporting Period (31.3.2022)** (in lakhs)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 10,092   | -  | -   | -   | 10,092   |

**Previous Reporting Period (31.3.2021)**

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 10,092   | -  | -   | -   | 10,092   |

**B Other Equity (Refer Note 21)**

(in lakhs)

|   | Share application money pending allotment | Equity component of compound financial instruments | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Exchange differences on translating the financial statements of a foreign operation | Other Items of Other Comprehensive Income | Reserves & Surplus |                 |  |  |                   | Total  |
|---|---|--|---|---|---------------------------------------|---|---|--------------------|-----------------|--|--|-------------------|--------|
|   |   |  |   |   |                                       |   |   | General reserve    | Capital reserve | Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) | Special Reserve (as per section 45 of RBI) | Retained Earnings |        |
| <b>Balance at 31 March 2020</b>   |   |  |   |   |                                       |   |   | 14                 | 2,345           | 14,540   | 1,082                                      | 27,230            | 45,210 |
| Changes in accounting policy/prior period errors                                    | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Restated balance as at 31.3.2020  | -   | -  | -   | -   | -                                     | -   | -   | 14                 | 2,345           | 14,540   | 1,082                                      | 27,230            | 45,210 |
| Profit for the period   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 6,669             | 6,669  |
| Final Dividend paid   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -101              | -101   |
| Tax on dividend   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Transfer (Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961)) | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | 1,177  | -  | -1,177            | -      |
| Less: Transfer (as per section 45 of RBI)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | 1,478                                      | -1,478            | -      |
| Add/(Less): Other comprehensive income  | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 470               | 470    |
| <b>Balance as at 31 March 2021</b>  |   |  |   |   |                                       |   |   | 14                 | 2,345           | 15,717   | 2,560                                      | 31,612            | 52,248 |
| Changes in accounting policy/prior period errors                                    | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Restated balance as at 31.3.2021  | -   | -  | -   | -   | -                                     | -   | -   | 14                 | 2,345           | 15,717   | 2,560                                      | 31,612            | 52,248 |
| Transfer during the year (Under Section 36(1) (viii) of The Income Tax Act, 1961)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | 1,327  | -  | -1,327            | -      |
| Transfer (as per section 45 of RBI)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | 1,405                                      | -1,405            | -      |
| Profit for the year   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 0                 | 0      |
| Other Comprehensive Income for the year   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 0                 | 0      |
| Final dividend paid   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -101              | -101   |
| Tax on interim dividend   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Less: Elimination adjustment  | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| <b>Balance as at 31 March 2022</b>  |   |  |   |   |                                       |   |   | 14                 | 2,345           | 17,045   | 3,965                                      | 28,779            | 52,147 |

The accompanying notes are an integral part of the financials statements

As per our report of even date  
For **ABM & Associates LLP**  
Firm Registration No. : 105016W / W100015  
Chartered Accountants

For and on behalf of the Board of Directors

-Sd-

**Shailesh Mundaye**  
Partner  
Membership No : 152631  
Place : Porvorim, Goa  
Date :

-Sd-

**SADANAND SHET TANAVADE**  
Chairman  
DIN : 08525108

-Sd-

**ASHWIN KAMAT**  
Chief Financial Officer  
Place: Panaji Goa  
Date: 22.8.2022

-Sd-

**B S PAI ANGLE**  
Managing Director  
DIN : 07206897

-Sd-

**GOVIND NARVEKAR**  
Company Secretary  
M No. 26759

## EDC Limited

### Standalone Accounting Policies for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

#### 1 Corporate information

EDC Limited (the 'Company') was originally incorporated on 12 March 1975 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) on 22 May 2019, under the Companies Act, 1956. The Company is primarily engaged in the business of lending. It's registered office is situated at Goa, India. The registered office address of the company is "EDC House", P. B. No. 275, Dr. Atmaram Borkar Road, Panaji, Goa. 403 001.

#### 2 Basis of Preparation and presentation and Significant accounting policy

The standalone financial statements (Financial Statements) of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'Previous GAAP').

The transition to Indian Accounting Standard (Ind AS) has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 01 April 2018 and the comparative previous year has been restated/reclassified.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities, defined benefit- plan liabilities and share based payments being measured at fair value.

These financial statements are presented in Indian Rupees (INR)/(Rs.), which is also its functional currency and all values are rounded to the nearest lakh. Except when otherwise indicated.

## Significant accounting policy

### 2.1 Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

- i) The Corporation has given some shops/office premises and plots on lease basis and has individual lease agreements with the allottees. The rent received is recognized as income on accrual basis.
- ii) Revenue from transfer/extension fees is recognised on receipt and on entering into the respective definitive agreements which coincides with the completion of performance obligation.
- iii) Dividend income is recognised when the right to receive 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.
- iv) Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance).

## 2.2 Property, plant and equipment

### (i) Recognition and measurement

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### (ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

### (iii) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The estimated lives used are noted in the table below:-

| <b>Property Plant &amp; Equipment</b> | <b>Useful Life (In Years)</b> |
|---------------------------------------|-------------------------------|
| Land                                  | Infinite                      |
| Building                              | 60                            |
| Lift                                  | 20                            |
| Air Conditioning & Other Plants       | 5                             |
| Computer & Printer                    | 3                             |
| Furniture & Fixtures                  | 10                            |
| Electrical Fittings                   | 10                            |
| Vehicles                              | 8                             |
| Office equipments                     | 5                             |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of Profit and Loss when the item is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Componentisation of assets is not applicable to the corporation given the nature of its property plant & equipment.

**(iv) Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Software and system development expenditure are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

The useful life of these intangible assets is estimated as below with zero residual value.

| <b>Intangible Assets</b> | <b>Useful Life (In Years)</b> |
|--------------------------|-------------------------------|
| Software                 | 3                             |

**2.3 Financial instruments**

**(i) Date of recognition**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**(ii) Initial measurement**

Financial assets and liabilities, with the exception of loans, debt securities, deposits and 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. Recognised financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(iii) Classification and subsequent measurement**

**(A) Financial assets**

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories :

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit or loss ('FVTPL')

**(a) Financial assets carried at amortised cost**

A financial assets is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held 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 ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in profit or loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in profit or loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(b) Financial assets at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in profit and loss. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments however, in case of equity instruments it will be directly transferred to reserves. Equity instruments at FVOCI are not subject to an impairment assessment.

**(c) Financial assets at fair value through profit and loss**

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss. The Company records investments in equity instruments and mutual funds at FVTPL.

**(B) Financial liabilities and equity instrument**

Debt and equity 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.

**(a) Equity instrument**

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

**(b) Financial liabilities**

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in profit or loss. Any gain or loss on de-recognition of financial liabilities is also recognised in profit or loss.

**(iv) Reclassification**

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

**(v) Derecognition**

**(A) Financial assets**

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 contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and 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.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**(B) 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. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

**(vi) Impairment of financial assets**

**A) Trade receivables**

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for all trade 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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on average of historical loss rate adjusted to reflect current and available forward-looking information affecting the ability of the customers to settle the receivables. The Company has also computed expected credit loss due to significant delay in collection.

**B) Other financial assets:**

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is 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 entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**2.4 Lease****Company as a lease**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assess whether (i) the contract involves the use of an identified assets ; (ii) the company has substantially all the economic benefits from use of the assets through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

Lease liability has been included in borrowing and ROU asset has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **Company as a Lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

## **2.5 Cash and cash equivalents**

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits along with bank overdraft, as defined above, as they are considered an integral part of the Company's cash management.

## **2.8 Impairments of Non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

## **2.6 Retirement and other employee benefits**

### **(i) Provident fund**

Retirement benefit in the form of provident fund, is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

### **(ii) Gratuity**

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

The company's gratuity scheme is a defined benefit plan. The company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior period. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit credit Method which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

**(iii) Compensated absences**

The employees of the Company are entitled to compensated absences as per the policy of the Company. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing compensated absences are determined using the projected unit credit method.

**2.70 Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## 2.8 Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

### (i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

### (ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the standalone statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## **2.9 Earning per share (basic and diluted)**

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have been computed by dividing net profit/loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## **2.1 Investment in subsidiaries and associates**

Investments in subsidiaries and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## **2.11 Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

## **2.12 Segment**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicator sby business segments and geographic segments.

### **3 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Following are estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet:

#### **3.1 Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) 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 measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

#### **3.2 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. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. 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 regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

### **3.3 Effective Interest Rate (EIR) 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 behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

### **3.4 Provisions and other contingent liabilities**

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

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

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

### **3.5 Expected Credit loss**

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward looking information.

The inputs used and process followed by the company in determining the ECL have been detailed in Note 43.

### **3.6 Deferred Tax**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### **3.7 Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **3.8 Leases**

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

### **4 New and amended standards adopted by the Company**

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 01 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

**EDC Limited****Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022**

(Amounts in INR unless otherwise stated)

**5 CASH AND CASH EQUIVALENTS***(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Cash on hand  | 1                      | 1                      |
| Balances with banks                                       | -                      | -                      |
| - On current accounts                                     | 510                    | 929                    |
| Cash Credit and Overdraft Facilities from Banks (Secured) | 241                    | -                      |
| <b>Total</b>  | <b>752</b>             | <b>929</b>             |

**6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Fixed deposit in banks with maturity for more than 3 months less than 12 months ** | 27,137                 | 8,811                  |
| Interest accrued on fixed deposits   | 432                    | 59                     |
| <b>Total</b>   | <b>27,569</b>          | <b>8,870</b>           |

\* Fixed Deposit with Bank include Rs. 6.60 lakh pledged with Vijaya Bank Ltd. Panaji, (previous year Rs. 6.60 lakh) for furnishing bank guarantee to Electricity Department of Goa for H.T. Power Connection.

# The Department of Finance, Government of Goa, has defined 'Exit Policy' for distressed beneficiaries under CMRY/VKRY vide notification No. 6/21/2015-FIN (DMU). The policy lays down criteria's for the borrowers under the scheme who can get relief from outstanding loan amounts in certain cases. All such reliefs are adjusted from 'Corpus Fund' to be managed by EDC Ltd on behalf of Finance Department. The notification requires the company to deposit such funds in a separate account. The company has substantial amount of fixed deposits as on 31.3.2022 and as such no need is felt to separately earmark any specific fixed deposit for the purpose of the said notification.

## 7 LOANS

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>(A) Loans measured at Amortised Cost</b>                      |                        |                        |
| (i) Term Loans   | 53,881                 | 64,433                 |
| Add: Accrued interest on Term Loans                              | 498                    | 426                    |
|  | 54,379                 | 64,859                 |
| (ii) Loans to employees  | 148                    | 144                    |
| Add: Accrued interest on Loans to employees                      | 81                     | 93                     |
|  | 229                    | 236                    |
| (iii) Loans to subsidiaries                                      | -                      | -                      |
|  | -                      | -                      |
| <b>Total (A) Gross</b>   | <b>54,608</b>          | <b>65,095</b>          |
| Less: Impairment loss allowance (Refer Note 40(B))               | -2,319                 | -3,597                 |
| <b>Total (A) Net</b>   | <b>52,290</b>          | <b>61,498</b>          |
| <b>(B)</b>   |                        |                        |
| (i) Secured by tangible assets                                   | 52,867                 | 64,750                 |
| (ii) Unsecured   | 919                    | 345                    |
| <b>Total (B) Gross</b>   | <b>53,786</b>          | <b>65,095</b>          |
| Less: Impairment loss allowance (Refer Note 40(B))               | -2,319                 | -3,597                 |
| <b>Total (B) Net</b>   | <b>51,467</b>          | <b>61,498</b>          |
| <b>(C) Loans in India</b>  |                        |                        |
| (i) Public Sector  | -                      | -                      |
| (ii) Others - 'Industrial Units, Other Units & Government Bodies | 53,786                 | 65,095                 |
| <b>Total (C) Gross</b>   | <b>53,786</b>          | <b>65,095</b>          |
| Less: Impairment loss allowance (Refer Note 40(B))               | -2,319                 | -3,597                 |
| <b>Total (C) Net</b>   | <b>51,467</b>          | <b>61,498</b>          |

In respect of CMRY loans, on average, 70% of the total loan amount is considered as secured on a totality basis, as the loanees are large in number. The provision is then accordingly made as applicable under various asset classes. Further, no provision is made on DITC Share Capital (loan), as the amount is funded entirely by the State Government.

Since the impairment allowance on loans under Ind AS 109 is higher than the provisioning required under prudential norms for Income Recognition, Asset Classification and Provisioning (IRACP) no appropriation to a separate 'impairment reserve' is required as per Reserve Bank of India circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2021.

## 8 INVESTMENTS

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Investment in India</b>   |                        |                        |
| Investments in equity instruments of subsidiaries and associates measured at Cost (refer note A)                 | 648                    | 907                    |
| Investments in other equity instruments measured at Fair Value through other comprehensive income (refer note B) | 4,287                  | 1,987                  |
| Investments in debt instruments measured at amortized cost (refer note C)  | -                      | 300                    |
| <b>Total</b>   | <b>4,935</b>           | <b>3,194</b>           |
| Less: Impairment loss allowance  | -805                   | -1,364                 |
| <b>Total</b>   | <b>4,131</b>           | <b>1,830</b>           |

### Details of investments -

#### (A) Investments in equity instruments of subsidiaries and associates

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Investments measured at Cost (Unquoted)</b>   |                        |                        |
| <b>Investments in Equity shares of subsidiaries: (Fully paid up)</b>   |                        |                        |
| -Goa Electronics Limited<br>(Face value of Rs. 100 each, 1,80,000 (1,80,000 shares as on 31 March 2020))                 | 180                    | 180                    |
| -Goa Auto Accessories Limited<br>(Face value of Rs. 100 each, 2,59,000 (2,59,000 shares as on 31 March 2020))            | -                      | 259                    |
| -Goa Antibiotics & Pharmaceuticals Limited<br>(face value of Rs. 100 each, 4,94,520(494,520 shares as on 31 March 2020)) | 468                    | 468                    |
| <b>Total of (A)</b>  | <b>648</b>             | <b>907</b>             |

**(B) Investments in other equity instruments measured at Fair Value through Other Comprehensive Income***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b><u>Investments measured at FVOCI (Quoted)</u></b>   |                        |                        |
| -Automobile Corporation Goa Ltd<br>(Face value of Rs. 10 each, 405,302 shares (405,302 shares as on 31 March 2020))  | 3,786                  | 1,649                  |
| -IDBI Bank Limited<br>(Face value of Rs. 10 each, 114,240 shares (114,240 shares as on 31 March 2020))   | 49                     | 44                     |
| -Mitcon Consultancy and Engineering Services Limited<br>(Face value of Rs. 10 each, 320,000 shares (320,000 shares as on 31 March 2020))   | 290                    | 131                    |
| <b><u>Investments measured at FVOCI (Unquoted)</u></b>   |                        |                        |
| -Infotech Corporation of Goa Limited<br>(Face value of Rs. 10 each, 1,569,037 shares (1,569,037 shares as on 31 March 2020))   | 157                    | 157                    |
| -Goa State Infrastructure Development Corporation Limited<br>(Face value of Rs. 10 each, 60,000 shares (60,000 shares as on 31 March 2020))<br>(Includes 10,000 bonus shares issued on 15/04/2010) | 5                      | 5                      |
| -Goa State Co-operative Bank Limited<br>(Face value of Rs. 100 each, 500 shares (500 shares as on 31 March 2020))  | 1                      | 1                      |
| -Nova Dhatu Udyog Limited<br>(Face value of Rs. 10 each, 750,000 shares (750,000 shares as on 31 March 2020))  | -                      | -                      |
| -I F G Limited<br>(Face value of Rs. 10 each, 1,500,000 shares (1,500,000 shares as on 31 March 2020))   | -                      | -                      |
| <b>Total of (B)</b>  | <b>4,287</b>           | <b>1,987</b>           |

**(C) Investments in debt instruments measured at amortized cost***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| - 300,000 (31 March 2020: 300,000) 8.5% Cumulative Redeemable Preference Shares of Goa Auto Accessories Limited (Face value of Rs. 100 each fully paid up) | -                      | 300                    |
| - 15,000 (31 March 2020: 15,000) 13.5% Redeemable Preference Shares of Rodal Circaprint Electronics Limited (Face value of Rs. 100 each fully paid up)     | -                      | -                      |
| <b>Total of (C)</b>  | <b>-</b>               | <b>300</b>             |

**Significant investment in the subsidiaries/associates**

| Name of company   | Principal Place of Business | Subsidiary/Associate | % of shares held                   |
|---|-----------------------------|----------------------|------------------------------------|
| Goa Auto Accessories Limited (Liquidated during Financial Year 2021-22) | India                       | Subsidiary           | 31.3.2022 : NIL<br>31.3.2021: 100% |
| Goa Electronics Limited   | India                       | Subsidiary           | 0                                  |
| Goa Antibiotics & Pharmaceuticals Limited                               | India                       | Associate            | 0                                  |

As on 31.3.2022 &amp; 31.3.2021, no balance was outstanding with any struck-off company.

**9 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Fixed deposit with maturity for more than 12 months* | -                      | -                      |
| Rent Receivable                                      | 79                     | 301                    |
| Other Receivables                                    | 335                    | 117                    |
| Security Deposits                                    | 4                      | 4                      |
| Interest Subsidy (Govt of Goa) Receivable            | 115                    | 113                    |
| Ground Rent Unbilled                                 | -                      | 11                     |
| <b>Total</b>   | <b>534</b>             | <b>546</b>             |

**10 TAX ASSETS (NET)***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Advance payment of taxes and tax deducted at source (net of provisions for taxation) |                        | 150                    |
| <b>Total</b>   | <b>-</b>               | <b>150</b>             |

EDC Limited  
Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022  
(Amounts in INR unless otherwise stated)

11 PROPERTY, PLANT AND EQUIPMENT

(in lakhs)

|                                 | Freehold land | Building | Lift | Air Conditioning &<br>Other Plants | Computer &<br>Printer | Furniture &<br>Fixtures | Electrical Fittings | Vehicles | Office<br>equipments | Total |
|---------------------------------|---------------|----------|------|------------------------------------|-----------------------|-------------------------|---------------------|----------|----------------------|-------|
| As at 31 March 2020             | 274           | 650      | 33   | 89                                 | 81                    | 145                     | 11                  | 107      | 33                   | 1,424 |
| Additions/ Adjustments          | -             | -        | -    | 3                                  | 0                     | 4                       | -                   | -        | 0                    | 7     |
| Deductions/ Adjustments         | 270           | -        | -    | -                                  | -                     | -                       | -                   | -        | -                    | 270   |
| As at 31 March 2021             | 4             | 650      | 33   | 92                                 | 81                    | 149                     | 11                  | 107      | 33                   | 1,161 |
| Additions/ Adjustments          | -             | -        | -    | -                                  | 2                     | -                       | -                   | -        | 2                    | 4     |
| Deductions/ Adjustments         | -             | -        | -    | -                                  | -                     | -                       | -                   | 4        | -                    | 4     |
| As at 31 March 2022             | 4             | 650      | 33   | 92                                 | 83                    | 149                     | 11                  | 104      | 35                   | 1,161 |
| <b>Accumulated depreciation</b> |               |          |      |                                    |                       |                         |                     |          |                      |       |
| As at 31 March 2020             | -             | 144      | 21   | 73                                 | 70                    | 113                     | 8                   | 42       | 29                   | 499   |
| For the period                  | -             | 10       | 1    | 5                                  | 5                     | 4                       | 1                   | 13       | 1                    | 40    |
| Disposals                       | -             | -        | -    | -                                  | -                     | -                       | -                   | -        | -                    | -     |
| As at 31 March 2021             | -             | 154      | 22   | 78                                 | 75                    | 116                     | 8                   | 55       | 30                   | 539   |
| For the period                  | -             | 10       | 1    | 4                                  | 2                     | 4                       | 0                   | 12       | 1                    | 35    |
| Disposals                       | -             | -        | -    | -                                  | -                     | -                       | -                   | 3        | -                    | 3     |
| As at 31 March 2022             | -             | 164      | 23   | 82                                 | 77                    | 120                     | 9                   | 64       | 31                   | 571   |
| <b>Net block</b>                |               |          |      |                                    |                       |                         |                     |          |                      |       |
| As at 31 March 2021             | 4             | 496      | 11   | 14                                 | 6                     | 33                      | 3                   | 53       | 3                    | 622   |
| As at 31 March 2022             | 4             | 486      | 10   | 10                                 | 6                     | 29                      | 3                   | 40       | 4                    | 590   |

Title deeds of Immovable Properties not held in name of the Company: NIL

**12 INTANGIBLE ASSETS***(in lakhs)*

|  | Computer Software |
|--|-------------------|
| <b>As at 31 March 2020</b>             | <b>80</b>         |
| Additions/ Adjustments                 |                   |
| Deductions/ Adjustments                | -                 |
| <b>As at 31 March 2021</b>             | <b>80</b>         |
| Additions/ Adjustments                 |                   |
| Deductions/ Adjustments                | -                 |
| <b>As at 31 March 2022</b>             | <b>80</b>         |
| <b><u>Accumulated amortization</u></b> |                   |
| <b>As at 31 March 2020</b>             | <b>71</b>         |
| For the year                           | 5                 |
| Disposals                              | -                 |
| <b>As at 31 March 2021</b>             | <b>76</b>         |
| For the year                           | 4                 |
| Disposals                              | -                 |
| <b>As at 31 March 2022</b>             | <b>80</b>         |
| <b><u>Net block</u></b>                |                   |
| <b>As at 31 March 2021</b>             | <b>4</b>          |
| <b>As at 31 March 2022</b>             | <b>0</b>          |

Intangible Assets under development: NIL

**13 OTHER NON FINANCIAL ASSETS***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Advance recoverable in cash or kind          | 91                     | 148                    |
| Gratuity & Leave encashment balance with LIC | 101                    | -                      |
| <b>Total</b>                                 | <b>193</b>             | <b>148</b>             |

EDC Limited

Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

**14 TRADE PAYABLES**

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises* (disputed; outstanding for over 3 years) | 33                     | 33                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)           | -                      | -                      |
| <b>Total</b>  | <b>33</b>              | <b>33</b>              |

\* No interest was paid during the period / previous year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day. No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. INR NIL (31 March 2020: INR NIL) interest was accrued and unpaid at the end of the accounting period. No further interest remaining due and payable even in the succeeding periods for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables ageing schedule

As at 31 March 2022

(in lakhs)

| Particulars                 | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |                   |
|-----------------------------|---------------|------------------|--|-------------------|
|                             |               |                  | Less than 1 year   | More than 3 years |
| (i) MSME                    |               |                  | -  | -                 |
| (ii) Disputed dues - MSME   |               |                  | -  | 33                |
| (iii) Others                |               |                  | -  | -                 |
| (iv) Disputed dues - Others |               |                  | -  | -                 |
| <b>Total</b>                | -             | -                | -  | <b>33</b>         |

As at 31 March 2021

(in lakhs)

| Particulars                 | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |                   |
|-----------------------------|---------------|------------------|--|-------------------|
|                             |               |                  | Less than 1 year   | More than 3 years |
| (i) MSME                    |               |                  | -  | -                 |
| (ii) Disputed dues - MSME   |               |                  | -  | 33                |
| (iii) Others                |               |                  | -  | -                 |
| (iv) Disputed dues - Others |               |                  | -  | -                 |
| <b>Total</b>                |               | -                | -  | <b>33</b>         |

**15 BORROWINGS (OTHER THAN DEBT SECURITIES)**

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Borrowings measured at Amortised Cost (in India)</b> |                        |                        |
| <b><u>Secured</u></b>                                   |                        |                        |
| (a) Term loans from banks (Refer note a)                | -                      | -                      |
| (b) Loan repayable on demand - Cash credit/Overdraft    | -                      | 1,192                  |
| Interest accrued and due on borrowings                  | -                      | -                      |
| <b>Total</b>  | -                      | <b>1,192</b>           |

The Company has not been declared as a wilful defaulter by any bank.

**(a) Security and terms of repayment of borrowings from banks:**

The aforesaid term loans from banks are secured by hypothecation of book debts.

**(b) Security against borrowings from banks repayable on demand:***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Hypothecation of book debts and personal guarantee of a director                           | -                      | -                      |
| Hypothecation of current assets of the company and personal guarantee of a director.       | -                      | -                      |
| Lien on fixed deposits of the Company (Refer Note 5 and 6) and of its certain subsidiaries | -                      | -                      |
| Mortgage of property and personal guarantee of a director                                  | -                      | -                      |
| Pledge of client securities  | -                      | -                      |
|  | -                      | -                      |

**16 OTHER FINANCIAL LIABILITIES***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Dues to Contractors  | 38                     | 38                     |
| Earnest Money Deposits & Others  | 64                     | 67                     |
| Land Acquisition Award (Deposit)   | 8,743                  | 4,863                  |
| Security Deposit (Rent)  | 6                      | 6                      |
| Capital City Entrance Zone - Panaji Development Scheme                               | 39                     | 39                     |
| Debt relief scheme for mining affected borrowers                                     | 153                    | 153                    |
| Excess amount of Loan Repayment  | 50                     | 49                     |
| Interest payable on land acquisition deposit   | 1,560                  | 1,280                  |
| Other payables   | 15                     | 15                     |
| Govt of Goa*   | 36                     | 56                     |
| Advance payment of taxes and tax deducted at source (net of provisions for taxation) | 313                    | -                      |
| D.I.T.C. balance (CMRY scheme of Govt. of Goa)                                       | 1,053                  | 560                    |
| Funds received towards GTEGP from Government of Goa                                  | 269                    | 26                     |
| <b>Total</b>   | <b>12,338</b>          | <b>7,152</b>           |

\* Amount of Govt of Goa includes an amount of Rs. 100 Lakh which was received from the Government of Goa during the year 2018-19 for disbursing the same to Goa Electronics Limited (GEL). However, no disbursement has been availed by GEL. The amount was returned to the Government by our Company in the Financial Year 2020-21.

**18 PROVISIONS***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Provision for employee benefits<br>- Gratuity & Leave encashment | -                      | 35                     |
| Provision for Tax  | 28                     | 95                     |
| <b>Total</b>   | <b>28</b>              | <b>130</b>             |

**19 OTHER NON FINANCIAL LIABILITIES***(in lakhs)*

|                               | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------|------------------------|------------------------|
| Statutory dues payable        | 9                      | 42                     |
| One Time Settlement of Dues   | 153                    | 133                    |
| Other Outstanding Liabilities | 352                    | 328                    |
| <b>Total</b>                  | <b>503</b>             | <b>503</b>             |

**20 EQUITY SHARE CAPITAL***(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b><u>Authorized</u></b>  |                        |                        |
| 12,500,000 (31 March 2019 : 12,500,000 and 1 April 2018 : 12,500,000) Equity shares of Rs. 100/- each.    | 12,500                 | 12,500                 |
|   | 12,500                 | 12,500                 |
| <b><u>Issued, Subscribed and paid up</u></b>  |                        |                        |
| 1,00,92,480 (31 March 2019 : 1,00,92,480 and 1 April 2018 : 1,00,92,480) Equity shares of Rs. 100/- each. | 10,092                 | 10,092                 |
| <b>Total</b>  | <b>10,092</b>          | <b>10,092</b>          |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the period:

(in lakhs)

| (i)                                      | As at<br>31 March 2022 |        |
|--|------------------------|--------|
|  | No. of shares          | Amount |
| Outstanding at the beginning of the year | 101                    | 10,092 |
| Add: Changes during the year             | -                      | -      |
| Outstanding at the end of the year       | 101                    | 10,092 |

| (ii)                                     | As at<br>31 March 2021 |        |
|--|------------------------|--------|
|  | No. of shares          | Amount |
| Outstanding at the beginning of the year | 101                    | 10,092 |
| Add: Changes during the year             | -                      | -      |
| Outstanding at the end of the year       | 101                    | 10,092 |

(b) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares of Rs 100 face value . Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of the equity shareholders are in proportion to its paid up equity share capital of the Company.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company as on 31 March 2021 and 31 March 2020:

| Name of the shareholder      | No. of shares | % of holding |
|------------------------------|---------------|--------------|
| Government of Goa (Promoter) | 86            | 85.41%       |
| IDBI Bank Limited            | 12            | 11.43%       |

**21 OTHER EQUITY***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| General reserve  | 14                     | 14                     |
| Capital reserve  | 2,345                  | 2,345                  |
| Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) | 17,045                 | 15,717                 |
| Special Reserve (as per section 45 of RBI)                               | 3,965                  | 2,560                  |
| Retained Earnings  | 35,811                 | 31,612                 |
| <b>Total</b>   | <b>59,180</b>          | <b>52,248</b>          |

**(A) General reserve***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Opening balance                        | 14                     | 14                     |
| Add : Changes during the period / year |                        |                        |
| Closing balance                        | 14                     | 14                     |

**(B) Capital Reserve***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Opening balance                        | 2,345                  | 2,345                  |
| Add : Changes during the period / year |                        |                        |
| Closing balance                        | 2,345                  | 2,345                  |

**(C) Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961)***(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Opening balance   | 15,717                 | 14,540                 |
| Add : Transfer during the year (Under Section 36(1) (viii) of The Income Tax Act, 1961) | 1,327                  | 1,177                  |
| Closing balance   | 17,045                 | 15,717                 |

**(D) Special Reserve (as per section 45 of RBI)***(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Opening balance                           | 2,560                  | 1,082                  |
| Add : Transfer (as per section 45 of RBI) | 1,405                  | 1,478                  |
| <b>Closing balance</b>                    | <b>3,965</b>           | <b>2,560</b>           |

**(E) Retained earnings***(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Opening balance   | 31,612                 | 27,230                 |
| Add : Net profit for the period / year  | 5,247                  | 6,669                  |
| Less : Final dividend paid  | -101                   | -101                   |
| Less : Tax on interim dividend  | -                      | -                      |
| Less : Transfer to special reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) | -1,327                 | -1,177                 |
| Less : Transfer to special reserve (as per section 45 of RBI)                               | -1,405                 | -1,478                 |
| Add/(Less): Other comprehensive income  | 1,785                  | 470                    |
| <b>Closing balance</b>  | <b>35,811</b>          | <b>31,612</b>          |

**Nature and purpose of reserves****(A) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

**(B) Capital Reserve**

Capital Reserve contains the amount of concessions received in the past.

**(C) Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961)**

Special Reserve has been created u/s 36(1)(viii) of the Income Tax Act to avail tax benefits.

**(D) Special Reserve (as per section 45 of RBI)**

Reserve Fund has been created in accordance with Section 45-IC in The Reserve Bank of India Act, 1934 by transferring a sum not less than twenty per cent of the net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**(E) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to special reserve, dividends or other distributions paid to Shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

EDC Limited

Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

**17 DEFERRED TAX LIABILITIES (NET)**

(A) Deferred tax relates to the following:

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Deferred tax Liabilities</b>                              |                        |                        |
| - On Expected credit Loss on loan receivables                | -519                   | -905                   |
| - On account of Provision for Leave Encashment/Gratuity (BS) | -                      | -11                    |
| - On account of depreciation                                 | 68                     | 73                     |
| - On account of reserves u/s 36 (1) (viii)                   | 3,818                  | 3,956                  |
| - On fair valuation of investments                           | 515                    | 122                    |
| <b>Deferred tax assets/(liability) (net)</b>                 | <b>3,882</b>           | <b>3,234</b>           |

(B) Income tax expense

|                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Current taxes                  | 1,615                  | 1,176                  |
| Deferred tax charge / (income) | 133                    | -292                   |
| Taxes for earlier periods      | 28                     | -162                   |
| <b>Total</b>                   | <b>1,776</b>           | <b>723</b>             |

**22 INTEREST INCOME** *(in lakhs)*

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>On financial assets measured at Amortised Cost</b> |                             |                             |
| - Interest on Loans                                   | 5,422                       | 7,185                       |
| - Interest on Fixed Deposits with banks               | 842                         | 404                         |
| - Interest Subsidy from Government of Goa             | 115                         | 113                         |
| - Interest on Ground Rent                             | 20                          | -                           |
| <b>Total</b>  | <b>6,399</b>                | <b>7,702</b>                |

**23 RENTAL INCOME** *(in lakhs)*

|                               | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|-------------------------------|-----------------------------|-----------------------------|
| Ground Rent (Patto Plaza)     | 366                         | 291                         |
| Income From Incubation Center | 18                          | 38                          |
| Parking Fees (Patto Plaza)    | -                           | 4                           |
| Rent from hire of hall        | 2                           | 2                           |
| Rent (Gross)                  | 110                         | 96                          |
| <b>Total</b>                  | <b>496</b>                  | <b>430</b>                  |

**24 OTHER OPERATING INCOME** *(in lakhs)*

|                       | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|-----------------------|-----------------------------|-----------------------------|
| Recovery of bad debts | 363                         | 47                          |
| Other income          | 26                          | 29                          |
| <b>Total</b>          | <b>389</b>                  | <b>76</b>                   |

**25 OTHER INCOME** *(in lakhs)*

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Interest on Income Tax Refund                 | -                           | -                           |
| Extension fees                                | 272                         | 47                          |
| Transfer fees                                 | -                           | -                           |
| Gain on sale of property, plant and equipment | 0                           | -                           |
| Forfeiture (Patto Plaza)                      | -                           | -                           |
| <b>Total</b>                                  | <b>272</b>                  | <b>47</b>                   |

26 **FINANCE COSTS***(in lakhs)*

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>On financial liabilities measured at Amortised Cost</b> |                             |                             |
| Interest expense   |                             |                             |
| - On Land Acquisition                                      | 280                         | 1,280                       |
| - On Cash Credit, Term Loan & Others                       | 7                           | 24                          |
| <b>Total</b>   | <b>287</b>                  | <b>1,304</b>                |

27 **IMPAIRMENT ON FINANCIAL INSTRUMENTS***(in lakhs)*

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Financial instruments measured at Amortised Cost</b> |                             |                             |
| Loans   | -1,278                      | 599                         |
| Bad debts (Loans written off)                           | 31                          | 60                          |
| <b>Total</b>  | <b>-1,247</b>               | <b>660</b>                  |

28 **EMPLOYEE BENEFITS EXPENSES***(in lakhs)*

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Salaries, allowances, Incentives and bonus                 | 1,026                       | 955                         |
| Contribution to provident and other funds                  | 193                         | 210                         |
| Gratuity and compensated absences expenses (refer note 35) | 12                          | 18                          |
| Leave encasement expenses                                  | -26                         | 6                           |
| Staff welfare expenses                                     | 9                           | 30                          |
| <b>Total</b>   | <b>1,214</b>                | <b>1,220</b>                |

29 **DEPRECIATION AND AMORTIZATION EXPENSE***(in lakhs)*

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Depreciation on property plant & equipment | 33                          | 39                          |
| Amortization of intangible assets          | 6                           | 6                           |
| <b>Total</b>                               | <b>39</b>                   | <b>45</b>                   |

## 30 OTHER EXPENSES

(in lakhs)

|                                  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|----------------------------------|-----------------------------|-----------------------------|
| Rent expense                     | 4                           | 4                           |
| Repairs for:                     |                             |                             |
| - Vehicles                       | 3                           | 3                           |
| - Building                       | 14                          | 20                          |
| - Others                         | 12                          | 15                          |
| Interest on Service tax          | -                           | -                           |
| Auditors Remuneration*           | 3                           | 2                           |
| Postage, Telegram & Telephones   | 6                           | 4                           |
| Travelling & Conveyance Expenses | 11                          | 10                          |
| Consultancy & Professional Fees  | 63                          | 44                          |
| Corporate Social Responsibility  | 8                           | 130                         |
| Electricity Charges              | 26                          | 27                          |
| Insurance                        | 11                          | 2                           |
| Miscellaneous Expenses           | 80                          | 125                         |
| <b>Total</b>                     | <b>242</b>                  | <b>385</b>                  |

## \* Auditors' remuneration

|                        | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| As Auditor             | 2             | 1             |
| For Tax Audit          | 0             | 1             |
| Out of Pocket Expenses | 0             | 0             |
| <b>Total</b>           | <b>3</b>      | <b>2</b>      |

**31 EARNINGS PER SHARE***(in lakhs)*

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Profit attributable to all equity holders                               | 5,247         | 6,669         |
| Weighted average number of equity shares outstanding                    | 101           | 101           |
| Basic and diluted earnings per share (in full Rs.) (FV of Rs. 100 each) | 52            | 66            |

**32 CONTINGENT LIABILITIES**

| A) Name of the Party          | As on 31 March 2022   | As on 31 March 2021   |
|-------------------------------|---|---|
|                               | Estimated Liability   | Estimated Liability   |
| <i>Mayur Cashew Factory</i>   | Counter Claim of Rs. 500.00 Lakh  | Counter Claim of Rs. 500.00 Lakh  |
| <i>L. K. Trust</i>            | Claiming:<br>a) Interest of Rs. 2907.54 Lakh<br>b) Loss of profit of Rs. 2385.00 Lakh | Claiming:<br>a) Interest of Rs. 2907.54 Lakh<br>b) Loss of profit of Rs. 2385.00 Lakh |
| <i>Sipra Remedies Pvt Ltd</i> | Employees Provident Fund Dues of Rs. 67.14 Lakh                                       | Employees Provident Fund Dues of Rs. 67.14 Lakh                                       |
| <i>Kanaka Infratech Ltd.</i>  | Rs. 10,000 Lakh (damages)<br>Rs. 120.46 Lakh @ 24% p.a (counter claim)                | Rs. 10,000 Lakh (damages)<br>Rs. 120.46 Lakh @ 24% p.a (counter claim)                |

**B) Income and Tax Service Matters**

| Particulars         | 31 March 2022 | 31 March 2021 |
|---------------------|---------------|---------------|
| Income Tax Matters  | 6             | 6             |
| Service Tax Matters | -             | -             |

- C) The Corporation had awarded a Contract in May, 2010 of Rs. 920.39 lakh for Improvement of Infrastructure at Patto Plaza, Panaji to M/S. Kanaka Infratech Ltd., Mumbai. The contract was terminated by the Corporation in view of violation of terms of contract by the contractor. The contractor M/S Kanaka Infratech Ltd., has approached the Additional District Court challenging the termination and claimed compensation of Rs. 10000.00 lakh. The Corporation expects to successfully defend the case and expects no liability on this count.

The Corporation has filed legal case against M/S. Kanaka Infratech Ltd. towards recovery of the liquidated damages, penalties as per the terms of the contract, and recovery of extra cost on account re-tendering and acceptance of tender of M/S. MV Rao Infra Projects (P) Ltd and other related expenses amounting to Rs. 83.27 lakh plus interest @ 24% p.a. from November 2010. Kanaka Infratech Ltd has made a counterclaim of Rs. 120.46 lakh plus interest @ 24% p.a. Since the matter is sub judge, Corporation has not accounted the claim of M/s Kanaka Infratech Ltd.

**33 CAPITAL COMMITMENTS**

As confirmed by EDC Management, the Company does not have any capital commitments as at each reporting date.

**34 PATTO PLAZA PROJECT**

The Corporation had developed the land at Patto Plaza admeasuring 177,555.72 sq.mtrs. Comprising of 100,667.40 sq.mtrs, Of developed plots and the balance being open space, roads etc. The plots have been allotted on Long Lease and the allottees are liable to pay annual ground rent and other charges, as specified in their lease agreement.

The open spaces form an integral part of Patto Plaza. Since premium on the long term leases of the plots at Patto Plaza has been treated as revenue income in the earlier years as required by the relevant statutory provisions, the cost of developing the plots along with cost pertaining to open spaces and roads has been shown as a cost against the said income in the earlier years as required by the matching concept. Thus, no part of land/open spaces/roads of Patto Plaza was reflecting under fixed assets of the Corporation. However, during the year 2017-18, one of the lessees surrendered/retransferred one plot to the Corporation. The same was included in fixed assets of the Corporation. The same has been sold during the year 2020-21 and derecognized from fixed assets on account of transfer of the said plot to The Reserve Bank of India.

**35 EMPLOYEE BENEFITS****(A) Defined Contribution Plans**

During the period, the Company has recognized the following amounts in the Statement of Profit and Loss

*(in lakhs)*

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Employers' Contribution to Provident Fund and other funds | 193           | 210           |

**(B) Defined benefit plans****Gratuity payable to employees**

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through funded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

**Discount rate**

Discount Rate for this valuation is based on government bonds having similar term to duration of liabilities. Due to lack of a deep and secondary bond market in India, government bond yields are used to arrive at the discount rate.

**Mortality/ disability**

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Employee turnover/Withdrawal rate**

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Salary escalation rate**

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

| (i) Principal assumptions used for the purposes of the actuarial valuations | <i>(in lakhs)</i> |               |
|---|-------------------|---------------|
|   | 31 March 2022     | 31 March 2021 |
|   | Gratuity          | Gratuity      |
| Interest / discount Rate  | 0                 | 0             |
| Salary increase rate  | 0                 | 0             |
| Retirement age  | 60 Years          | 60 Years      |

| (ii) Changes in the present value of defined benefit obligation (DBO) | <i>(in lakhs)</i> |               |
|---|-------------------|---------------|
|   | 31 March 2022     | 31 March 2021 |
| Present value of obligation at the beginning of the period / year     | 472               | 646           |
| Interest cost on DBO  | 33                | 47            |
| Current service cost  | 16                | 17            |
| Benefits paid   | -42               | -95           |
| Actuarial (gain)/ loss on obligations                                 |                   |               |
| - Effect of change in Financial Assumptions                           | 2                 | -143          |
| - Effect of change in demographic assumption                          | -                 | -             |
| - Experience (gains)/losses   | -                 | -             |
| Present value of obligation at the end of the period / year           | 481               | 472           |

| (iii) Change in the fair value of plan assets: | <i>(in lakhs)</i> |               |
|--|-------------------|---------------|
|  | 31 March 2022     | 31 March 2021 |
| Opening fair value of plan assets              | 611               | 640           |
| Expected return on plan assets                 | 41                | 46            |
| Contributions                                  | -                 | 20            |
| Benefit payments from plan assets              | -42               | -95           |
| Actuarial gain/(loss) on plan assets           | -                 | -             |
| Closing fair value of plan assets              | 609               | 611           |

| Details of Plan Assets  | <i>(in lakhs)</i> |               |
|---|-------------------|---------------|
|   | 31 March 2022     | 31 March 2021 |
| The weighted-average asset allocations at the year end were as follows: | 0                 | 0             |
| Pooled assets with an insurance company                                 |                   |               |
| <b>Total</b>  | <b>0</b>          | <b>0</b>      |

| (iv) Reconciliation of balance sheet amount                | <i>(in lakhs)</i> |               |
|--|-------------------|---------------|
|  | 31 March 2022     | 31 March 2021 |
| Balance sheet (asset)/liability at the beginning of period | -139              | 6             |
| Total charge/(credit) recognised in profit and loss        | 12                | 18            |
| Total remeasurements recognised in OC (income)/loss        | -0                | -143          |
| Contributions  | -                 | -20           |
| Balance sheet (asset)/liability at the end of period       | -127              | -139          |

| (v) Expense recognized in the Statement of Profit and Loss | <i>(in lakhs)</i> |               |
|--|-------------------|---------------|
|  | 31 March 2022     | 31 March 2021 |
| Service cost   | 18                | 17            |
| Net Interest cost  | 42                | 47            |
| Expected return on plan assets                             | -47               | -46           |
| Total expenses recognized in the Statement Profit and Loss | 12                | 18            |

| (vi) Expense recognized in Other comprehensive income   |  | (in lakhs)    |               |
|---|--|---------------|---------------|
|   |  | 31 March 2022 | 31 March 2021 |
| Remeasurements due to-                                  |  |               |               |
| - Effect of change in financial assumptions             |  | -0            | -143          |
| <b>Net actuarial (gains) / losses recognised in OCI</b> |  | <b>-0</b>     | <b>-143</b>   |

| (vii) Amount recognised in balance sheet                   |  | (in lakhs)    |               |
|--|--|---------------|---------------|
|  |  | 31 March 2022 | 31 March 2021 |
| Present value of unfunded defined benefit obligation       |  | -481          | -472          |
| Fair value of plan assets at the end of the year           |  | 609           | 611           |
| <b>Net Asset / (Liability) recognized in Balance Sheet</b> |  | <b>128</b>    | <b>139</b>    |

**36 RELATED PARTY DISCLOSURES:**

| (A) Names of related parties and description of relationship as identified and certified by the Company:                       |                   | (in lakhs)          |                     |
|--|-------------------|---------------------|---------------------|
|  |                   | As at 31 March 2022 | As at 31 March 2021 |
| <b>(a) Subsidiary Companies</b>  |                   |                     |                     |
| Goa Electronics Private Limited  | India             | 0                   | 0                   |
| Goa Auto Accessories Limited (Liquidated during the Financial Year 2021-22)  | India             | -                   | 0                   |
| <b>(B) Associate Company</b>   |                   |                     |                     |
| Goa Antibiotics & pharmaceuticals Limited.   | India             | 0                   | 0                   |
| <b>(C) Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                   |                     |                     |
| Shri Sadanand Shet Tanavade  | Chairman          |                     |                     |
| Shri Kiran Ballikar  | Managing Director |                     |                     |

**(B) Details of transactions with related party in the ordinary course of business for the period ended:***(in lakhs)*

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                             |                             |
| <b><u>Salaries of Staff</u></b>  |                             |                             |
| Chairman   | 10                          | 9                           |
| Vice Chairman  | 6                           | 6                           |
| <b><u>Entertainment &amp; Telephone</u></b>  |                             |                             |
| <b>Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                             |                             |
| Chairman   | 0                           | 1                           |
| Vice Chairman  |                             | -                           |
| <b><u>Travelling Conveyance &amp; Expenditure on Car</u></b>   |                             |                             |
| <b>Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                             |                             |
| Chairman   | 0                           | 0                           |
| Vice Chairman  | -                           | 0                           |
| <b><u>Honorarium</u></b>   |                             |                             |
| <b>Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                             |                             |
| Chairman   | -                           | -                           |
| Vice Chairman  | -                           | -                           |
| <b><u>Remuneration paid</u></b>  |                             |                             |
| <b>Individuals owning directly or indirectly interest in voting power that gives them control or significant influence</b> |                             |                             |
| Salaries - Managing director   | 39                          | 37                          |
| Prerequisites - Managing director  | 0                           | 0                           |

All related party transactions entered during the period were in ordinary course of the business and are on arm's length basis.

**37 SEGMENT REPORTING**

The Company's operations predominantly relate to loan given and its related activities business and is the only operating segment of the Company. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

The Company is presenting consolidated financial statements and hence in accordance with "IND AS 108 Segment Reporting", segment information is disclosed in consolidated financial statements.

**38 LEASES****A. Leases as lessee**

The Company has taken office premises at certain locations on lease. The agreements are executed for a period of 5 years.

**Short term and low value lease:**

Rental expense incurred and paid for short term leases is INR NIL (31 March 2020: NIL).

Rental expense incurred and paid for low value leases is INR 4 (31 March 2020: INR 4).

**A. Leases as lessor**

During the year ended March 31, 2018, the Company has entered into a perpetual lease agreement to lease a plot of land that had been presented as part of freehold land - property, plant and equipment. During the year ended March 31, 2021, the Company recognised a gain of Rs. 2730.12 lakh on derecognition of the said freehold land pertaining to the lease agreement and presented the gain as part of "Exceptional Items".

## 39 FAIR VALUE MEASUREMENT

## A Financial instruments by category :

(in lakhs)

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as Fair value through other comprehensive income (FVOCI) and Amortised Cost.

|   | FVOCI        | FVTPL    | Amortised Cost |
|---|--------------|----------|----------------|
| <b>As at 31 March 2022</b>  |              |          |                |
| <b>Financial Assets (other than investment in subsidiaries) *</b> |              |          |                |
| Cash and cash equivalents   | -            | -        | 752            |
| Bank Balance other than cash and cash equivalent                  | -            | -        | 27,569         |
| Loans   | -            | -        | 52,290         |
| Investments   | 4,287        | -        | -              |
| Other Financial assets  | -            | -        | 534            |
| <b>Total Financial Assets</b>                                     | <b>4,287</b> | <b>-</b> | <b>81,144</b>  |
| <b>Financial Liabilities</b>                                      |              |          |                |
| Trade payables  | -            | -        | 33             |
| Borrowings (Other than Debt Securities)                           | -            | -        | -              |
| Other financial liabilities                                       | -            | -        | 12,338         |
| <b>Total Financial liabilities</b>                                | <b>-</b>     | <b>-</b> | <b>12,372</b>  |
| <b>As at 31 March 2021</b>  |              |          |                |
| <b>Financial Assets (other than investment in subsidiaries) *</b> |              |          |                |
| Cash and cash equivalents   | -            | -        | 929            |
| Bank Balance other than cash and cash equivalent                  | -            | -        | 8,870          |
| Loans   | -            | -        | 61,498         |
| Investments   | 1,987        | -        | -              |
| Other Financial assets  | -            | -        | 546            |
| <b>Total Financial Assets</b>                                     | <b>1,987</b> | <b>-</b> | <b>71,844</b>  |
| <b>Financial Liabilities</b>                                      |              |          |                |
| Trade payables  | -            | -        | 33             |
| Borrowings (Other than Debt Securities)                           | -            | -        | 1,192          |
| Other financial liabilities                                       | -            | -        | 7,152          |
| <b>Total Financial liabilities</b>                                | <b>-</b>     | <b>-</b> | <b>8,378</b>   |

\* Investment in subsidiaries is measured at cost as at 31 March 2021 and 31 March 2020.

**B Fair Value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

|                                    | <i>(in lakhs)</i> |         |         |       |
|------------------------------------|-------------------|---------|---------|-------|
|                                    | Level 1           | Level 2 | Level 3 | Total |
| <b>As at 31 March 2022</b>         |                   |         |         |       |
| <b>Financial assets</b>            |                   |         |         |       |
| <b>Measured at FVOCI</b>           |                   |         |         |       |
| - Investment in equity instruments | 4,125             | -       | 162     | 4,287 |
| <b>As at 31 March 2021</b>         |                   |         |         |       |
| <b>Financial assets</b>            |                   |         |         |       |
| <b>Measured at FVOCI</b>           |                   |         |         |       |
| - Investment in equity instruments | 1,824             | -       | 162     | 1,987 |

The carrying amount of cash and bank balances, loans, trade payables, borrowings and other receivables and payables are considered to be the same as their fair values due to their short term nature.

**\* Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments includes investment in equity investment valued at quoted closing price on stock exchange.

**40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

(i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising mainly from borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings.

At the reporting date, the interest profile of the Company's borrowings is as follows:

**Exposure to interest rate risk**

(in lakhs)

|                          | 31-Mar-22 | 31-Mar-21 |
|--------------------------|-----------|-----------|
| Fixed rate borrowings    | -         | -         |
| Variable rate borrowings | -         | 1,192     |
| <b>Total borrowings</b>  | -         | 1,192     |

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

|                  | Increase/ decrease<br>in basis points | Effect on profit<br>before tax |
|------------------|---------------------------------------|--------------------------------|
| <b>31-Mar-22</b> |                                       |                                |
| INR              | 50 bp                                 | -                              |
| INR              | (50 bp)                               | -                              |
| <b>31-Mar-21</b> |                                       |                                |
| INR              | 50 bp                                 | -6                             |
| INR              | (50 bp)                               | 6                              |

(ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at each reporting date, the Company does not have exposure in foreign currency, therefore it is not exposed to currency risk.

**(B) Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits.

Cash and cash equivalents and term deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored.

**Expected credit loss****Loan to Industrial units, other units and Government bodies:**

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss on loan exposures. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD) which are determined on the basis of CRISIL Default Study and the Reserve Bank of India's Internal Rating Based (IRB) approach. The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due.

Company has large number of customer base with shared credit risk characteristics. Loan given to industrial units, other units and Government bodies are secured by collaterals.

As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period.

Following table provides information about exposure to credit risk and ECL on exposure at default

| Staging as per Ind AS 109 | Loan receivable including interest |
|---------------------------|------------------------------------|
| Stage 1                   | 0 to 30 days past due              |
| Stage 2                   | 31 to 90 days past due             |
| Stage 3                   | More than 90 days past due         |

ECL is computed as follow assuming that these loans are fully recalled by the Company at each reporting period:

EAD is considered as loan receivable including interest (net of write off).

PD is determined on the basis of CRISIL Default Study.

LGD is determined based the Reserve Bank of India's Internal Rating Based (IRB) approach.

Following table provides information about exposure to credit risk and ECL on Loan

|                                  | <i>(in lakhs)</i>     |                       |
|----------------------------------|-----------------------|-----------------------|
|                                  | As at 31st March 2022 | As at 31st March 2021 |
| Stage 1                          | 52,614                | 62,686                |
| Stage 2                          | 394                   | 337                   |
| Stage 3                          | 1,601                 | 2,072                 |
| Less : Impairment loss allowance | -2,319                | -3,597                |
| <b>Carrying value</b>            | <b>52,290</b>         | <b>61,498</b>         |

| Instrument type                   | Percentage of exposure that is subject to collateral |                     | Principal type of collateral held |
|-----------------------------------|--|---------------------|-----------------------------------|
|                                   | As at 31 March 2022                                  | As at 31 March 2021 |                                   |
| Loans for Margin trading facility | -  | -                   |                                   |

**Summary Of Loans By Stage Distribution**

| Particulars                     | As at March 31, 2022 |            |            |               | As at March 31, 2021 |            |            |               | <i>(in lakhs)</i> |
|---------------------------------|----------------------|------------|------------|---------------|----------------------|------------|------------|---------------|-------------------|
|                                 | Stage 1              | Stage 2    | Stage 3    | Total         | Stage 1              | Stage 2    | Stage 3    | Total         |                   |
| Gross carrying amount           | 52,614               | 394        | 1,601      | 54,608        | 62,686               | 337        | 2,072      | 65,095        |                   |
| Less: Impairment loss allowance | 1,266                | 81         | 973        | 2,319         | 2,269                | 68         | 1,260      | 3,597         |                   |
| <b>Total</b>                    | <b>51,348</b>        | <b>313</b> | <b>628</b> | <b>52,290</b> | <b>60,418</b>        | <b>269</b> | <b>811</b> | <b>61,498</b> |                   |

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances (ECL) is as follows

(in lakhs)

| Particulars                        | For the year ended March 31, 2022 |        |         |     |         |       |         |        |
|------------------------------------|-----------------------------------|--------|---------|-----|---------|-------|---------|--------|
|                                    | Stage 1                           |        | Stage 2 |     | Stage 3 |       | Total   |        |
|                                    | Gross                             | ECL    | Gross   | ECL | Gross   | ECL   | Gross   | ECL    |
| As at March 31, 2021               | 62,686                            | 2,269  | 337     | 68  | 2,072   | 1,260 | 65,095  | 3,597  |
| Net (recovery) / assets originated | -10,151                           | -1,003 | -71     | 12  | -266    | -288  | -10,487 | -1,278 |
| Transfers to Stage 1               | 550                               | -      | -138    | -   | -412    | -     | -       | -      |
| Transfers to Stage 2               | -303                              | -      | 347     | -   | -44     | -     | -       | -      |
| Transfers to Stage 3               | -170                              | -      | -81     | -   | 251     | -     | -       | -      |
| As at March 31, 2022               | 52,614                            | 1,266  | 394     | 81  | 1,601   | 973   | 54,608  | 2,319  |

(in lakhs)

| Particulars                        | For the year ended March 31, 2021 |       |         |      |         |       |         |       |
|------------------------------------|-----------------------------------|-------|---------|------|---------|-------|---------|-------|
|                                    | Stage 1                           |       | Stage 2 |      | Stage 3 |       | Total   |       |
|                                    | Gross                             | ECL   | Gross   | ECL  | Gross   | ECL   | Gross   | ECL   |
| As at March 31, 2020               | 40,474                            | 1,509 | 35,249  | 653  | 1,370   | 835   | 77,093  | 2,998 |
| Net assets originated or purchased | -4,531                            | 979   | -7,200  | -156 | -267    | -224  | -11,997 | 599   |
| Transfers to Stage 1               | 27,305                            | 12    | -27,215 | -11  | -91     | -1    | -       | -     |
| Transfers to Stage 2               | -269                              | -54   | 301     | 61   | -32     | -6    | -       | -     |
| Transfers to Stage 3               | -293                              | -178  | -798    | -479 | 1,091   | 657   | -       | -     |
| As at March 31, 2021               | 62,686                            | 2,269 | 337     | 68   | 2,072   | 1,260 | 65,095  | 3,597 |

DISCLOSURE PURSUANT TO RBI NOTIFICATION - RBI/2019-20/170 DOR (NBFC),CC.PD.NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 - A COMPARISON BETWEEN PROVISIONS REQUIRED UNDER INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING (IRACP) AND IMPAIRMENT ALLOWANCES AS PER IND AS 109 'FINANCIAL INSTRUMENTS'

| Assets classification as per RBI norms   | As at 31 March 2022                |                                     |  |                                   |                                 |  |
|--|------------------------------------|-------------------------------------|--|-----------------------------------|---------------------------------|--|
|  | Asset classification as per Ind AS | Gross carrying amount as per Ind AS | Loss allowance (Provision as per Ind AS) | Net carrying amount as per Ind AS | Provision required as per IRACP | Difference between provision as per Ind AS 109 and IRACP |
| (1)  | (2)                                | (3)                                 | (4)                                      | (5)=(3)-(4)                       | (6)                             | (7)=(4)-(6)  |
| <b>Performing Assets (PA)</b>  |                                    |                                     |  |                                   |                                 |  |
| Standard   | Stage 1                            | 52,614                              | 1,266                                    | 51,348                            | 208                             | 1,058  |
|  | Stage 2                            | 394                                 | 81                                       | 313                               | 2                               | 79   |
| <b>Subtotal for PA</b>   |                                    | 53,007                              | 1,346                                    | 51,661                            | 209                             | 1,137  |
| <b>Non-performing Assets (NPA)</b>   |                                    |                                     |  |                                   |                                 |  |
| Sub-standard   | Stage 3                            | 136                                 | 84                                       | 53                                | 24                              | 60   |
| Doubtful-up to 1 year  | Stage 3                            | 153                                 | 94                                       | 59                                | 73                              | 21   |
| Doubtful-up to 1 to 3 years  | Stage 3                            | 699                                 | 423                                      | 276                               | 318                             | 105  |
| Doubtful-More than 3 years   | Stage 3                            | 33                                  | 20                                       | 13                                | 33                              | -13  |
| Loss   | Stage 3                            | 579                                 | 352                                      | 227                               | 579                             | -227   |
| <b>Subtotal for NPA</b>  |                                    | 1,601                               | 973                                      | 628                               | 1,027                           | -54  |
| Other items such as guarantees, loan, commitments etc which are in the scope of Ind AS 109 but not covered under current IRACP | Stage 1                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 2                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 3                            | -                                   | -  | -                                 | -                               | -  |
| <b>Subtotal</b>  |                                    | -                                   | -  | -                                 | -                               | -  |
| <b>Total</b>   | Stage 1                            | 52,614                              | 1,266                                    | 51,348                            | 208                             | 1,058  |
|  | Stage 2                            | 394                                 | 81                                       | 313                               | 2                               | 79   |
|  | Stage 3                            | 1,601                               | 973                                      | 628                               | 1,027                           | -54  |
| <b>Total</b>   |                                    | 54,608                              | 2,319                                    | 52,290                            | 1,236                           | 1,083  |

| Assets classification as per RBI norms   | As at 31 March 2021                |                                     |  |                                   |                                 |  |
|--|------------------------------------|-------------------------------------|--|-----------------------------------|---------------------------------|--|
|  | Asset classification as per Ind AS | Gross carrying amount as per Ind AS | Loss allowance (Provision as per Ind AS) | Net carrying amount as per Ind AS | Provision required as per IRACP | Difference between provision as per Ind AS 109 and IRACP |
| (1)  | (2)                                | (3)                                 | (4)                                      | (5)=(3)-(4)                       | (6)                             | (7)=(4)-(6)  |
| <b>Performing Assets (PA)</b>  |                                    |                                     |  |                                   |                                 |  |
| Standard   | Stage 1                            | 62,686                              | 2,269                                    | 60,418                            | 249                             | 2,087  |
|  | Stage 2                            | 337                                 | 68                                       | 269                               | -                               | -  |
| <b>Subtotal for PA</b>   |                                    | 63,024                              | 2,337                                    | 60,687                            | 249                             | 2,087  |
| <b>Non-performing Assets (NPA)</b>   |                                    |                                     |  |                                   |                                 |  |
| Sub-standard   | Stage 3                            | 519                                 | 312                                      | 208                               | 78                              | 234  |
| Doubtful-up to 1 year  | Stage 3                            | 683                                 | 411                                      | 272                               | 193                             | 219  |
| Doubtful-up to 1 to 3 years  | Stage 3                            | 239                                 | 146                                      | 93                                | 132                             | 14   |
| Doubtful-More than 3 years   | Stage 3                            | 92                                  | 58                                       | 35                                | 92                              | -35  |
| Loss   | Stage 3                            | 538                                 | 333                                      | 205                               | 538                             | -205   |
| <b>Subtotal for NPA</b>  |                                    | 2,072                               | 1,260                                    | 811                               | 1,033                           | 228  |
| Other items such as guarantees, loan, commitments etc which are in the scope of Ind AS 109 but not covered under current IRACP | Stage 1                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 2                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 3                            | -                                   | -  | -                                 | -                               | -  |
| <b>Subtotal</b>  |                                    | -                                   | -  | -                                 | -                               | -  |
| <b>Total</b>   | Stage 1                            | 62,686                              | 2,269                                    | 60,418                            | 249                             | 2,019  |
|  | Stage 2                            | 337                                 | 68                                       | 269                               | -                               | 68   |
|  | Stage 3                            | 2,072                               | 1,260                                    | 811                               | 1,033                           | 228  |
| <b>Total</b>   |                                    | 65,095                              | 3,597                                    | 61,498                            | 1,282                           | 2,315  |

In respect of CMRY loans, on average, 70% of the total loan amount is considered as secured on a totality basis, as the loanees are large in number. The provision is then accordingly made as applicable under various asset classes. Further, no provision is made on DITC Share Capital (loan), as the amount is funded entirely by the State Government.

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

(in lakhs)

|                             | 0 - 1 year | 1-2 year | 2-3 year | 3-4 year | Beyond 4 years | Total  |
|-----------------------------|------------|----------|----------|----------|----------------|--------|
| <b>31-Mar-22</b>            |            |          |          |          |                |        |
| Borrowings                  | -          | -        | -        | -        | -              | -      |
| Trade payables              | 33         | -        | -        | -        | -              | 33     |
| Other financial liabilities | 12,338     | -        | -        | -        | -              | 12,338 |
|                             | 12,372     | -        | -        | -        | -              | 12,372 |
| <b>31-Mar-21</b>            |            |          |          |          |                |        |
| Borrowings                  | 1,192      | -        | -        | -        | -              | 1,192  |
| Trade payables              | 33         | -        | -        | -        | -              | 33     |
| Other financial liabilities | 7,152      | -        | -        | -        | -              | 7,152  |
|                             | 8,378      | -        | -        | -        | -              | 8,378  |

**41 MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

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

(in lakhs)

|  | As at 31 March 2022 |               |               |
|--|---------------------|---------------|---------------|
|  | Current             | Non- Current  | Total         |
| <b>Assets</b>                                    |                     |               |               |
| Cash and cash equivalents                        | 752                 | -             | 752           |
| Bank Balance other than cash and cash equivalent | 27,569              | -             | 27,569        |
| Loans  | 16,970              | 35,320        | 52,290        |
| Investments                                      | -                   | 4,131         | 4,131         |
| Other financial assets                           | 534                 | -             | 534           |
| Tax assets                                       | -                   | -             | -             |
| Property, Plant and Equipment                    | -                   | 590           | 590           |
| Other Intangible assets                          | -                   | 0             | 0             |
| Other non-financial assets                       | -                   | 193           | 193           |
| <b>Total Assets</b>                              | <b>45,825</b>       | <b>40,233</b> | <b>86,057</b> |
| <b>Liabilities</b>                               |                     |               |               |
| Trade Payables                                   | 33                  | -             | 33            |
| Borrowings (Other than Debt Securities)          | -                   | -             | -             |
| Other financial liabilities                      | 12,338              | -             | 12,338        |
| Deferred tax liabilities (Net)                   | -                   | 3,882         | 3,882         |
| Provisions                                       | -                   | 28            | 28            |
| Other non-financial liabilities                  | 503                 | -             | 503           |
| <b>Total Liabilities</b>                         | <b>12,875</b>       | <b>3,910</b>  | <b>16,785</b> |

(in lakhs)

|  | As at 31 March 2021 |              |               |
|--|---------------------|--------------|---------------|
|  | Current             | Non- Current | Total         |
| <b>Assets</b>                                    |                     |              |               |
| Cash and cash equivalents                        | 929                 | -            | 929           |
| Bank Balance other than cash and cash equivalent | 8,870               | -            | 8,870         |
| Loans  | 61,498              | -            | 61,498        |
| Investments                                      | -                   | 1,830        | 1,830         |
| Other financial assets                           | 546                 | -            | 546           |
| Tax assets                                       | -                   | 150          | 150           |
| Property, Plant and Equipment                    | -                   | 622          | 622           |
| Other Intangible assets                          | -                   | 4            | 4             |
| Other non-financial assets                       | -                   | 136          | 136           |
| <b>Total Assets</b>                              | <b>71,844</b>       | <b>2,742</b> | <b>74,585</b> |
| <b>Liabilities</b>                               |                     |              |               |
| Trade Payables                                   | 33                  | -            | 33            |
| Borrowings (Other than Debt Securities)          | 1,192               | -            | 1,192         |
| Other financial liabilities                      | 7,152               | -            | 7,152         |
| Deferred tax liabilities (Net)                   | -                   | 3,234        | 3,234         |
| Provisions                                       | -                   | 130          | 130           |
| Other non-financial liabilities                  | 503                 | -            | 503           |
| <b>Total Liabilities</b>                         | <b>8,881</b>        | <b>3,364</b> | <b>12,245</b> |

**42 CAPITAL MANAGEMENT****Risk Management**

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / repay debt. The primary objective of the Company's capital management is to maximise the shareholders' value.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

|                                 |           | 31-Mar-22 | 31-Mar-21 |
|---------------------------------|-----------|-----------|-----------|
| Borrowings                      |           | -         | 1,192     |
| Less: cash and cash equivalents |           | -752      | -929      |
| <b>Net debt</b>                 | (i)       | -         | 263       |
| Total Equity                    | (ii)      | 69,272    | 62,341    |
| <b>Debt Equity ratio</b>        | (i)/(iii) | -         | 0         |

**1 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES**

Gross amount required to be spent by the Group during the year Rs.132.19 lakh

Amount spent during the period ending 31 March 2022:

(in lakhs)

|   | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| Construction / acquisition of any asset | 8       | -                      | 8     |
| On purpose of other than (i) above      | -       | -                      | -     |

An amount of ₹ 125.66 lakh has been transferred to unspent CSR account for the Financial Year 2021-22

Amount spent during the period ending 31 March 2021:

(in lakhs)

|   | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| Construction / acquisition of any asset | 30      | -                      | 30    |
| On purpose of other than (i) above      | 100     | -                      | 100   |

(a) Amount required to be spent by the Company during the year: Rs 132.19 lakh

(b) amount of expenditure incurred Rs 8.08 lakh

(c) shortfall at the end of the year: Rs 125.66 lakh. This amount was transferred to unspent CSR account within the prescribed time limit.

(d) total of previous years shortfall Rs NIL

(e) reason for shortfall The company was unable to identify and complete the projects before end of the year majorly due to covid-19.

(f) nature of CSR activities

(g) details of related party transactions under CSR : NIL

(h) provision made with respect to a liability incurred by entering into a contractual obligation Rs NIL

43.1 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

EDC Limited

Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

2 THE DISCLOSURES AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI & Others

| (A) CAPITAL  | (in lakhs) |           |
|--|------------|-----------|
|  | 31-Mar-22  | 31-Mar-21 |
| (i) CRAR (%)   | 124.03%    | 99.83%    |
| (ii) CRAR Tier I capital (%)   | 119.98%    | 96.23%    |
| (iii) CRAR Tier II capital (%)   | 4.05%      | 3.61%     |
| (iv) Amount of subordinated debt raised as Tier II capital* (Raised during the year: NIL , 31 March 2019: NIL and 1 April 2018: NIL) | -          | -         |
| (v) Amount raised by issue of perpetual debt instruments   | -          | -         |

| (B) INVESTMENTS  | (in lakhs) |           |
|--|------------|-----------|
|  | 31-Mar-22  | 31-Mar-21 |
| (I) Value of investments   |            |           |
| (i) Gross value of investments   |            |           |
| - In India   | 4,935      | 3,194     |
| - Outside India  | -          | -         |
| (ii) Provisions for depreciation/amortisations   |            |           |
| - In India   | 805        | 1,364     |
| - Outside India  | -          | -         |
| (iii) Net value of investments   |            |           |
| - In India   | 4,131      | 1,830     |
| - Outside India  | -          | -         |
| (II) Movement of provisions held towards depreciation/appreciation/amortisationson investments |            |           |
| (i) Opening balance  | 1,364      | 1,604     |
| (ii) Add: Provisions made during the year (Net of appreciation)                                | -559       | -240      |
| (iii) Less: Write-off/write back of excess provisions during the year                          | -          | -         |
| (iv) Closing balance   | 805        | 1,364     |

| (C) DERIVATIVES   | (in lakhs) |           |
|---|------------|-----------|
| (I) Forward rate agreement/interest rate swap   | 31-Mar-22  | 31-Mar-21 |
| (i) The notional principal of swap agreements   | -          | -         |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | -          | -         |
| (iii) Collateral required by the applicable NBFC upon entering into swaps                                     | -          | -         |
| (iv) Concentration of credit risk arising from the swaps  | -          | -         |
| (v) The fair value of the swap book   | -          | -         |

(II) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

**(III) Disclosures on risk exposure in derivatives****Qualitative disclosure**

Details for qualitative disclosure are part of accounting policy as per financial statements. (Refer note. 40)

**Quantitative disclosure***(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| (i) Derivatives (notional principal amount) for hedging | -         | -         |
| (ii) Marked to market positions                         |           |           |
| (a) Asset   | -         | -         |
| (b) Liability   | -         | -         |
| (iii) Credit exposure                                   | -         | -         |
| (iv) Unhedged exposures                                 | -         | -         |

**(D) DISCLOSURES RELATING TO SECURITISATION****(I) Outstanding amount of securitised assets as per books of the SPVs**

The Company has not entered into securitisation transactions during the current and previous year.

**(II) Details of financial assets sold to securitisation/reconstruction company for asset reconstruction\****(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) No. of accounts  | -         | -         |
| (ii) Aggregate value (net of provisions) of accounts sold to SC/RC                         | -         | -         |
| (iii) Aggregate consideration  | -         | -         |
| (iv) Additional consideration realised in respect of accounts transferred in earlier years | -         | -         |
| (v) Aggregate gain/(loss) over net book value  | -         | -         |

**(III) Details of assignment transactions undertaken***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) No. of accounts  | -         | -         |
| (ii) Aggregate value of accounts sold, gross exposure                                      | -         | -         |
| (iii) Aggregate consideration for assigned portion   | -         | -         |
| (iv) Additional consideration realised in respect of accounts transferred in earlier years | -         | -         |
| (v) Aggregate gain/(loss) over net book value  | -         | -         |

**(IV) Details of non performing financial assets purchased/sold****(a) Details of non performing financial assets purchased**

The Company has not purchased any non performing financial asset during the current and previous year.

**(b) Details of non performing financial assets sold (other than sale to ARCs)**

The Company has not sold any non performing financial asset during the current and previous year.

**(E) ASSET LIABILITY MANAGEMENT - MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES\****(in lakhs)*

|   | Over 1 day to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 years |
|---|------------------------|---------------------------|---------------------------|-------------------------|------------------------|------------------------|--------------|
| Public Deposits                                 | -                      | -                         | -                         | -                       | -                      | -                      | -            |
| Advances (Receivables under financing activity) | 2,859                  | 1,429                     | 4,170                     | 8,517                   | 17,886                 | 16,097                 | 3,651        |
| Investments                                     | -                      | -                         | -                         | -                       | -                      | -                      | 4,935        |
| Borrowings (Other than public deposits)         | -                      | -                         | -                         | -                       | -                      | -                      | -            |
| Foreign currency assets                         | -                      | -                         | -                         | -                       | -                      | -                      | -            |
| Foreign currency liabilities                    | -                      | -                         | -                         | -                       | -                      | -                      | -            |

**(F) EXPOSURES****(I) Exposure to real estate sector***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| <b>(i) Direct Exposure</b>   |           |           |
| (a) Residential mortgages  |           |           |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | -         | -         |
| (b) Commercial real estate lending secured by mortgages on commercial real estates                                       | -         | -         |
| (c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:                                     |           |           |
| - Residential  | -         | -         |
| - Commercial real estate   | -         | -         |
| <b>(ii) Indirect Exposure</b>  |           |           |
| Fund based and non-fund based exposures on Housing Finance Companies (HFCs)  | -         | -         |
| Investment in Housing Finance Companies  | -         | -         |

**(II) Exposure to Capital Market***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;   | -         | -         |
| (ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -         | -         |
| (iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;  | -         | -         |
| (iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; | -         | -         |
| (v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;  | -         | -         |
| (vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;   | -         | -         |
| (vii) Bridge loans to companies against expected equity flows/issues;  | -         | -         |
| (viii) All exposures to Venture Capital Funds (both registered and unregistered)   | -         | -         |
| <b>Total exposure to Capital Market</b>  | -         | -         |

**(III) Details of financing of Parent Company Products**

The Company does not have any financing of parent company products during the current and previous year.

**(IV) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded**

The Company has not exceeded the prudential exposure limits during the current and previous year.

**(V) Unsecured advances**

Total loans and advances includes Rs. 181.80 lakh which are unsecured advances (31 March 2020: Rs. 1.33 lakh).

**(G) REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS**

No registration have been obtained from any financial sector regulators.

**(H) DETAILS OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS**

No penalties has been levied by the Reserve Bank of India or any other Regulators for the year ended 31 March 2021. (Previous year: Nil)

**(I) DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR**

No ratings have been obtained during the current year.

**(J) REMUNERATION OF NON-EXECUTIVE DIRECTORS**

There have been no remuneration provided to any non-executive directors.

**(K) DRAW DOWN FROM RESERVES**

During the year, the Company has not drawn down any amount from reserves.

**(L) CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (STAGE 3 ASSETS)**

**(I) Concentration of deposits**

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**(II) Concentration of advances\***

|  | <i>(in lakhs)</i> |           |
|--|-------------------|-----------|
|  | 31-Mar-22         | 31-Mar-21 |
| Total advances to twenty largest borrowers                           | 47,312            | 57,011    |
| Percentage of advances to twenty largest borrowers to total advances | 86.64%            | 87.58%    |

\* Reserve Bank of India vide its communication dated 8th September 2020 has granted the exemption to the company from credit concentration norms till March 31, 2022, in respect of those Government owned companies which are in infrastructure development.

**(III) Concentration of exposures (Including Off-Balance Sheet exposure)***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Total exposure to twenty largest borrowers/customers   | 47,312    | 57,011    |
| Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers | 86.64%    | 87.58%    |

Reserve Bank of India vide its communication dated 8th September 2020 has granted the exemption to the Group from credit concentration norms till March 31, 2022, in respect of those Government owned companies which are in infrastructure development.

**(IV) Concentration of NPAs (Stage 3 assets)***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Total exposure to top four NPA accounts (Stage 3 accounts) | 799       | 1,277     |

**(V) Sector-wise NPAs***(in lakhs)*

| Sector                                | 31-Mar-22   | 31-Mar-21 |
|---------------------------------------|---|-----------|
| (i) Agriculture and allied activities | The requisite information of NPAs (Stage 3 assets) sector wise maintained by the company are different than the sectors stipulated by the RBI. Hence the necessary disclosure has not been made in the financial statements as on 31.3.2022. NPAs of the company includes large number of nominal value accounts and its sector wise re-classification is not carried by the company. |           |
| (ii) MSME                             |   |           |
| (iii) Corporate borrowers             |   |           |
| (iv) Services                         |   |           |
| (v) Unsecured personal loans          |   |           |
| (vi) Auto loans                       |   |           |
| (vii) Other personal loans            |   |           |

**(M) Movement of NPAs (Stage 3 assets)***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (I) Net NPAs (Stage 3 assets) to net advances (%)      | 1.20%     | 1.32%     |
| (II) Movement of NPAs (Stage 3 assets) (Gross)         | -         | -         |
| (a) Opening balance                                    | 811       | -         |
| (b) Net Change during the year                         | 790       | -         |
| (d) Closing balance                                    | 1,601     | -         |
| (III) Movement of provisions for NPAs (Stage 3 assets) | -         | -         |
| (a) Opening balance                                    | 1,260     | 835       |
| (b) Net Provisions made during the year                | -288      | 425       |
| (d) Closing balance                                    | 973       | 1,260     |

**(N) DISCLOSURE OF COMPLAINTS***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| No. of complaints pending at the beginning of the year | -         | -         |
| No. of complaints received during the year             | -         | -         |
| No. of complaints redressed during the year            | -         | -         |
| No. of complaints pending at the end of the year       | -         | -         |

**(O) THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION -MONITORING OF FRAUDS IN NBFCS ISSUED BY RBIDATED 29 SEPTEMBER 2016**

There were NIL cases (Previous year: NIL cases) of frauds amounting to NIL (Previous year: NIL) reported during the year.

**(P) DISCLOSURES AS REQUIRED FOR LIQUIDITY RISK****(I) Funding Concentration based on significant counterparty (both deposits and borrowings)***(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| Number of significant counter parties*  | -         | -         |
| Amount (NIL)  | 0.00%     | 0.00%     |
| Percentage of funding concentration to total deposits (%)   | 0.00%     | 0.00%     |
| Percentage of funding concentration to total liabilities (%)  | 0.00%     | 0.00%     |
| Liquidity Coverage Ratio (Net Cash Outflows for April 2022 as well as April 2021 are negative; as a result of which the ratio cannot be defined for both the years) | ND        | ND        |

**(II) Top 20 large deposits**

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**(III) Top 10 borrowings***(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| Total amount of top 10 borrowings                                 | -         | 1,192     |
| Percentage of amount of top 10 borrowings to total borrowings (%) | NA        | 100.00%   |

**(IV) Funding Concentration based on significant instrument/product\***

|                                | 31-Mar-22 |                                 | 31-Mar-20 |                                 |
|--------------------------------|-----------|---------------------------------|-----------|---------------------------------|
|                                | Amount    | Percentage of total liabilities | Amount    | Percentage of total liabilities |
| Non-convertible debentures     | -         | 0.00%                           | -         | 0.00%                           |
| Loans from bank                | -         | 0.00%                           | 1,192     | 9.74%                           |
| Deposits                       | -         | 0.00%                           | -         | 0.00%                           |
| External commercial borrowings | -         | 0.00%                           | -         | 0.00%                           |
| Sub-ordinated debts            | -         | 0.00%                           | -         | 0.00%                           |
| Commercial paper               | -         | 0.00%                           | -         | 0.00%                           |

**(V) Stock ratio**

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| No Commercial papers exist as at 31.3.2022 and 31.3.2021. | NA        | NA        |

**(VI) Institutional set-up for liquidity risk Management**

Refer note 40(C) of standalone financials statement.

**EDC Limited**

Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

**4 DISCLOSURES PURSUANT TO RBI NOTIFICATION - RBI/2019-20/220 DOR.NO.BP.BC.63/21.04.048/2019-20 DATED 17 APRIL 2020**

**Asset classification benefit extension**

Asset classification benefit has been extended to NIL accounts having total outstanding of NIL wherein NIL of provision is being carried as on 31 March 2022.

**5 COVID-19 PANDEMIC:**

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Indian Government too had imposed lockdowns starting from March 24, 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Company has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Company, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Company, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC, Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

In assessing the recoverability of loans, receivables, intangible assets, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Company has also considered the impact of COVID -19 pandemic while estimating the recoverability during the year ended March 31, 2021. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

During the year ended March 31, 2022, the Company completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2022. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19

pandemic. Accordingly, the Company has recorded for the year ended March 31, 2022, an amount of Rs. 2318.84 lakh towards impairment on financial instruments.

- 6** The Company has considered Bank Overdraft as part of Cash and Cash Equivalent while preparing Cash Flow Statement. Further, Bank deposits of more than three months has not been considered as part of Cash and Cash Equivalents while preparing Cash Flow Statement, rather it has been considered as part of Investing Activity. This has resulted in restatement of the previous year's Cash Flow Statement. All other previous year's figures have been reclassified, re-arranged and regrouped, wherever necessary.

- 7 The Corporation had extended the Corporate Loan amounting to Rs. 160.00 lakh to M/S. Vishwas Steel Ltd. On default of repayment of the loan, the pledge against shares held as security has been invoked and the shares of M/S. Mega Corporation Ltd. are held by the Corporation in the Demat Account. No accounting effect has been given for the same as final decision in respect of such shares is yet to be taken. However, considering the notional amount of shares, if any, full provision has been made against the loan amount.
- 8 An amount of Rs. 135.65 lakh has been spent up to 31.3.2022 towards Convention Center, Dona-Paula. The same is expected to be recovered from the Government of Goa and therefore the same has been netted off against the amount reflected under Govt of Goa\* in Note 16 - OTHER FINANCIAL LIABILITIES.
- 9 Dividend for the Financial Year 2020-21 was proposed by the Board @1% amounting to Rs. 100.92 lakh and was approved in the Annual General Meeting.
- 52 No Benami property was held by the Company for the year ending 31.3.2022 & 31.3.2021.
- 53 No transactions were conducted by the Company with regards to Cryptocurrency.
- 53 The financial statements of the company were authorised for issue in accordance with a resolution of the directors on 22.8.2022.

**As per our report of even date**

**For ABM & Associates LLP**

Chartered Accountants

Firm Registration No. : 105016W / W100015

-Sd-

**Shailesh Mundaye**

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

**For and on behalf of the Board of Directors**

-Sd-

**SADANAND SHET TANAVADE**

Chairman

DIN : 08525108

-Sd-

**ASHWIN KAMAT**

Chief Financial Officer

Place: Panaji Goa

Date: 22.8.2022

-Sd-

**B S PAI ANGLE**

Managing Director

DIN :07206897

-Sd-

**GOVIND NARVEKAR**

Company Secretary

M No. 26759

**I SCHEDULE TO BALANCE SHEET**

*As required by RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions')*

*(in lakhs)*

| Liabilities side   | As at 31 March 2022 |                | As at 31 March 2021 |                |
|--|---------------------|----------------|---------------------|----------------|
|  | Amount Outstanding  | Amount Overdue | Amount Outstanding  | Amount Overdue |
| <b>(1) Loans and advances availed by the Company inclusive of interest accrued thereon but not paid</b>  | -                   | -              | -                   | -              |
| (a) Debentures   | -                   | -              | -                   | -              |
| Secured  | -                   | -              | -                   | -              |
| Unsecured (Other than falling within the meaning of public deposit*)   | -                   | -              | -                   | -              |
| (b) Deferred credits   | -                   | -              | -                   | -              |
| (c) Term loans   | -                   | -              | -                   | -              |
| (d) Inter-corporate loans and borrowings   | -                   | -              | -                   | -              |
| (e) Commercial paper   | -                   | -              | -                   | -              |
| (f) Public deposits (as defined in chapter II, para 3 (xiii) of Master directions -Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank Directions, 2016 as issued by RBI). | -                   | -              | -                   | -              |
| (g) Other Loans (CBLO, cash credit and working capital demand loan)  | -                   | -              | 1,192               | -              |
|  | -                   | -              | -                   | -              |
| <b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>   | -                   | -              | -                   | -              |
| (a) In the form of unsecured debentures  | -                   | -              | -                   | -              |
| in   | -                   | -              | -                   | -              |
| the value of security.   | -                   | -              | -                   | -              |
| (c) Other public deposits  | -                   | -              | -                   | -              |

| Asset side   | Amount Outstanding  |                     |
|--|---------------------|---------------------|
|  | As at 31 March 2022 | As at 31 March 2021 |
| <b>(3) Break-up of loans and advances including bills receivables (other than those included in (4) below)</b>                 |                     |                     |
| (a) Secured  | 52,867              | 64,750              |
| (b) Unsecured  | 919                 | 345                 |
| <b>(4) Break up of leased assets and assets under finance and hypothecation loans counting towards assetfinance activities</b> |                     |                     |
| (i) Lease assets including lease rentals under sundry debtors:   | -                   | -                   |
| (ii) Stock under finance including financing charges under sundry debtors:   | -                   | -                   |
| (iii) Hypothecation loans counting towards asset financing activities:   | -                   | -                   |
| <b>(5) Break-up of investments</b>   |                     |                     |
| <b>Current Investments</b>   | -                   | -                   |
| <b>Long term Investments</b>   |                     |                     |
| (a) Quoted:  |                     |                     |
| (i) Shares (a) Equity  | 4,125               | 1,824               |
| (b) Preference   | -                   | -                   |
| (ii) Debentures and bonds  | -                   | -                   |
| (iii) Units of mutual funds  | -                   | -                   |
| (iv) Government securities   | -                   | -                   |
| (v) Others (Investments in debt instruments)   |                     |                     |
| (b) Unquoted   |                     |                     |
| (i) Shares (a) Equity  | 810                 | 1,069               |
| (b) Preference   | -                   | 300                 |
| (ii) Debentures and bonds  | -                   | -                   |
| (iii) Units of mutual funds  | -                   | -                   |
| (iv) Government securities   | -                   | -                   |
| (v) Others (Investment ins securitised assets)   | -                   | -                   |

**(6) Borrower group-wise classification of all leased assets, stock under financing and loans and advances**

| Category                    | Amount net of provisions |           |                     |           |
|-----------------------------|--------------------------|-----------|---------------------|-----------|
|                             | As at 31 March 2022      |           | As at 31 March 2021 |           |
|                             | Secured                  | Unsecured | Secured             | Unsecured |
| Related parties:            |                          |           |                     |           |
| Subsidiaries                | -                        | -         | -                   | -         |
| Companies in the same group | -                        | -         | -                   | -         |
| Other related parties       | -                        | -         | -                   | -         |
| Other than related parties  | -                        | -         | -                   | -         |
| <b>TOTAL</b>                | -                        | -         | -                   | -         |

**(7) Investor group-wise classification of all investments (current and long term in shares and securities)**

|                             | As at 31 March 2022 |              | As at 31 March 2021 |              |
|-----------------------------|---------------------|--------------|---------------------|--------------|
|                             | Market Value        | Book Value   | Market Value        | Book Value   |
| Related parties:            |                     |              |                     |              |
| Subsidiaries                | 180                 | 180          | 439                 | 439          |
| Companies in the same group | -                   | -            | -                   | -            |
| Other related parties       | 468                 | 468          | 468                 | 468          |
| Other than related parties  | 4,287               | 4,287        | 2,287               | 2,287        |
| <b>TOTAL</b>                | <b>4,935</b>        | <b>4,935</b> | <b>3,194</b>        | <b>3,194</b> |

**(8) Other information***(in lakhs)*

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Gross non-performing assets*            |               |               |
| Related parties:                        |               |               |
| Net non-performing assets *             |               |               |
| Related parties                         | -             | 29            |
| Other than related parties              | -             | -             |
| Assets acquired in satisfaction of debt | -             | -             |

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>A. Cash flow from operating activities</b>                          |                             |                             |
| Profit before tax  | 7,023                       | 7,392                       |
| <b>Adjustments for:</b>  |                             |                             |
| Dividend Income  | (1)                         | (20)                        |
| Depreciation and Amortisation  | 39                          | 45                          |
| Impairment on financial instruments                                    | (1,247)                     | 660                         |
| (Profit)/Loss on Sale of Fixed Assets                                  | (0)                         | (2,730)                     |
| <b>Operating profit before working capital changes</b>                 | <b>5,813</b>                | <b>5,347</b>                |
| <b>Changes in working capital</b>                                      |                             |                             |
| (Increase)/Decrease in Loans   | 10,456                      | 11,911                      |
| (Increase)/Decrease in Other financial assets                          | 162                         | (322)                       |
| (Increase)/Decrease in Other non-financial assets                      | (57)                        | (124)                       |
| Increase/(Decrease) in Provisions                                      | (102)                       | 141                         |
| Increase/(Decrease) in Other liabilities                               | 4,721                       | (14,977)                    |
| <b>Cash generated from operations</b>                                  | <b>20,994</b>               | <b>1,976</b>                |
| Income tax paid  | (1,177)                     | (784)                       |
| <b>Net cash generated from operating activities (A)</b>                | <b>19,817</b>               | <b>1,192</b>                |
| <b>B. Cash flow from Investing activities</b>                          |                             |                             |
| Purchase of property, plant and equipment, intangible assets           | (4)                         | (7)                         |
| Proceeds from sale of property, plant and equipment, intangible assets | 1                           | 3,000                       |
| (Investment) / Maturity of Bank deposits                               | (18,699)                    | (5,839)                     |
| Dividend Received  | 1                           | 20                          |
| <b>Net cash generated from investing activities (B)</b>                | <b>(18,701)</b>             | <b>(2,826)</b>              |
| <b>C. Cash flow from Financing activities</b>                          |                             |                             |
| Borrowing  | -                           | (0)                         |
| Interim dividend paid  | (101)                       | (101)                       |
| Tax on interim dividend paid   | -                           | -                           |
| <b>Net cash used in financing activities (C)</b>                       | <b>(101)</b>                | <b>(101)</b>                |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>               | <b>1,015</b>                | <b>(1,735)</b>              |
| Cash and cash equivalents at the beginning of the year                 | (263)                       | 1,472                       |
| Cash and cash equivalents at the end of the year*                      | <b>752</b>                  | <b>(263)</b>                |

\* Cash and cash equivalents at the end of the year includes Cash and Cash Equivalents (Refer Note 5) and Bank Overdraft (Refer Note 15).

**Notes:**

**1. Changes in liabilities arising from financing activities**

|                              | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Opening balance              | 1,192                       | 5,165                       |
| Addition during the period   | -                           | -                           |
| Repayments during the period | (1,192)                     | (3,973)                     |
| <b>Closing balance</b>       | <b>-</b>                    | <b>1,192</b>                |

**2. The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flow".**

The accompanying notes are an integral part of the financials statements

As per our report of even date

For ABM & Associates LLP

Firm Registration No. : 105016W / W100015

Chartered Accountants

-Sd-

Shailesh Mundaye

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

For and on behalf of the Board of Directors

-Sd-

SADANAND SHET TANAVADE

Chairman

DIN : 08525108

-Sd-

B S PAI ANGLE

Managing Director

DIN : 07206897

-Sd-

ASHWIN KAMAT

Chief Financial Officer

Place: Panaji Goa

Date: 22.8.2022

-Sd-

GOVIND NARVEKAR

Company Secretary

M No. 26759



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of EDC Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of EDC Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its associate (the holding company, its subsidiaries and its associate together referred to as "the group") which comprise the Consolidated Balance Sheet as at March 31st, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2022, the profit and total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Emphasis of Matter

We draw attention to following notes to the Consolidated Financial Statements :

1. Footnote of Note No – 32 The erstwhile subsidiary Company Goa Auto Accessories Limited ("GAAL") was wound up by order of NCLT (National Company Law Tribunal) in the Financial Year 2021-22.
2. We draw attention to Note- 61 to the consolidated financial statements which states auditor of associate company Goa Antibiotics and Pharmaceuticals Limited has issued a qualified opinion in his audit report for Financial Year 2021-22 due to non-measurement of expected credit losses of financial assets as per requirements of IND-AS 109 Financial Instruments. The auditor of associate company has also mentioned about financial assets i.e. receivables from some parties for which auditors were unable to determine whether full or partial allowance for expected credit loss should have been made in the Profit and Loss Account for these dues.

However, the above qualification does not affect consolidated books of accounts as at March 31, 2022 as well as for March 31, 2021. Since the value of the investment in the said associate in Standalone and consolidated accounts of EDC Limited has been reduced to Nil by making impairment loss allowance on same, in view of the negative net worth of the Associate Company. Any additional provision for expenses, including for Expected Credit Loss would not lead to any changes in the consolidated books of accounts for the said years.

Further since share of losses of an associate has exceeded company's interest in the associate, the company has discontinued recognising its share of further losses

3. The auditor of associate company "Goa Antibiotics and Pharmaceuticals Limited" in his audit report has drawn attention as emphasis of matter that associate company's net worth is negative. However, as per the management of associate company it is still a going concern entity, because it is constantly in the process of identifying new plans for revival and improving the performance of the associate company. There is no uncertainty on the associate company's ability to continue as a going concern and therefore financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report:

| Sr. No | Key Audit Matter   | Auditor's response  |
|--------|--|---|
| 1.     | <b>Impairment and Write-offs</b><br>The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter. | <b>Our key audit procedures included:</b> <ul style="list-style-type: none"><li>• We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in various categories of accounts based on industry patterns.</li><li>• We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet.</li><li>• We reviewed the changes made by the management in estimating additional ECL Provisions on the background of COVID 19 outbreak.</li><li>• We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same.</li><li>• We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD.</li><li>• We performed analytical procedures for ascertaining of reasonableness of Impairment provisions.</li><li>• We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.</li><li>• Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.</li></ul> |

**Information other than Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report, for example, Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance etc., but does not include the consolidated financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc. is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

**Other Matters**

We did not audit the financial statements of the subsidiary, Goa Electronics Limited whose financial statements (before eliminating inter-company balances / transactions) reflect total assets of ` 250,844,818 as at March 31, 2022, total revenue of ` 187,074,252 , total net profit after tax of ` 95,74,808, total comprehensive income of ` 10,997,522 for the year ended March 31, 2022

and net cash outflow of ` 790,693 for the year ended on March 31, 2022 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. Further since company's share of losses in its associate Goa Antibiotics and Pharmaceuticals Limited, for the year ended March 31, 2022, has exceeded company's interest in the associate, the company has discontinued recognising its share of further losses in consolidated financial statements. The Financial statements of associate Goa Antibiotics and Pharmaceuticals Limited have not been audited by us. These financial statements have been audited by the other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements**

The Holding 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 Consolidated financial statements that give a true and fair view of the consolidate financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards and accounting principles generally accepted in India, specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company, its subsidiary and its associate company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Management and Board of Directors of the companies included in the group are responsible for assessing the Holding Company's, its subsidiary and its associate'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 their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the group are also responsible for overseeing the company's financial reporting process of those companies.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that

a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor.
  - c) The Consolidated Balance Sheet, Consolidated the Statement of Profit and Loss including other comprehensive income, Consolidated Statement of changes in equity and the Consolidated statements of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules 2015, as amended.
  - e) The Group falls within the ambit of definition of Government Company under section 2(45) of the Act. Hence as per information and explanations provided to us, the provisions of Section 164 (2) of the act are not applicable to the Group in terms of MCA notification No.GSR 463 (E) dated June 05th, 2015 .
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) The Group falls within the ambit of definition of Government Company under section 2(45) of the Act. Hence, in our opinion, provisions related to Managerial Remuneration under section 197 of the Act are not applicable to the government company in terms of MCA notification No.GSR 463 (E) dated June 05th, 2015 .

- 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:
- a. The Consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the Consolidated financial statements,
  - b. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - c. There were no outstanding amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - d. i.** The respective management of the Holding Company, its subsidiary and its associate entity which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other auditor of the group respectively that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii. The respective management of the Holding Company, its subsidiary and its associate entity which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and other auditor of the group, that to the best of their knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities (“funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and
  - iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the group entities, nothing has come to the notice that has caused us to believe that the representations under rule 11(e), as provided in d(i) and (ii) above contain any material misstatement.
  - e. The dividend declared or paid during the year by the group is in compliance with Section 123 of the Act.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order” or “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxii) of CARO 2020.

## For abm & associates LLP

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

November 25, 2022

UDIN : 22152631BEBNIP4022

**Annexure 'A' to the Independent Auditor's Report**

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Audit report of even date on the Consolidated Financial Statements of EDC Limited)

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

We have audited the internal financial controls over financial reporting of **EDC LIMITED** (hereinafter referred to as "Holding Company") as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor's, in term of their reports referred to in the other matters paragraph below , is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, and based on consideration of reporting of other auditors as mentioned in other matter paragraph, the holding Company, its subsidiary and associate, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, 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.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary and associate is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

## For abm & associates LLP

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

November 25, 2022

UDIN : 22152631BEBNIP4022

**Annexure 'B' to the Independent Auditor's Report**

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Audit report of even date on the Consolidated Financial Statements of EDC Limited)

According to the information and explanations given to us, following companies included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 "CARO")

| <b>Sr. No</b> | <b>Entity</b>                               | <b>CIN</b>            | <b>Holding Company/S subsidiary/ Associate</b> | <b>Clause number of the CARO Report which is qualified or adverse</b> |
|---------------|---|-----------------------|--|---|
| <b>1.</b>     | Goa Antibiotics and Pharmaceuticals Limited | U24231GA1980SGC000412 | Associate                                      | 3 (ix) (a)<br>3(xix)  |

**For abm & associates LLP**

Chartered Accountants

Firm Registration Number.: 105016W/ W-100015

-Sd-

Shailesh M. Mundaye

Partner

Membership No.: 152631

Porvorim

November 25, 2022

UDIN : 22152631BEBNIP4022

EDC Limited  
Consolidated Balance Sheet as at 31 March 2022  
(Amounts in ₹ unless otherwise stated)

(in lakhs)

|   | Note No. | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|----------|------------------------|------------------------|
| <b>ASSETS</b>   |          |                        |                        |
| <b>Financial Assets</b>   |          |                        |                        |
| (a) Cash and cash equivalents   | 5        | 774                    | 959                    |
| (b) Bank balance other than cash and cash equivalents                                       | 6        | 27,847                 | 9,710                  |
| (c) Loans   | 7        | 52,290                 | 61,498                 |
| (d) Investments   | 8        | 4,131                  | 1,830                  |
| (e) Other financial assets  | 9 & 10   | 2,476                  | 1,481                  |
| <b>Non-Financial Assets</b>   |          |                        |                        |
| (a) Tax assets  | 11       | 86                     | 225                    |
| (b) Inventories   |          | -                      | 1                      |
| (c) Property, Plant and Equipment   | 12       | 711                    | 720                    |
| (d) Capital Work In Progress  |          | -                      | -                      |
| (e) Intangible assets   | 13       | 7                      | 22                     |
| (f) Right of use assets   |          | -                      | -                      |
| (g) Other non-financial assets  | 14       | 203                    | 148                    |
| <b>Total Assets</b>   |          | <b>88,524</b>          | <b>76,594</b>          |
| <b>LIABILITIES AND EQUITY</b>   |          |                        |                        |
| <b>LIABILITIES</b>  |          |                        |                        |
| <b>Financial Liabilities</b>  |          |                        |                        |
| (a) Trade Payables  |          |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 15       | 147                    | 119                    |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 319                    | 266                    |
| (b) Borrowings  | 16       | 112                    | 1,429                  |
| (c) Other financial liabilities   | 17       | 13,399                 | 8,046                  |
| <b>Non-Financial Liabilities</b>  |          |                        |                        |
| (a) Deferred tax liabilities (Net)  | 18       | 3,845                  | 3,197                  |
| (b) Provisions  | 19       | 28                     | 130                    |
| (c) Other non-financial liabilities   | 20       | 917                    | 691                    |
| <b>EQUITY</b>   |          |                        |                        |
| (a) Equity Share capital  | 21       | 10,092                 | 10,092                 |
| (b) Other Equity  | 22       | 59,665                 | 52,623                 |
| <b>Total Liabilities and Equity</b>   |          | <b>88,524</b>          | <b>76,594</b>          |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For ABM & Associates LLP

Chartered Accountants

Firm Registration No. : 105016W / W100015

-Sd-

-Sd-

-Sd-

SADANAND SHET TANAVADE

Chairman

DIN : 08525108

B S PAI ANGLE

Managing Director

DIN : 07206897

Shailesh Mundaye

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

-Sd-

-Sd-

ASHWIN KAMAT

Chief Financial Officer

GOVIND NARVEKAR

Company Secretary

M No. 26759

Place: Panaji Goa

Date:

EDC Limited  
Consolidated Statement of Profit and Loss for the period ended 31 March 2022  
(Amounts in INR unless otherwise stated)

(in lakhs)

|  | Note No. | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|----------|-----------------------------|-----------------------------|
| <b>Revenue from operations</b>   |          |                             |                             |
| (a) Interest Income  | 23       | 6,399                       | 7,702                       |
| (b) Dividend Income  |          | 1                           | 20                          |
| (c) Rental Income  | 24       | 430                         | 391                         |
| (d) Other Operating income   | 25       | 389                         | 76                          |
| (e) Sale of Products   |          | 296                         | 180                         |
| (f) Sale of Services   |          | 1,483                       | 1,484                       |
| <b>Total Revenue from operations (I)</b>                                 |          | <b>8,999</b>                | <b>9,854</b>                |
| (e) Other Income (II)  | 26       | 305                         | 88                          |
| <b>Total Income (I+II=III)</b>   |          | <b>9,304</b>                | <b>9,941</b>                |
| <b>Expenses</b>  |          |                             |                             |
| (a) Finance costs  | 27       | 297                         | 1,312                       |
| (b) Impairment on financial instruments                                  | 28       | (1,247)                     | 660                         |
| (c) Employee Benefits Expenses   | 29       | 1,957                       | 1,978                       |
| (d) Depreciation, amortization and impairment                            | 30       | 71                          | 86                          |
| (e) Others expenses  | 31       | 254                         | 431                         |
| (f) Purchase of products   |          | 833                         | 671                         |
| <b>Total Expenses (IV)</b>   |          | <b>2,166</b>                | <b>5,138</b>                |
| <b>Profit / (Loss) before exceptional items and tax (III-IV=V)</b>       |          | <b>7,139</b>                | <b>4,804</b>                |
| <b>Exceptional item (VI)</b>   |          |                             |                             |
| Gain on sale of property, plant and equipment                            | 38       | -                           | 2,730                       |
| <b>Profit / (Loss) before tax (V-VI=V)</b>                               |          | <b>7,139</b>                | <b>7,534</b>                |
| <b>Tax Expense:</b>  |          |                             |                             |
| (a) Current Tax  |          | 1,641                       | 1,177                       |
| (b) Deferred Tax   |          | 127                         | (281)                       |
| (c) Taxes for earlier periods  |          | 28                          | (162)                       |
| <b>Total Income tax expense (VI)</b>                                     |          | <b>1,796</b>                | <b>734</b>                  |
| Share of Associate Profit/ (Loss)  |          |                             | (161)                       |
| <b>Profit for the period (V-VI=VII)</b>                                  |          | <b>5,343</b>                | <b>6,638</b>                |
| <b>Other Comprehensive Income</b>  |          |                             |                             |
| <b>Items that will not be reclassified to profit or loss</b>             |          |                             |                             |
| (a) Re-measurement gains / (losses) on defined benefit plans             |          | 19                          | 88                          |
| (b) Changes in fair value of equity instruments                          |          | 2,301                       | 484                         |
| (c) Income tax relating to above items                                   |          | (520)                       | (144)                       |
| <b>Other Comprehensive Income for the period (VIII)</b>                  |          | <b>1,800</b>                | <b>428</b>                  |
| <b>Total Comprehensive Income for the period (VII+VIII)</b>              |          | <b>7,142</b>                | <b>7,066</b>                |
| <b>Earnings per equity share (Face value ₹ 10 each) (not annualised)</b> | 31       |                             |                             |
| Basic ( ₹ )  |          | 71                          | 70                          |
| Diluted ( ₹ )  |          | 71                          | 70                          |

The accompanying notes are an integral part of the financials statements

As per our report of even date  
For ABM & Associates LLP  
Firm Registration No. : 105016W / W100015  
Chartered Accountants

-Sd-

Shailesh Mundaye  
Partner  
Membership No : 152631  
Place : Porvorim, Goa  
Date :

For and on behalf of the Board of Directors

-Sd-

SADANAND SHET TANAVADE  
Chairman  
DIN : 08525108

-Sd-

B S PAI ANGLE  
Managing Director  
DIN : 07206897

-Sd-

ASHWIN KAMAT  
Chief Financial Officer

-Sd-

GOVIND NARVEKAR  
Company Secretary  
M No. 26759

Place: Panaji Goa  
Date:

EDC Limited

Standalone Cash Flow Statement for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>A. Cash flow from operating activities</b>                          |                             |                             |
| Profit before tax  | 7,139                       | 7,534                       |
| <b>Adjustments for:</b>  |                             |                             |
| Dividend Income  | (1)                         | (20)                        |
| Depreciation and Amortisation  | 71                          | 86                          |
| Impairment on financial instruments                                    | (1,247)                     | 660                         |
| Interest income  | (20)                        | (28)                        |
| Interest on Working Capital  | 11                          | 7                           |
| Interest on Security deposits  | -                           | 0                           |
| Balances written back  | (10)                        | (6)                         |
| Stock written-off  | 1                           | -                           |
| Provision for expected credit losses                                   | -                           | 2                           |
| (Profit)/Loss on Sale of Fixed Assets                                  | (0)                         | (2,730)                     |
| <b>Operating profit before working capital changes</b>                 | <b>5,942</b>                | <b>5,505</b>                |
| <b>Changes in working capital</b>                                      |                             |                             |
| (Increase)/Decrease in Loans   | 10,456                      | 11,911                      |
| (Increase)/Decrease in Other financial assets                          | (473)                       | (844)                       |
| (Increase)/Decrease in Other non-financial assets                      | (57)                        | (124)                       |
| (Increase)/Decrease in Other Non-Current Assets                        | (45)                        | (17)                        |
| (Increase)/Decrease in Other Current Assets                            | 1                           | (5)                         |
| Increase/(Decrease) in Other Current Liabilities                       | 230                         | 96                          |
| Increase/(Decrease) in Provisions                                      | (83)                        | 28                          |
| Increase/(Decrease) in Trade Payables                                  | 91                          | (38)                        |
| (Increase)/Decrease in Trade Receivables                               | (331)                       | 156                         |
| Increase/(Decrease) in Other liabilities                               | 4,887                       | (14,666)                    |
| <b>Cash generated from operations</b>                                  | <b>20,620</b>               | <b>2,004</b>                |
| Income tax paid  | (1,214)                     | (733)                       |
| <b>Net cash generated from operating activities (A)</b>                | <b>19,406</b>               | <b>1,270</b>                |
| <b>B. Cash flow from Investing activities</b>                          |                             |                             |
| Purchase of property, plant and equipment, intangible assets           | (47)                        | (14)                        |
| Proceeds from sale of property, plant and equipment, intangible assets | 1                           | 3,000                       |
| Interest Received  | 20                          | 28                          |
| (Investment) / Maturity of Bank deposits                               | (18,137)                    | (5,951)                     |
| Dividend Received  | 1                           | 20                          |
| <b>Net cash generated from investing activities (B)</b>                | <b>(18,163)</b>             | <b>(2,916)</b>              |
| <b>C. Cash flow from Financing activities</b>                          |                             |                             |
| Borrowing  | (125)                       | 38                          |
| Interest on Working Capital  | (11)                        | (7)                         |
| Interim dividend paid  | (101)                       | (101)                       |
| <b>Net cash used in financing activities (C)</b>                       | <b>(236)</b>                | <b>(71)</b>                 |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>               | <b>1,007</b>                | <b>(1,716)</b>              |
| Cash and cash equivalents at the beginning of the year                 | (233)                       | 1,483                       |
| Cash and cash equivalents at the end of the year*                      | <b>774</b>                  | <b>(233)</b>                |

\* Cash and cash equivalents at the end of the year includes Cash and Cash Equivalents (Refer Note 5) and Bank Overdraft

**Notes:**

**1. Changes in liabilities arising from financing activities**

|                              | <b>Year Ended<br/>31 March 2022</b> | <b>Year Ended<br/>31 March 2021</b> |
|------------------------------|-------------------------------------|-------------------------------------|
| Opening balance              | 1,192                               | 5,165                               |
| Addition during the period   | -                                   | -                                   |
| Repayments during the period | (1,192)                             | (3,973)                             |
| <b>Closing balance</b>       | <b>-</b>                            | <b>1,192</b>                        |

2. The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of

The accompanying notes are an integral part of the financials statements

As per our report of even date

For ABM & Associates LLP

Firm Registration No. : 105016W / W100015

Chartered Accountants

-Sd-

**Shailesh Mundaye**

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

For and on behalf of the Board of Directors

-Sd-

**SADANAND SHET TANAVADE B S PAI ANGLE**

Chairman

DIN : 08525108

-Sd-

Managing Director

DIN :07206897

-Sd-

**ASHWIN KAMAT**

Chief Financial Officer

Place: Panaji Goa

Date: 22.8.2022

-Sd-

**GOVIND NARVEKAR**

Company Secretary

M No. 26759

EDC Limited  
Consolidated Statement of Changes in Equity for the period ended 31 March 2022  
(Amounts in INR unless otherwise stated)

A Equity Share Capital

| Current Reporting Period (31.3.2022)                     |  |   |   |  |
|--|--|---|---|--|
| (in lakhs)   |  |   |   |  |
| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
| 10,092   | -  | -   | -   | 10,092   |

Previous Reporting Period (31.3.2021)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 10,092   | -  | -   | -   | 10,092   |

B Other Equity (Refer Note 21)

|   | Share application money pending allotment | Equity component of compound financial instruments | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Exchange differences on translating the financial statements of a foreign operation | Other Items of Other Comprehensive Income | Reserves & Surplus |                 |  |  |                   | Total  |
|---|---|--|---|---|---------------------------------------|---|---|--------------------|-----------------|--|--|-------------------|--------|
|   |   |  |   |   |                                       |   |   | General reserve    | Capital reserve | Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) | Special Reserve (as per section 45 of RBI) | Retained Earnings |        |
| <b>Balance at 31 March 2020</b>   |   |  |   |   |                                       |   |   | 14                 | 2,345           | 14,540   | 1,082                                      | 27,678            | 45,658 |
| Changes in accounting policy/prior period errors                                    | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Restated balance as at 31.3.2020  | -   | -  | -   | -   | -                                     | -   | -   | 14                 | 2,345           | 14,540   | 1,082                                      | 27,678            | 45,658 |
| Profit for the period   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 6,638             | 6,638  |
| Dividend paid   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | (101)             | (101)  |
| Tax on dividend   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Transfer (Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961)) | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | 1,177  | -  | (1,177)           | -      |
| Less: Transfer (as per section 45 of RBI)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | 1,478                                      | (1,478)           | -      |
| Add/(Less): Other comprehensive income  | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 428               | 428    |
| <b>Balance as at 31 March 2021</b>  |   |  |   |   |                                       |   |   | 14                 | 2,345           | 15,717   | 2,560                                      | 31,987            | 52,623 |
| Changes in accounting policy/prior period errors                                    | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Restated balance as at 31.3.2021  | -   | -  | -   | -   | -                                     | -   | -   | 14                 | 2,345           | 15,717   | 2,560                                      | 31,987            | 52,623 |
| Transfer during the year (Under Section 36(1) (viii) of The Income Tax Act, 1961)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | 1,327  | -  | (1,327)           | -      |
| Transfer (as per section 45 of RBI)   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | 1,405                                      | (1,405)           | -      |
| Profit for the year   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 5,343             | 5,343  |
| Other Comprehensive Income for the year   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | 1,800             | 1,800  |
| Interim dividend paid   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | (101)             | (101)  |
| Tax on interim dividend   | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| Less: Elimination adjustment  | -   | -  | -   | -   | -                                     | -   | -   | -                  | -               | -  | -  | -                 | -      |
| <b>Balance as at 31 March 2022</b>  |   |  |   |   |                                       |   |   | 14                 | 2,345           | 17,045   | 3,965                                      | 36,297            | 59,665 |

The accompanying notes are an integral part of the financials statements

As per our report of even date  
For ABM & Associates LLP  
Chartered Accountants  
Firm Registration No. : 105016W / W100015

-Sd-

Shailesh Mundaye  
Partner  
Membership No : 152631  
Place : Porvorim, Goa  
Date :

For and on behalf of the Board of Directors

-Sd-

SADANAND SHET TANAVADE  
Chairman  
DIN : 08525108

-Sd-

ASHWIN KAMAT  
Chief Financial Officer

Place: Panaji Goa  
Date:

-Sd-

B S PAI ANGLE  
Managing Director  
DIN : 07206897

-Sd-

GOVIND NARVEKAR  
Company Secretary  
M No. 26759

**1 Group Overview**

EDC Limited (the 'Holding Company') was originally incorporated on 12 March 1975 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) on 22 May 2019, under the Companies Act, 1956. EDC Limited together with its subsidiaries is collectively referred to as "the Group". The Group is primarily engaged in the business of lending. It's registered office is situated at Goa, India. The registered office address of the company is "EDC House", P. B. No. 275, Dr. Atmaram Borkar Road, Panaji, Goa. 403 001.

**2 Basis of Preparation and presentation and Significant accounting policy**

The consolidated financial statements (Financial Statements) comprise financial statements of the parent, subsidiaries and associates together taken as Group. The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2019, the Group prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'Previous GAAP').

The transition to Indian Accounting Standard (Ind AS) has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 01 April 2018 and the comparative previous year has been restated/reclassified.

An explanation of how the transition to Ind AS from the previous GAAP has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 4. Accounting policies have been consistently applied to all the financial year presented in the financial statements, including the preparation of the opening Ind AS balance sheet as at 01 April 2018 being the 'date of transition' to Ind AS, except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Principles of consolidation :

The consolidated financial statements comprise the financial statements of the Parent and its Subsidiaries as at March 31, 2019. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority voting rights results in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights, and
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

The Group re-assesses whether or not it controls an investee its facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date group gains control until the date the group ceases to control the subsidiary.

A Change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other comprehensive equity while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

Basis of consolidation :

The financial statements the parent and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealised profits resulting there from and are prepared, to the extent possible, in the same form and manner as the Parent's independent financial statements. The profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities, defined benefit- plan liabilities and share based payments being measured at fair value.

These financial statements are presented in Indian Rupees (INR)/(Rs.), which is also its functional currency and all values are rounded to the nearest rupee. Except when otherwise indicated.

### **Significant accounting policies**

#### **2.1 Revenue Recognition**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

- i) The Corporation has given some shops/office premises and plots on lease basis and has individual lease agreements with the allottees. The rent received is recognized as income on accrual basis.
- ii) Revenue from transfer/extension fees is recognised on receipt and on entering into the respective definitive agreements which coincides with the completion of performance obligation.
- iii) Dividend income is recognised when the right to receive 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.

iv) Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance).

## 2.2 Property, plant and equipment

### (i) Recognition and measurement

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### (ii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

### (iii) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The estimated lives used are noted in the table below:-

| Property Plant & Equipment      | Useful Life (In Years) |
|---------------------------------|------------------------|
| Land                            | Infinite               |
| Building                        | 60                     |
| Lift                            | 20                     |
| Air Conditioning & Other Plants | 5                      |
| Computer & Printer              | 3                      |
| Furniture & Fixtures            | 10                     |
| Electrical Fittings             | 10                     |
| Vehicles                        | 8                      |
| Office equipments               | 5                      |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of Profit and Loss when the item is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Componentisation of assets is not applicable to the corporation given the nature of its property plant & equipment..

For transition to Ind AS, the Group has elected to continue with carrying value of its property, plant and equipment recognised as of 01 April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.4 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Software and system development expenditure are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

The useful life of these intangible assets is estimated as below with zero residual value.

| Intangible Assets | Useful Life (In Years) |
|-------------------|------------------------|
| Software          | 3                      |

## 2.5 Financial instruments

### (i) Date of recognition

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

### (ii) Initial measurement

Financial assets and liabilities, with the exception of loans, debt securities, deposits and 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. Recognised financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### (iii) Classification and subsequent measurement

#### (A) Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories :

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit or loss ('FVTPL')

#### (a) Financial assets carried at amortised cost

A financial assets is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held 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 ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in profit or loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in profit or loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(b) Financial assets at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in profit and loss. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments however, in case of equity instruments it will be directly transferred to reserves. Equity instruments at FVOCI are not subject to an impairment assessment.

**(c) Financial assets at fair value through profit and loss**

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss. The Company records investments in equity instruments and mutual funds at FVTPL.

**(B) Financial liabilities and equity instrument**

Debt and equity 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.

**(a) Equity instrument**

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

**(b) Financial liabilities**

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in profit or loss. Any gain or loss on de-recognition of financial liabilities is also recognised in profit or loss.

**(iv) Reclassification**

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

**(v) Derecognition**

**(A) Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and 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.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**(B) 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. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

## **(vi) Impairment of financial assets**

### **A) Trade receivables**

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for all trade 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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on average of historical loss rate adjusted to reflect current and available forward-looking information affecting the ability of the customers to settle the receivables. The Company has also computed expected credit loss due to significant delay in collection.

### **B) Other financial assets:**

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is 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 entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

## **2.6 Lease**

### **Company as a lease**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assess whether (i) the contract involves the use of an identified assets ; (ii) the company has substantially all the economic benefits from use of the assets through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

Lease liability has been included in borrowing and ROU asset has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **Company as a Lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

### **2.7 Cash and cash equivalents**

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

### **2.8 Impairments of Non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### **2.9 Retirement and other employee benefits**

#### **(i) Provident fund**

Retirement benefit in the form of provident fund, is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

#### **(ii) Gratuity**

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

The company's gratuity scheme is a defined benefit plan. The company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior period. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit credit Method which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

### **(iii) Compensated absences**

The employees of the Company are entitled to compensated absences as per the policy of the Company. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing compensated absences are determined using the projected unit credit method.

## **2.10 Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## **2.11 Income Taxes**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

### **(i) Current tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

### **(ii) Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the standalone statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## **2.12 Earning per share (basic and diluted)**

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have been computed by dividing net profit/loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## **2.14 Investment in subsidiaries and associates**

Investments in subsidiaries and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## **2.15 Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

## **2.16 Segment**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicator sby business segments and geographic segments.

## **3 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Following are estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet:

### **3.1 Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) 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 measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

### 3.2 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. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. 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 regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

### 3.3 Effective Interest Rate (EIR) 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 behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

### 3.4 Provisions and other contingent liabilities

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

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

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

### 3.6 Expected Credit loss

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward looking information.

The inputs used and process followed by the company in determining the ECL have been detailed in Note 43.

### 3.7 Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### **3.8 Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **3.9 Leases**

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

### **4 Standards issued but not yet effective**

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 01 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future periods.

EDC Limited

Notes forming part of the Consolidated Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

(in lakhs)

5 CASH AND CASH EQUIVALENTS

TOTAL

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Cash on hand  | 4                      | 5                      |
| Balances with banks                                       | -                      | -                      |
| - On current accounts                                     | 510                    | 929                    |
| - Mission Mode Projects                                   | 3                      | 0                      |
| - Goa Electronics Limited                                 | 16                     | 25                     |
| Cash Credit and Overdraft Facilities from Banks (Secured) | 241                    | -                      |
| <b>Total</b>  | <b>774</b>             | <b>959</b>             |

6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Fixed deposit in banks with maturity for more than 3 months less than 12 months<br>*# | 27,397                 | 9,634                  |
| Interest accrued on fixed deposits  | 432                    | 59                     |
| Less : Impairment loss allowance  | -                      | -                      |
| Fixed Deposits against Bank Guarantee #   | 18                     | 17                     |
| <b>Total</b>  | <b>27,847</b>          | <b>9,710</b>           |

\* Fixed Deposit with Bank include ₹ 6.60 lakh pledged with Vijaya Bank Ltd. Panaji, (previous year ₹ 6.60 lakh) for furnishing bank guarantee to Electricity Department of Goa for H.T. Power Connection.

# The Department of Finance, Government of Goa, has defined 'Exit Policy' for distressed beneficiaries under CMRY/VKRY vide notification No. 6/21/2015-FIN (DMU). The policy lays down criteria's for the borrowers under the scheme who can get relief from outstanding loan amounts in certain cases. All such reliefs are adjusted from 'Corpus Fund' to be managed by EDC Ltd on behalf of Finance Department. The notification requires the company to deposit such funds in a separate account. The company has substantial amount of fixed deposits as on 31.3.2022 and as such no need is felt to separately earmark any specific fixed deposit for the purpose of the said notification.

7 LOANS

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>(A) Loans measured at Amortised Cost</b>     |                        |                        |
| (i) Term Loans                                  | 53,881                 | 64,433                 |
| Add: Accrued interest on Term Loans             | 498                    | 426                    |
|   | <b>54,379</b>          | <b>64,859</b>          |
| (ii) Loans to employees                         | 148                    | 144                    |
| Add: Accrued interest on Loans to employees     | 81                     | 93                     |
|   | <b>229</b>             | <b>236</b>             |
| <b>Total (A) Gross</b>                          | <b>54,608</b>          | <b>65,095</b>          |
| Less: Impairment loss allowance (Refer Note 40) | (2,319)                | (3,597)                |
| <b>Total (A) Net</b>                            | <b>52,290</b>          | <b>61,498</b>          |

|   |               |               |
|---|---------------|---------------|
| <b>(B)</b> (i) Secured by tangible assets       | 52,867        | 64,750        |
| (ii) Unsecured                                  | 919           | 345           |
| <b>Total (B) Gross</b>                          | <b>53,786</b> | <b>65,095</b> |
| Less: Impairment loss allowance (Refer Note 40) | (2,319)       | (3,597)       |

|               |        |        |
|---------------|--------|--------|
| Total (B) Net | 51,467 | 61,498 |
|---------------|--------|--------|

|  |               |               |
|--|---------------|---------------|
| (C) Loans in India   |               |               |
| (i) Public Sector  |               |               |
| (ii) Others - 'Industrial Units, Other Units & Government Bodies | 53,786        | 65,095        |
| <b>Total (C) Gross</b>   | <b>53,786</b> | <b>65,095</b> |
| Less: Impairment loss allowance (Refer Note 40)                  | 1,05,253      | 1,26,594      |
| <b>Total (C) Net</b>   | <b>61,498</b> | <b>61,498</b> |

In respect of CMRY loans, on average, 70% of the total loan amount is considered as secured on a totality basis, as the loanees are large in number. The provision is then accordingly made as applicable under various asset classes. Further, no provision is made on DITC Share Capital (loan), as the amount is funded entirely by the State Government.

Since the impairment allowance on loans under Ind AS 109 is higher than the provisioning required under prudential norms for Income Recognition, Asset Classification and Provisioning (IRACP) no appropriation to a separate 'impairment reserve' is required as per Reserve Bank of India circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2021.

## 8 INVESTMENTS

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Investment in India</b>   |                        |                        |
| Investments in equity instruments of subsidiaries and associates measured at Cost (refer note A)                 | -                      | 259                    |
| Investments in other equity instruments measured at Fair Value through other comprehensive income (refer note B) | 4,287                  | 1,987                  |
| Investments in debt instruments measured at amortized cost (refer note C)  | -                      | 300                    |
| <b>Total</b>   | <b>4,287</b>           | <b>2,546</b>           |
| Less: Impairment loss allowance  | (157)                  | (716)                  |
| <b>Total</b>   | <b>4,131</b>           | <b>1,830</b>           |

Details of investments -

### (A) Investments in equity instruments of subsidiaries and associates

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Investments measured at Cost (Unquoted)</b>  |                        |                        |
| <b>Investments in Equity shares of subsidiaries: (Fully paid up)</b>  |                        |                        |
| -Goa Electronics Limited<br>(Face value of ₹ 100 each, 1,80,000 (1,80,000 shares as on 31 March 2020)                 | -                      | -                      |
| -Goa Auto Accessories Limited<br>(Face value of ₹ 100 each, 2,59,000 (2,59,000 shares as on 31 March 2020)            | -                      | 259                    |
| -Goa Antibiotics & Pharmaceuticals Limited<br>(face value of ₹ 100 each, 4,94,520(494,520 shares as on 31 March 2020) | -                      | -                      |
| <b>Total of (A)</b>   | <b>-</b>               | <b>259</b>             |

**(B) Investments in other equity instruments measured at Fair Value through Other Comprehensive Income**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b><u>Investments measured at FVOCI (Quoted)</u></b>   |                        |                        |
| -Automobile Corporation Goa Ltd<br>(Face value of ₹ 10 each, 405,302 shares (405,302 shares as on 31 March 2020))  | 3,786                  | 1,649                  |
| -IDBI Bank Limited<br>(Face value of ₹ 10 each, 114,240 shares (114,240 shares as on 31 March 2020))   | 49                     | 44                     |
| -Mitcon Consultancy and Engineering Services Limited<br>(Face value of ₹ 10 each, 320,000 shares (320,000 shares as on 31 March 2020))   | 290                    | 131                    |
|  | -                      | -                      |
| <b><u>Investments measured at FVOCI (Unquoted)</u></b>   |                        |                        |
| -Infotech Corporation of Goa Limited<br>(Face value of ₹ 10 each, 1,569,037 shares (1,569,037 shares as on 31 March 2020))   | 157                    | 157                    |
| -Goa State Infrastructure Development Corporation Limited<br>(Face value of ₹ 10 each, 60,000 shares (60,000 shares as on 31 March 2020)<br>(Includes 10,000 bonus shares issued on 15/04/2010)) | 5                      | 5                      |
| -Goa State Co-operative Bank Limited<br>(Face value of ₹ 100 each, 500 shares (500 shares as on 31 March 2020))  | 1                      | 1                      |
|  | -                      | -                      |
| -Nova Dhatu Udyog Limited<br>(Face value of ₹ 10 each, 750,000 shares (750,000 shares as on 31 March 2020))  | -                      | -                      |
| -I F G Limited<br>(Face value of ₹ 10 each, 1,500,000 shares (1,500,000 shares as on 31 March 2020))   | -                      | -                      |
| <b>Total of (B)</b>  | <b>4,287</b>           | <b>1,987</b>           |

**(C) Investments in debt instruments measured at amortized cost**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| - 300,000 (31 March 2020: 300,000) 8.5% Cumulative Redeemable Preference Shares of Goa Auto Accessories Limited (Face value of ₹ 100 each fully paid up) | -                      | 300                    |
| - 15,000 (31 March 2020: 15,000) 13.5% Redeemable Preference Shares of Rodal Circaprint Electronics Limited (Face value of ₹ 100 each fully paid up)     | -                      | -                      |
| <b>Total of (C)</b>  | <b>-</b>               | <b>300</b>             |

**Significant investment in the subsidiaries/associates**

| Name of company   |  |  |
|---|--|--|
| Goa Auto Accessories Limited (Liquidated during Financial Year 2021-22) |  |  |
| Goa Electronics Limited   |  |  |
| Goa Antibiotics & Pharmaceuticals Limited                               |  |  |

As on 31.3.2022 & 31.3.2021, no balance was outstanding with any struck-off company.

**9 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Fixed deposit with maturity for more than 12 months* | 1,152                  | 517                    |
| Rent Receivable                                      | 79                     | 301                    |
| Other advances                                       | -                      | -                      |
| Security Deposits                                    | 7                      | 7                      |
| Other Receivables                                    | 335                    | 117                    |
| Security Deposits                                    | 4                      | 4                      |
| Interest Subsidy (Govt of Goa) Receivable            | 115                    | 113                    |
| Ground Rent Unbilled                                 | -                      | 11                     |
| Other Deposits                                       | 0                      | 0                      |
| Prepaid expenses                                     | 62                     | 17                     |
| <b>Total</b>   | <b>1,755</b>           | <b>1,087</b>           |

**10 TRADE RECEIVABLES**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Unsecured, considered good                         | 720                    | 393                    |
| Unsecured, credit impaired                         | 113                    | 112                    |
| Less : Provision for doubtful debts                | -                      | -                      |
| Less : Allowance for bad and doubtful debts        | -112                   | -112                   |
| <b>Total</b>                                       | <b>721</b>             | <b>393</b>             |
| <b>Further classified as:</b>                      |                        |                        |
| Receivable from related parties (refer footnote i) |                        |                        |
| Receivable from others                             |                        |                        |

**\* Security Deposits**

Security deposits - Stock exchanges<sup>#</sup>

Security deposits - Premises

Security deposits - Others

**Total**

<sup>#</sup> The deposits are kept with stock exchanges as security deposits and minimum base capital requirements.

\*\* Represent amount withheld by stock exchanges for cases filed by the customers that are under arbitration.

**11 TAX ASSETS (NET)**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Advance payment of taxes and tax deducted at source (net of provisions for<br>Income tax receivable (net of provisions for tax of ₹ 25.79 lakh as on 31<br>March 2022 (31 March 2021: [61,777/-])) |                        |                        |
| <b>Total</b>   | -                      | -                      |

**14 OTHER NON FINANCIAL ASSETS**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Advance recoverable in cash or kind          | 91                     | 136                    |
| Prepaid expenses                             | 3                      | 1                      |
| Gratuity & Leave encashment balance with LIC | 101                    | -                      |
| Balance with Government Authorities          | 5                      | 7                      |
| Contract Assets                              | 2                      | 4                      |
| <b>Total</b>                                 | 203                    | 148                    |

**INVENTORIES**

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| (Valued at lower of cost and net realizable value) |                        |                        |
| Stock-in-trade (Computer Consumables)              | 0.00                   | 0.69                   |
| <b>Total</b>                                       | 0.00                   | 0.69                   |

EDC Limited

Notes forming part of the Standalone Financial Statements for the period ended 31 March 2022

(Amounts in INR unless otherwise stated)

12 PROPERTY, PLANT AND EQUIPMENT

(in lakhs)

|                         | Freehold land | Building | Lift | Air Conditioning & Other Plants | Computer & Printer | Furniture & Fixtures | Electrical Fittings | Vehicles | Office equipments | Total |
|-------------------------|---------------|----------|------|---------------------------------|--------------------|----------------------|---------------------|----------|-------------------|-------|
| As at 31 March 2019     | 274           | 650      | 33   | 101                             | 120                | 188                  | 11                  | 113      | 39                | 1,530 |
| Additions/ Adjustments  | -             | -        | -    | 5                               | 18                 | 8                    | -                   | 15       | 4                 | 50    |
| Deductions/ Adjustments | -             | -        | -    | 0                               | -                  | -                    | -                   | -        | 0                 | 0     |
| As at 31 March 2020     | 274           | 650      | 33   | 106                             | 137                | 197                  | 11                  | 127      | 43                | 1,579 |
| Additions/ Adjustments  | -             | -        | -    | 3                               | 4                  | 4                    | -                   | 1        | 2                 | 14    |
| Deductions/ Adjustments | 270           | -        | -    | -                               | -                  | -                    | -                   | -        | -                 | 270   |
| As at 31 March 2021     | 4             | 650      | 33   | 110                             | 141                | 201                  | 11                  | 128      | 46                | 1,323 |
| Additions/ Adjustments  | -             | -        | -    | -                               | 4                  | 40                   | -                   | -        | 3                 | 47    |
| Deductions/ Adjustments | -             | -        | -    | -                               | -                  | -                    | -                   | 4        | -                 | 4     |
| As at 31 March 2022     | 4             | 650      | 33   | 110                             | 144                | 241                  | 11                  | 125      | 49                | 1,367 |
| As at 31 March 2019     | 0             | 0        | 0    | 0                               | 0                  | 0                    | 0                   | 0        | 0                 | -     |
| For the period          | -             | 134      | 20   | 69                              | 72                 | 112                  | 7                   | 30       | 29                | 472   |
| Disposals               | -             | 10       | 1    | 8                               | 21                 | 12                   | 1                   | 15       | 3                 | 71    |
| As at 31 March 2020     | -             | -        | -    | 0                               | -                  | -                    | -                   | -        | 0                 | 0     |
| For the period          | -             | 144      | 21   | 76                              | 92                 | 123                  | 8                   | 46       | 32                | 542   |
| Disposals               | -             | 10       | 1    | 6                               | 15                 | 9                    | 1                   | 15       | 3                 | 61    |
| As at 31 March 2021     | -             | -        | -    | -                               | -                  | -                    | -                   | -        | -                 | -     |
| For the period          | -             | 154      | 22   | 82                              | 107                | 133                  | 8                   | 61       | 35                | 603   |
| Disposals               | -             | 10       | 1    | 5                               | 9                  | 12                   | 0                   | 15       | 3                 | 56    |
| As at 31 March 2022     | -             | -        | -    | -                               | -                  | -                    | -                   | 3        | -                 | 3     |
| As at 31 March 2022     | -             | 164      | 23   | 88                              | 116                | 144                  | 9                   | 72       | 39                | 655   |
| <b>Net block</b>        |               |          |      |                                 |                    |                      |                     |          |                   |       |
| As at 01 April 2018     | -             | -        | -    | -                               | -                  | -                    | -                   | -        | -                 | -     |
| As at 31 March 2019     | 274           | 517      | 13   | 33                              | 48                 | 77                   | 5                   | 82       | 10                | 1,058 |
| As at 31 March 2020     | 274           | 506      | 12   | 30                              | 45                 | 73                   | 4                   | 82       | 11                | 1,037 |
| As at 31 March 2021     | 4             | 496      | 11   | 27                              | 33                 | 68                   | 3                   | 67       | 10                | 720   |
| As at 31 March 2022     | 4             | 486      | 10   | 22                              | 28                 | 96                   | 3                   | 52       | 11                | 711   |

- (a) The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

## 13 INTANGIBLE ASSETS

(in lakhs)

|   | RFC - IGS | DDSSY - IGS | Other | TOTAL |
|---|-----------|-------------|-------|-------|
| As at 31 March 2020                               | 29        | 46          | 83    | 158   |
| Additions/ Adjustments<br>Deductions/ Adjustments |           |             |       |       |
| As at 31 March 2021                               | 29        | 46          | 83    | 158   |
| Additions/ Adjustments<br>Deductions/ Adjustments |           |             |       |       |
| As at 31 March 2022                               | 29        | 46          | 83    | 158   |
| <b>Accumulated amortization</b>                   |           |             |       |       |
| As at 31 March 2020                               | 15        | 24          | 72    | 111   |
| For the year<br>Disposals                         | 8         | 12          | 6     | 25    |
| As at 31 March 2021                               | 23        | 36          | 77    | 136   |
| For the year<br>Disposals                         | 4         | 7           | 4     | 16    |
| As at 31 March 2022                               | 27        | 43          | 82    | 152   |
| <b>Net block</b>                                  |           |             |       |       |
| As at 31 March 2021                               | 6         | 10          | 6     | 22    |
| As at 31 March 2022                               | 2         | 3           | 2     | 7     |

*(in lakhs)***15 TRADE PAYABLES****TOTAL**

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Total outstanding dues of micro enterprises and   | 147                    | 119                    |
| Total outstanding dues of creditors other than<br>micro enterprises and small enterprises | 319                    | 266                    |
| <b>Total</b>  | <b>466</b>             | <b>385</b>             |

The above

\* No interest was paid during the period /

**Disclosure under Micro, Small and Medium Enterprises Development Act, 2006***(in lakhs)*

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

|   | As at 31 March<br>2022 | As at 31 March<br>2021 |
|---|------------------------|------------------------|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year:  |                        |                        |
| - Principal   | 147                    | 118.91                 |
| - Interest  | -                      | -                      |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | -                      | -                      |
| The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.  | -                      | -                      |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                 | -                      | -                      |
| The amount of interest accrued and remaining unpaid at the end of each accounting year.   | -                      | -                      |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.  | -                      | -                      |

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

## Trade Payables ageing schedule

As at 31 March 2022

(in lakhs)

| Particulars                 | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   |
|-----------------------------|---------------|------------------|--|-----------|-----------|-------------------|
|                             |               |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME                    |               |                  | 113  | -         | -         | -                 |
| (ii) Disputed dues - MSME   |               |                  |  |           |           |                   |
| (iii) Others                |               |                  | 275  | 2         | 1         | 38                |
| (iv) Disputed dues - Others |               |                  |  |           |           | 35                |
| <b>Total</b>                | -             | -                | <b>389</b>   | <b>2</b>  | <b>1</b>  | <b>73</b>         |

As at 31 March 2021

(in lakhs)

| Particulars                 | Unbilled Dues | Payables Not Due | Outstanding for following periods from due date of Payment |           |           |                   |
|-----------------------------|---------------|------------------|--|-----------|-----------|-------------------|
|                             |               |                  | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME                    |               |                  | 85   |           |           |                   |
| (ii) Disputed dues - MSME   |               |                  | -  |           |           |                   |
| (iii) Others                |               |                  | 232  | 1         | 8         | 23                |
| (iv) Disputed dues - Others |               |                  |  |           |           | 35                |
| <b>Total</b>                | -             | -                | <b>317</b>   | <b>1</b>  | <b>8</b>  | <b>58</b>         |

## 16 BORROWINGS (OTHER THAN DEBT SECURITIES)

(in lakhs)

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Borrowings measured at Amortised Cost (in India)</b> | -                      | -                      |
| <b>Secured</b>  | -                      | -                      |
| (a) Term loans from banks (Refer note a)                | -                      | -                      |
| (b) Loan repayable on demand - Cash credit/Overdraft    | 112                    | 1,429                  |
| Interest accrued and due on borrowings                  | -                      | -                      |
| <b>Unsecured</b>  | -                      | -                      |
| (c) Lease liabilities (Refer note c)                    | -                      | -                      |
| <b>Total</b>  | <b>112</b>             | <b>1,429</b>           |

The Company has not been declared as a wilful defaulter by any bank.

## (a) Security and terms of repayment of borrowings from banks:

(b) Security against borrowings from banks repayable on demand: (in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Hypothecation of book debts and personal       | -                      | -                      |
| Hypothecation of current assets of the company | -                      | -                      |
| Lien on fixed deposits of the Company (Refer   | -                      | -                      |
| Mortgage of property and personal guarantee of | -                      | -                      |
| Pledge of client securities                    | -                      | -                      |
|  |                        |                        |

**17 OTHER FINANCIAL LIABILITIES**

(in lakhs)

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Dues to Contractors  | 38                     | 38                     |
| Earnest Money Deposits & Others                                  | 64                     | 67                     |
| Land Acquisition Award (Deposit)                                 | 8,743                  | 4,863                  |
| Security Deposit (Rent)  | 6                      | 6                      |
| Capital City Entrance Zone - Panaji Development Scheme           | 39                     | 39                     |
| Debt relief scheme for mining affected borrowers                 | 153                    | 153                    |
| Excess amount of Loan Repayment                                  | 50                     | 49                     |
| Current maturities of long term debt                             | 0                      | 0                      |
| Interest payable on land acquisition deposit                     | 1,560                  | 1,280                  |
| Other payables   | 15                     | 15                     |
| Govt of Goa*   | 36                     | 56                     |
| Advance payment of taxes and tax deducted at source (net of prov | 313                    | 0                      |
| D.I.T.C. balance (CMRY scheme of Govt. of Goa)                   | 1,053                  | 560                    |
| Funds received towards GTEGP from Government of Goa              | 269                    | 26                     |
| EMD Deposits   | 9                      | 9                      |
| Other Payables   | 32                     | 2                      |
| Employee Benefits Payable  | 0                      | 1                      |
| Advance Deposits - Mission Mode Projects                         | 47                     | 46                     |
| Interest accrued but not due on borrowings                       | 973                    | 835                    |
| <b>Total</b>   | <b>13,399</b>          | <b>8,046</b>           |

**20 OTHER NON FINANCIAL LIABILITIES***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Statutory dues payable                           | 72                     | 42                     |
| Advance rent                                     | (11)                   | -                      |
| Advance against Sale of Unit/Vehicle             | -                      | -                      |
| CMRY (Bridge Loan-Transport)                     | -                      | -                      |
| Amounts in respect of CMRY Scheme                | -                      | -                      |
| One Time Settlement of Dues                      | 153                    | 133                    |
| Advance against Sale of FAR (GPSC)               | -                      | -                      |
| Advance against expenses                         | -                      | -                      |
| DITC/VKRY Corpus Fund                            | -                      | -                      |
| Lease Rent/Ground Rent(Patto) charged in advance | -                      | -                      |
| Revenue received in advance                      | -                      | -                      |
| Advances from customers                          | 355                    | 188                    |
| Other Outstanding Liabilities                    | 348                    | 328                    |
| <b>Total</b>                                     | <b>917</b>             | <b>691</b>             |

**21 EQUITY SHARE CAPITAL***(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b><u>Authorized</u></b>   |                        |                        |
| April 2018 : 12,500,000) Equity shares of Rs.<br>400,000 (31 March 2021: 400,000) equity shares of INR 100 each                  | 1,25,00,00,000<br>400  | 1,25,00,00,000<br>400  |
|  | <b>12,900</b>          | <b>12,900</b>          |
| <b><u>Issued, Subscribed and paid up</u></b>   |                        |                        |
| April 2018 : 1,00,92,480) Equity shares of Rs.<br>1,80,000 (31 March 2021: 1,80,000) equity shares<br>of INR 100 each fully paid | 10,092<br>-            | 10,092<br>-            |
| <b>Total</b>   | <b>10,092</b>          | <b>10,092</b>          |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the period: (in lakhs)

| (i)                            | As at<br>31 March 2021 |               | As at<br>31 March 2022 |               |
|--------------------------------|------------------------|---------------|------------------------|---------------|
|                                | No. of shares          | Amount        | No. of shares          | Amount        |
| Outstanding at the beginning   | 1,00,92,480            | 10,092        | 1,00,92,480            | 10,092        |
| Add: Changes during the period | -                      | -             | -                      | -             |
| <b>Outstanding at the end</b>  | <b>1,00,92,480</b>     | <b>10,092</b> | <b>1,00,92,480</b>     | <b>10,092</b> |

(i) The Company has a single class of equity shares of ₹ 100 face value . Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of the equity shareholders are in proportion to its paid up equity share capital of the Company.

(c) Shareholders holding more than 5% shares

| Name of the shareholder | No. of shares | % of holding |
|-------------------------|---------------|--------------|
| Government of Goa       | 86            | 85.41%       |
| IDBI Bank Limited       | 12            | 11.43%       |

(d) Shares held by Promoters

| Name of the Promoter | No. of shares | % of holding |
|----------------------|---------------|--------------|
| Government of Goa    | 86            | 85.41%       |

There has been no change in the shareholding by promoter in the year under reporting as well as for the previous year.

22 OTHER EQUITY

(in lakhs)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| General reserve  | 14                     | 14                     |
| Capital reserve  | 2,345                  | 2,345                  |
| Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, | 17,045                 | 15,717                 |
| Special Reserve (as per section 45 of RBI)                         | 3,965                  | 2,560                  |
| Retained Earnings  | 36,297                 | 31,987                 |
| Financial Instruments classified to equity                         | -                      | -                      |
| <b>Total</b>   | <b>59,665</b>          | <b>52,623</b>          |

(A) General reserve *(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Opening balance                        | 14                     | 14                     |
| Add : Changes during the period / year |                        |                        |
| Closing balance                        | 14                     | 14                     |

(B) Capital Reserve *(in lakhs)*

|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Opening balance                        | 2,345                  | 2,345                  |
| Add : Changes during the period / year |                        |                        |
| Closing balance                        | 2,345                  | 2,345                  |

(C) Special Reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) *(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Opening balance   | 15,717                 | 14,540                 |
| Add : Transfer during the year (Under Section 36(1) (viii) of The Income Tax Act, 1961) | 1,327                  | 1,177                  |
| Closing balance   | <b>17,045</b>          | <b>15,717</b>          |

(D) Special Reserve (as per section 45 of RBI) *(in lakhs)*

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Opening balance                           | 2,560                  | 1,082                  |
| Add : Transfer (as per section 45 of RBI) | 1,405                  | 1,478                  |
| Closing balance                           | <b>3,965</b>           | <b>2,560</b>           |

**(E) Retained earnings****(in lakhs)**

|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Opening balance</b>  | 31,987                 | 27,678                 |
| Add : Net profit for the period / year  | 5,343                  | 6,638                  |
| Less : Final dividend paid  | (101)                  | (101)                  |
| Less : Tax on interim dividend  | -                      | -                      |
| Less : Transfer to special reserve (Under Section 36(1) (viii) of The Income Tax Act, 1961) | (1,327)                | (1,177)                |
| Less : Transfer to special reserve (as per section 45 of RBI)                               | (1,405)                | (1,478)                |
| Add/(Less): Other comprehensive income  | 1,800                  | 428                    |
| <b>Closing balance</b>  | <b>36,297</b>          | <b>31,987</b>          |

(in lakhs)

## 23 INTEREST INCOME

TOTAL

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>On financial assets measured at Amortised Cost</b> |                             |                             |
| - Interest on Loans                                   | 5,422                       | 7,185                       |
| - Interest on Fixed Deposits with banks               | 842                         | 404                         |
| - Interest Subsidy from Government of Goa             | 115                         | 113                         |
| - Interest on Ground Rent                             | 20                          | -                           |
| <b>Total</b>  | <b>6,399</b>                | <b>7,702</b>                |
| <b>Revenue from contracts with customers</b>          |                             |                             |
| Sale of Products                                      | 296                         | 231                         |
| Sale of Services                                      | 1,483                       | 1,484                       |
| <b>Total</b>  | <b>1,779</b>                | <b>1,715</b>                |

|   |              |              |
|---|--------------|--------------|
| <b>Sale of products</b>                           | -            | -            |
| Hardware  | -            | -            |
| Smart Cards                                       | 296          | 231          |
| <b>Sale of services</b>                           | -            | -            |
| Composite Services                                | 644          | 951          |
| Software and Software Support                     | 635          | 404          |
| Data Entry and other manpower                     | 153          | 93           |
| Project management Unit                           | 38           | -            |
| Hardware Support                                  | 41           | 11           |
| Call Centre                                       | 25           | 11           |
| Other Services                                    | 7            | 14           |
| <b>Total revenue from contract with customers</b> | <b>1,838</b> | <b>1,715</b> |

## 24 RENTAL INCOME

(in lakhs)

|                               | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|-------------------------------|-----------------------------|-----------------------------|
| Ground Rent (Patto Plaza)     | 366                         | 252                         |
| Income From Incubation Center | 18                          | 38                          |
| Parking Fees (Patto Plaza)    | -                           | 4                           |
| Rent from hire of hall        | 2                           | 2                           |
| Rent (Gross)                  | 44                          | 96                          |
| <b>Total</b>                  | <b>430</b>                  | <b>391</b>                  |

## 25 OTHER OPERATING INCOME

(in lakhs)

|                       | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|-----------------------|-----------------------------|-----------------------------|
| Recovery of bad debts | 363                         | 47                          |
| Other income          | 26                          | 29                          |
| <b>Total</b>          | <b>389</b>                  | <b>76</b>                   |

## 26 OTHER INCOME

(in lakhs)

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Interest on Income Tax Refund                   | 2                           | 7                           |
| Extension fees                                  | 272                         | 47                          |
| Transfer fees                                   | -                           | -                           |
| Gain on sale of property, plant and equipment   | 0                           | -                           |
| Income from co-branding                         | -                           | -                           |
| Interest on inter-corporate deposits            | -                           | -                           |
| Reversal of Impairment on Financial Instruments | -                           | -                           |
| Interest on fixed deposits                      | 20                          | 28                          |
| Interest on security deposits                   | -                           | 0                           |
| Balances Written back                           | 10                          | 6                           |
| Miscellaneous income                            | 0                           | 0                           |
| <b>Total</b>                                    | <b>305</b>                  | <b>88</b>                   |

## Geographical markets

(in lakhs)

|   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| India   | 1,838                       | 1,715                       |
| Outside India                                     | -                           | -                           |
| <b>Total revenue from contract with customers</b> | <b>1,838</b>                | <b>1,715</b>                |

## Timing of revenue recognition

(in lakhs)

|  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Services transferred at a point in time            | 296                         | 231                         |
| Services transferred over time                     | 1,542                       | 1,484                       |
| <b>Total revenue from contracts with customers</b> | <b>1,838</b>                | <b>1,715</b>                |

## CHANGE IN INVENTORIES OF STOCK-IN-TRADE

(in lakhs)

|  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>Inventories at the beginning of the year</b>              | -                           | -                           |
| -Stock in trade  | 1                           | 1                           |
|  | 1                           | 1                           |
| <b>Less: Inventories at the end of the year</b>              | -                           | -                           |
| -Stock in trade  | 0                           | 1                           |
|  | 0                           | 1                           |
|  | -                           | -                           |
| Net decrease/ (increase) shown in other expense on write off | 1                           | -                           |

## 27 FINANCE COSTS

(in lakhs)

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>On financial liabilities measured at Amortised Cost</b> | -                           | -                           |
| Interest expense   | -                           | -                           |
| - On Land Acquisition                                      | 280                         | 1,280                       |
| - On Cash Credit, Term Loan & Others                       | 7                           | 24                          |
| - on working capital                                       | 11                          | 7                           |
| - on security deposits                                     | -                           | 0                           |
| - on tax deducted at source                                | 0                           | -                           |
|  | -                           | -                           |
| <b>Total</b>   | <b>297</b>                  | <b>1,312</b>                |

## 28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(in lakhs)

|   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Financial instruments measured at Amortised Cost</b> |                             |                             |
| Loans   | -1,278                      | 599                         |
| Bad debts (Loans written off)                           | 31                          | 60                          |
| <b>Total</b>  | <b>-1,247</b>               | <b>660</b>                  |

## 29 EMPLOYEE BENEFITS EXPENSES

(in lakhs)

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Salaries, allowances, Incentives and bonus                 | 1,710                       | 1,594                       |
| Contribution to provident and other funds                  | 193                         | 210                         |
| Gratuity and compensated absences expenses (refer note 35) | 24                          | 29                          |
| Leave encasement expenses                                  | -53                         | 37                          |
| Staff welfare expenses                                     | 79                          | 103                         |
| Workmen & Staff Welfare Expenses                           | 4                           | 6                           |
| <b>Total</b>   | <b>1,957</b>                | <b>1,978</b>                |

## 30 DEPRECIATION AND AMORTIZATION EXPENSE

(in lakhs)

|  | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Depreciation on property plant & equipment | 65                          | 80                          |
| Amortization of intangible assets          | 6                           | 6                           |
| <b>Total</b>                               | <b>71</b>                   | <b>86</b>                   |

## 31 OTHER EXPENSES

(in lakhs)

|                                      | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|--------------------------------------|-----------------------------|-----------------------------|
| Rent expense                         | 9                           | 7                           |
| Power                                | 1                           | 2                           |
| Repairs for:                         |                             |                             |
| - Vehicles                           | 3                           | 3                           |
| - Building                           | 15                          | 23                          |
| - Others                             | 16                          | 32                          |
| Rates Taxes & Other Taxes            | 9                           | 4                           |
| Auditors Remuneration*               | 3                           | 3                           |
| Postage, Telegram & Telephones       | 9                           | 7                           |
| Travelling & Conveyance Expenses     | 15                          | 11                          |
| Printing & Stationery                | 5                           | 6                           |
| Consumables                          | 2                           | 5                           |
| Advertisement Expenses               | 1                           | 1                           |
| Office Expenses                      | 1                           | 0                           |
| Vehicle hire & fuel                  | 11                          | 9                           |
| Computer Stationery                  | 8                           | 7                           |
| Software Related Expenses            | 4                           | 10                          |
| Provision for expected credit losses | -                           | 2                           |
| Bank Charges                         | 1                           | 0                           |
| Stock written off                    | 1                           | -                           |
| Consultancy & Professional Fees      | 15                          | 16                          |
| Corporate Social Responsibility      | 8                           | 130                         |
| Electricity Charges                  | 26                          | 27                          |
| Insurance                            | 12                          | 3                           |
| Miscellaneous Expenses               | 80                          | 125                         |
| <b>Total</b>                         | <b>254</b>                  | <b>431</b>                  |

## \* Auditors' remuneration

|                        | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| As Auditor             | 4             | 2             |
| For Tax Audit          | 1             | 1             |
| Out of Pocket Expenses | 0             | 0             |
| <b>Total</b>           | <b>5</b>      | <b>3</b>      |

**32 BASIS OF CONSOLIDATION**

The Consolidated Financial Statements (CFS) are prepared in accordance with the requirements of 'Consolidated Financial Statements' (IndAS) 110, as notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The CFS comprises the financial statements of EDC Limited and its subsidiaries. References in these notes to EDC, Group, Companies, Parent Group or Group shall mean to include EDC Limited or any of its subsidiaries, unless otherwise stated.

The notes and significant accounting policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies which represent the required disclosure.

The list of subsidiaries and associates included in the consolidated financial statements are as under:

| NAME OF Group  | RELATIONSHIP | NATURE OF BUSINESS   | % OF SHAREHOLDING |
|--|--------------|--|-------------------|
| Goa Electronics Limited                              | Subsidiary   | Providing IT support to Government Departments in the State of Goa.                            | 100%              |
| Goa Antibiotics and Pharmaceuticals Limited ("GAPL") | Associate    | Manufactures of life saving drugs, dry powder injectables, tablets, capsules and liquid orals. | 26%               |

\* The erstwhile subsidiary Company Goa Auto Accessories Limited ("GAAL") was wound up by order of NCLT (National Company Law Tribunal) in the Financial Year 2021-22.

**33 CONTINGENT LIABILITIES**

| A) Name of the Party          | As on 31 March 2022   | As on 31 March 2020   |
|-------------------------------|---|---|
|                               | Estimated Liability   | Estimated Liability   |
| <i>Mayur Cashew Factory</i>   | Counter Claim of ₹ 500.00 Lakhs   | Counter Claim of ₹ 500.00 Lakhs   |
| <i>L. K. Trust</i>            | Claiming:<br>a) Interest of ₹ 2907.54 Lakhs<br>b) Loss of profit of ₹ 2385.00 Lakhs | Claiming:<br>a) Interest of ₹ 2907.54 Lakhs<br>b) Loss of profit of ₹ 2385.00 Lakhs |
| <i>Sipra Remedies Pvt Ltd</i> | Employees Provident Fund Dues of ₹ 67.14 Lakhs                                      | Employees Provident Fund Dues of ₹ 67.14 Lakhs                                      |
| <i>Kanaka Infratech Ltd.</i>  | ₹ 100.00 Crores (damages)<br>₹ 120.46 lakh @ 24% p.a (counter claim)                | ₹ 100.00 Crores (damages)<br>₹ 120.46 lakh @ 24% p.a (counter claim)                |

**B) Claims against the Group not acknowledged as debts**

1) As regards the smart card driving licenses sale, the Group has been regularly paying VAT to the Office of the Commissioner of Commercial Taxes, Panaji, Goa. As such no provision has been made since VAT & Service Tax cannot be paid together.

The above matter was pending before Additional Commissioner of Central Excise and Service Tax Panaji Goa. The Commissioner has dropped the above demands by order No. GOA/EXCUS-000-ADC-008-2016-17 dated 27/05/2016. The office of the Deputy Commissioner Central Excise Division II has appealed against this order before the office of the Commissioner (Appeals) Pune Appeals-II CX. Central Excise and Customs Our Group has submitted our reply to this Appeal. Office of the commissioner (Appeals)Pune Appeal-II CX. (GOA) passed order No. GOA- EXCUS-000-AP-289-2016-17 Dated 07.02.2016 in favour of the appellant towards servicetax demand for the period 1/02/2012 to 31/03/2015. Against this we have filed Appeal in CESTAT west Zonal Bench vide appeal no.ST/85576/17-MUM by making a pre deposit of ₹ 5.10 case is pending before CESTAT.

2) There is a demand dated 30-01-2010 from the Office of the Regional Provident Fund Commissioner, Panaji for the financial year 2008-09 amounting to ₹ 0.22 lakh and the Group has already submitted its objections in writing against the said demand vide letter no. GEL/ITD/101/2009-10 dated 16-04-2010. Further reminder has been sent to the Office of the Regional Provident Commissioner, Panaji vide letter no.GEL/ITD/570/10-11 dated 19-07-2010 but till date we have not received any correspondence from them. We have been continuously following up the matter with the concerned authorities.

**C) Income and Tax Service Matters**

| Particulars         | <i>(in lakhs)</i> |           |
|---------------------|-------------------|-----------|
|                     | 31-Mar-22         | 31-Mar-21 |
| Income Tax Matters  | 6                 | 6         |
| Service Tax Matters | 124               | 124       |

D) The Corporation had awarded a Contract in May, 2010 of ₹ 9.20 lakh for Improvement of Infrastructure at Patto Plaza, Panaji to M/S. Kanaka Infratech Ltd., Mumbai. The contract was terminated by the Corporation in view of violation of terms of contract by the contractor. The contractor M/S Kanaka Infratech Ltd., has approached the Additional District Court challenging the termination and claimed compensation of ₹ 10000.00 lakh. The Corporation expects to successfully defend the case and expects no liability on this count.

The Corporation has filed legal case against M/S. Kanaka Infratech Ltd. towards recovery of the liquidated damages, penalties as per the terms of the contract, and recovery of extra cost on account re-tendering and acceptance of tender of M/S. MV Rao Infra Projects (P) Ltd and other related expenses amounting to ₹ 83.27 lakh plus interest @ 24% p.a. from November 2010. Kanaka Infratech Ltd has made a counterclaim of ₹ 120.46 lakh plus interest @ 24% p.a. Since the matter is sub judice, Corporation has not accounted the claim of M/s Kanaka Infratech Ltd.

E) All the TDS demands pertaining to all the previous F.Y. are paid and cleared in the F.Y. 2019-20.

**34 Capital commitments**

As confirmed by EDC Management, the Group does not have any capital commitments as at each reporting date.

**35 PATTO PLAZA PROJECT**

A) The Corporation had developed the land at Patto Plaza admeasuring 177,555.72 sq.mtrs. Comprising of 100,667.40 sq.mtrs, Of developed plots and the balance being open space, roads etc. The plots have been allotted on Long Lease and the allottees are liable to pay annual ground rent and other charges, as specified in their lease agreement.

The open spaces form an integral part of Patto Plaza. Since premium on the long term leases of the plots at Patto Plaza has been treated as revenue income in the earlier years as required by the relevant statutory provisions, the cost of developing the plots along with cost pertaining to open spaces and roads has been shown as a cost against the said income in the earlier years as required by the matching concept. Thus, no part of land/open spaces/roads of Patto Plaza was reflecting under fixed assets of the Corporation. However, during the year 2017-18, one of the lessees surrendered/retransferred one plot to the Corporation. The same has been included in fixed assets of the Corporation. The same has been sold during the year 2020-21 and derecognized from fixed assets on account of transfer of the said plot to The Reserve Bank of India.

**36 EMPLOYEE BENEFITS****(A) Defined Contribution Plans**

The Group makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

**(B) Defined benefit plans****Gratuity payable to employees**

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through funded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Group. Group accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The Group operates a post-employment defined benefit plan that provide gratuity benefit. Gratuity is applicable to all full time employees of the Group and paid out is based on last drawn basic salary at the time of termination or retirement. The scheme takes into account each completed year of service or part thereof in excess of six months. The normal age of retirement is 60 years and the entire contribution is borne by the Group. The Group recognises actuarial gains and losses as and when the same arise. The scheme is funded by the plan assets.

**Discount rate**

Discount Rate for this valuation is based on government bonds having similar term to duration of liabilities. Due to lack of a deep and secondary bond market in India, government bond yields are used to arrive at the discount rate.

**Mortality/ disability**

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Employee turnover/Withdrawal rate**

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Salary escalation rate**

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

**(i) Principal assumptions used for the purposes of the actuarial valuations**

|                          | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
|                          | Gratuity      | Gratuity      |
| Interest / discount Rate | 7.00%         | 7.00%         |
| Salary increase rate     | 6.00%         | 6.00%         |
| Retirement age           | 60 Years      | 60 Years      |

**(ii) Changes in the present value of defined benefit obligation (DBO)***(in lakhs)*

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| <b>Present value of obligation at the beginning of the period / year</b> | <b>764</b>    | <b>753</b>    |
| Interest cost on DBO   | 53            | 54            |
| Current service cost   | 29            | 25            |
| Benefits paid  | (118)         | (113)         |
| Actuarial (gain)/ loss on obligations                                    |               |               |
| - Effect of change in Financial Assumptions                              | -             | (88)          |
| - Effect of change in demographic assumption                             | (19)          | -             |
| <b>Present value of obligation at the end of the period / year</b>       | <b>708</b>    | <b>632</b>    |

The weighted average duration of defined benefit obligation is 3.37 years as at 31 March 2022 (31 March 2021: 3.37 years).

(iii) **Change in the fair value of plan assets:** *(in lakhs)*

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
|  | Gratuity      | Gratuity      |
| Opening fair value of plan assets        | 775           | 705           |
| Expected return on plan assets           | 58            | 51            |
| Contributions                            | 137           | 132           |
| Benefit payments from plan assets        | (118)         | (113)         |
| Actuarial gain/(loss) on plan assets     | -             | -             |
| <b>Closing fair value of plan assets</b> | <b>852</b>    | <b>774</b>    |

iv) **Details of Plan Assets** *(in lakhs)*

|  | 31-Mar-22      | 31-Mar-21      |
|--|----------------|----------------|
| <b>The weighted-average asset allocations at the year end were as follows:</b> |                |                |
| Pooled assets with an insurance company  | 100.00%        | 100.00%        |
| <b>Total</b>   | <b>100.00%</b> | <b>100.00%</b> |

(v) **Reconciliation of balance sheet amount** *(in lakhs)*

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present value of obligation as at the end of the year      | 708           | (632)         |
| Fair value of plan assets at the end of the year           | 852           | 774           |
| <b>Net asset / (liability) recognized in Balance Sheet</b> | <b>1,560</b>  | <b>143</b>    |

(v) **Expense recognized in the Statement of Profit and Loss** *(in lakhs)*

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
|   | Gratuity      | Gratuity      |
| Current Service cost  | 29            | 25            |
| Net Interest cost   | 53            | 54            |
| Expected return on plan assets                                    | (58)          | (51)          |
| <b>Total expenses recognized in the Statement Profit and Loss</b> | <b>24</b>     | <b>29</b>     |

(vi) **Expense recognized in Other comprehensive income** *(in lakhs)*

|   | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
|   | Gratuity      | Gratuity      |
| Net Actuarial (gain)/loss obligations                   | (19)          | -             |
| <b>Net actuarial (gains) / losses recognised in OCI</b> | <b>(19)</b>   | <b>(88)</b>   |

## (vii) Amount recognised in balance sheet

(in lakhs)

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
|  | Gratuity      | Gratuity      |
| Present value of defined benefit obligation                | 628           | (632)         |
| Fair value of plan assets at the end of the year           | 772           | 774           |
| <b>Net Asset / (Liability) recognized in Balance Sheet</b> | <b>144</b>    | <b>143</b>    |

## Expected contribution to the fund in the next year

|          | 31st Mar 2022 | 31st Mar 2021 |
|----------|---------------|---------------|
| Gratuity | 10            | 10            |

## 37 LEASES

The Group has taken premises at certain locations on lease. The agreements are executed for a period of 11 Months to 5 years.

## Short term and low value lease:

Rental expense incurred and paid for short term leases was ₹ 41.96 lakh (31 March 2020: ₹ 63.55).

Rental expense incurred and paid for low value leases is ₹ 3.78 lakh (31 March 2020: ₹ 3.64).

## A. Leases as lessor

During the year ended March 31, 2018, the Group has entered into a perpetual lease agreement to lease a plot of land that had been presented as part of freehold land - property, plant and equipment. During the year ended March 31, 2021, the Group recognised a gain of ₹ 273.01 lakh (March 31, 2020: NIL) on derecognition of the said freehold land pertaining to the lease agreement and presented the gain as part of "Exceptional Items".

## 38 RELATED PARTY DISCLOSURES:

## (A) Names of related parties and description of relationship as identified and certified by the Group:

| Name of the Group           | Relationship      |
|-----------------------------|-------------------|
| Mr. B.S. Borkar of GEL      | Managing Director |
| Shri Sadanand Shet Tanavade | Chairman          |
| Shri Kiran Ballikar         | Managing Director |
| Ms. Revati Mujumdar of GEL  | CEO               |

## (C) Amount due to/from related party as on:

There have been no amounts due to/from related party for the current and previous year.

### **39 SEGMENT REPORTING**

The Group's operations predominantly relate to loan given and its related activities business and is the only operating segment of the Group. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as one operating segment. Hence no separate segment information has been furnished herewith.

The Group operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

### **40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

The Group's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include instruments, trade and other receivables, cash and bank balances, Security and Other deposits that derive directly from its operations.

#### **(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

#### **(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at each reporting date, the Group does not have exposure in foreign currency, therefore it is not exposed to currency risk.

#### **(B) Credit risk**

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Group's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits.

Cash and cash equivalents and term deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. Security deposits are kept with stock exchanges for meeting minimum base capital requirements. These deposits do not have any credit risk.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Group has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

#### **Impairment of financial assets**

##### **Amount receivable from Government and related parties:**

Amount receivable from Government entities and related parties represents receivable within shorter periods. There is no history of loss and credit risk from such, hence ECL is not recognised.

**Trade receivable (including contract assets):****ECL on Trade Receivables**

As per IND AS 109, ECL provision is to be made for those trade receivables which are expected to become more than 12 months overdue or that involve a financing component. Since, the Group does foresee trade receivables expected to be more than 12 months overdue, other than specific identified receivables, no ECL provision is recognised for receivables.

Trade receivables include receivables from Government entities which the Group assumes to be recoverable within 12 months period, therefore no ECL provision has been recognised on these receivables.

With respect to M/s. Murphy Electronics Pvt. Ltd. (Refer below note), This receivable which been past overdue for more than 365 days (12 Months) has been identified as a credit defect and 100% ECL provision is made.

**M/s. Murphy Electronics Pvt. Ltd.**

As regards the total dues recoverable from M/s. Murphy Electronics Pvt. Ltd. (MEPL), arbitration proceedings are underway. Final arguments are in process with Justice Pramod Kamat who is presently appointed as the Arbitrator by High Court of Mumbai, Goa Bench in place of justice R.M.S. Khandeparkar. In February 2020 Arbitrator Pramod Kamat was appointed as committee member on Real Estate Regulatory Authority (RERA). As such Mr. Pramod Kamat could not continue as the arbitrator in this matter. The Group has approached High Court of Mumbai for appointment of new arbitrator application is under active consideration.

The sister concerns of MEPL namely M/s. Supersonic Electronics and M/s. VVC Electronics have availed corporate loans from the Group. These loans are in default. MEPL have provided corporate guarantee to EDC Limited for repayment of these loans. EDC Limited has filed court cases invoking this corporate guarantee.

In the Group's opinion the present security of MEPL would be sufficient to meet the dues of the Groups. Hence no provision has been made in respect of dues recoverable from MEPL. Interest amounting to ₹ 68.14 lakh is not accounted on prudent basis.

**Loan to Industrial units, other units and Government bodies:**

In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss on loan exposures. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD) which are determined on the basis of CRISIL Default Study and the Reserve Bank of India's Internal Rating Based (IRB) approach. The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due.

Group has large number of customer base with shared credit risk characteristics. Loan given to industrial units, other units and Government bodies are secured by collaterals.

As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period.

For the computation of ECL, the loan against margin trading facilities are classified into three stages as follows:

Following table provides information about exposure to credit risk and ECL on exposure at default

| Staging as per Ind AS 109 | Loan receivable including interest |
|---------------------------|------------------------------------|
| Stage 1                   | 0 to 30 days past due              |
| Stage 2                   | 31 to 90 days past due             |
| Stage 3                   | More than 90 days past due         |

ECL is computed as follow assuming that these loans are fully recalled by the Group at each reporting period:

EAD is considered as loan receivable including interest (net of write off).

PD is determined on the basis of CRISIL Default Study.

LGD is determined based the Reserve Bank of India's Internal Rating Based (IRB) approach. .

Following table provides information about exposure to credit risk and ECL on Loan

(in lakhs)

|                                  | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------------|-----------------------|-----------------------|
| Stage 1                          | 52,614                | 62,686                |
| Stage 2                          | 394                   | 337                   |
| Stage 3                          | 1,601                 | 2,072                 |
| Less : Impairment loss allowance | (2,319)               | (3,597)               |
| <b>Carrying value</b>            | <b>52,290</b>         | <b>61,498</b>         |

| Instrument type                   | Percentage of exposure that is subject to collateral |                     | Principal type of collateral held |
|-----------------------------------|--|---------------------|-----------------------------------|
|                                   | As at 31 March 2022                                  | As at 31 March 2021 |                                   |
| Loans for Margin trading facility | -  | -                   | -                                 |

Summary Of Loans By Stage Distribution

(in lakhs)

| Particulars                     | As at March 31, 2022 |            |            | Total         | As at March 31, 2021 |            |            | Total         |
|---------------------------------|----------------------|------------|------------|---------------|----------------------|------------|------------|---------------|
|                                 | Stage 1              | Stage 2    | Stage 3    |               | Stage 1              | Stage 2    | Stage 3    |               |
| Gross carrying amount           | 52,614               | 394        | 1,601      | 54,608        | 62,686               | 337        | 2,072      | 65,095        |
| Less: Impairment loss allowance | 1,266                | 81         | 973        | 2,319         | 2,269                | 68         | 1,260      | 3,597         |
| <b>Total</b>                    | <b>51,348</b>        | <b>313</b> | <b>628</b> | <b>52,290</b> | <b>60,418</b>        | <b>269</b> | <b>811</b> | <b>61,498</b> |

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances (ECL) is as follows

(in lakhs)

| Particulars                        | For the year ended March 31, 2022 |              |            |           |              |            |               |              |              |
|------------------------------------|-----------------------------------|--------------|------------|-----------|--------------|------------|---------------|--------------|--------------|
|                                    | Stage 1                           |              | Stage 2    |           | Stage 3      |            | Total         |              | Total        |
|                                    | Gross                             | ECL          | Gross      | ECL       | Gross        | ECL        | Gross         | ECL          |              |
| As at March 31, 2021               | 62,686                            | 2,269        | 337        | 68        | 2,072        | 1,260      | 65,095        | 3,597        | 3,597        |
| Net (recovery) / assets originated | (10,151)                          | (1,003)      | (71)       | 12        | (266)        | (288)      | (10,487)      | (1,278)      | (1,278)      |
| Transfers to Stage 1               | 550                               | -            | (138)      | -         | (412)        | -          | -             | -            | -            |
| Transfers to Stage 2               | (303)                             | -            | 347        | -         | (44)         | -          | -             | -            | -            |
| Transfers to Stage 3               | (170)                             | -            | (81)       | -         | 251          | -          | -             | -            | -            |
| <b>As at March 31, 2022</b>        | <b>52,614</b>                     | <b>1,266</b> | <b>394</b> | <b>81</b> | <b>1,601</b> | <b>973</b> | <b>54,608</b> | <b>2,319</b> | <b>2,319</b> |

(in lakhs)

| Particulars                        | For the year ended March 31, 2021 |              |            |           |              |              |               |              |              |
|------------------------------------|-----------------------------------|--------------|------------|-----------|--------------|--------------|---------------|--------------|--------------|
|                                    | Stage 1                           |              | Stage 2    |           | Stage 3      |              | Total         |              | Total        |
|                                    | Gross                             | ECL          | Gross      | ECL       | Gross        | ECL          | Gross         | ECL          |              |
| As at March 31, 2020               | 40,474                            | 1,509        | 35,249     | 653       | 1,370        | 835          | 77,093        | 2,998        | 2,998        |
| Net assets originated or purchased | (4,531)                           | 979          | (7,200)    | (156)     | (267)        | (224)        | (11,997)      | 599          | 599          |
| Transfers to Stage 1               | 27,305                            | 12           | (27,215)   | (11)      | (91)         | (1)          | -             | -            | -            |
| Transfers to Stage 2               | (269)                             | (54)         | 301        | 61        | (32)         | (6)          | -             | -            | -            |
| Transfers to Stage 3               | (293)                             | (178)        | (798)      | (479)     | 1,091        | 657          | -             | -            | -            |
| <b>As at March 31, 2021</b>        | <b>62,686</b>                     | <b>2,269</b> | <b>337</b> | <b>68</b> | <b>2,072</b> | <b>1,260</b> | <b>65,095</b> | <b>3,597</b> | <b>3,597</b> |

DISCLOSURE PURSUANT TO RBI NOTIFICATION - RBI/2019-20/170 DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 - A COMPARISON BETWEEN PROVISIONS REQUIRED UNDER INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING (IRACP) AND IMPAIRMENT ALLOWANCES AS PER IND AS 109 'FINANCIAL INSTRUMENTS'

| Assets classification as per RBI norms   | As at 31 March 2022                |                                     |  |                                   |                                 |  |
|--|------------------------------------|-------------------------------------|--|-----------------------------------|---------------------------------|--|
|  | Asset classification as per Ind AS | Gross carrying amount as per Ind AS | Loss allowance (Provision as per Ind AS) | Net carrying amount as per Ind AS | Provision required as per IRACP | Difference between provision as per Ind AS 109 and IRACP |
| (1)  | (2)                                | (3)                                 | (4)                                      | (5)=(3)-(4)                       | (6)                             | (7)=(4)-(6)  |
| <b>Performing Assets (PA)</b>  |                                    |                                     |  |                                   |                                 |  |
| Standard   | Stage 1                            | 52,614                              | 1,266                                    | 51,348                            | 208                             | 1,058  |
|  | Stage 2                            | 394                                 | 81                                       | 313                               | 2                               | 79   |
| <b>Subtotal for PA</b>   |                                    | <b>53,007</b>                       | <b>1,346</b>                             | <b>51,661</b>                     | <b>209</b>                      | <b>1,137</b>   |
| <b>Non-performing Assets (NPA)</b>   |                                    |                                     |  |                                   |                                 |  |
| Sub-standard   | Stage 3                            | 136                                 | 84                                       | 53                                | 24                              | 60   |
| Doubtful-up to 1 year  | Stage 3                            | 153                                 | 94                                       | 59                                | 73                              | 21   |
| Doubtful-up to 1 to 3 years  | Stage 3                            | 699                                 | 423                                      | 276                               | 318                             | 105  |
| Doubtful-More than 3 years   | Stage 3                            | 33                                  | 20                                       | 13                                | 33                              | (13)   |
| Loss   | Stage 3                            | 579                                 | 352                                      | 227                               | 579                             | (227)  |
| <b>Subtotal for NPA</b>  |                                    | <b>1,601</b>                        | <b>973</b>                               | <b>628</b>                        | <b>1,027</b>                    | <b>(54)</b>  |
| Other items such as guarantees, loan, commitments etc which are in the scope of Ind AS 109 but not covered under current IRACP | Stage 1                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 2                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 3                            | -                                   | -  | -                                 | -                               | -  |
| <b>Subtotal</b>  |                                    | <b>-</b>                            | <b>-</b>                                 | <b>-</b>                          | <b>-</b>                        | <b>-</b>   |
| Total  | Stage 1                            | 52,614                              | 1,266                                    | 51,348                            | 208                             | 1,058  |
|  | Stage 2                            | 394                                 | 81                                       | 313                               | 2                               | 79   |
|  | Stage 3                            | 1,601                               | 973                                      | 628                               | 1,027                           | (54)   |
| <b>Total</b>   |                                    | <b>54,608</b>                       | <b>2,319</b>                             | <b>52,290</b>                     | <b>1,236</b>                    | <b>1,083</b>   |

| Assets classification as per RBI norms   | As at 31 March 2021                |                                     |  |                                   |                                 |  |
|--|------------------------------------|-------------------------------------|--|-----------------------------------|---------------------------------|--|
|  | Asset classification as per Ind AS | Gross carrying amount as per Ind AS | Loss allowance (Provision as per Ind AS) | Net carrying amount as per Ind AS | Provision required as per IRACP | Difference between provision as per Ind AS 109 and IRACP |
| (1)  | (2)                                | (3)                                 | (4)                                      | (5)=(3)-(4)                       | (6)                             | (7)=(4)-(6)  |
| <b>Performing Assets (PA)</b>  |                                    |                                     |  |                                   |                                 |  |
| Standard   | Stage 1                            | 62,686                              | 2,269                                    | 60,418                            | 249                             | 2,087  |
|  | Stage 2                            | 337                                 | 68                                       | 269                               | -                               | -  |
| <b>Subtotal for PA</b>   |                                    | <b>63,024</b>                       | <b>2,337</b>                             | <b>60,687</b>                     | <b>249</b>                      | <b>2,087</b>   |
| <b>Non-performing Assets (NPA)</b>   |                                    |                                     |  |                                   |                                 |  |
| Sub-standard   | Stage 3                            | 519                                 | 312                                      | 208                               | 78                              | 234  |
| Doubtful-up to 1 year  | Stage 3                            | 683                                 | 411                                      | 272                               | 193                             | 219  |
| Doubtful-up to 1 to 3 years  | Stage 3                            | 239                                 | 146                                      | 93                                | 132                             | 14   |
| Doubtful-More than 3 years   | Stage 3                            | 92                                  | 58                                       | 35                                | 92                              | (35)   |
| Loss   | Stage 3                            | 538                                 | 333                                      | 205                               | 538                             | (205)  |
| <b>Subtotal for NPA</b>  |                                    | <b>2,072</b>                        | <b>1,260</b>                             | <b>811</b>                        | <b>1,033</b>                    | <b>228</b>   |
| Other items such as guarantees, loan, commitments etc which are in the scope of Ind AS 109 but not covered under current IRACP | Stage 1                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 2                            | -                                   | -  | -                                 | -                               | -  |
|  | Stage 3                            | -                                   | -  | -                                 | -                               | -  |
| <b>Subtotal</b>  |                                    | <b>-</b>                            | <b>-</b>                                 | <b>-</b>                          | <b>-</b>                        | <b>-</b>   |
| Total  | Stage 1                            | 62,686                              | 2,269                                    | 60,418                            | 249                             | 2,019  |
|  | Stage 2                            | 337                                 | 68                                       | 269                               | -                               | 68   |
|  | Stage 3                            | 2,072                               | 1,260                                    | 811                               | 1,033                           | 228  |
| <b>Total</b>   |                                    | <b>65,095</b>                       | <b>3,597</b>                             | <b>61,498</b>                     | <b>1,282</b>                    | <b>2,315</b>   |

In respect of CMRY loans, on average, 70% of the total loan amount is considered as secured on a totality basis, as the loanees are large in number. The provision is then accordingly made as applicable under various asset classes. Further, no provision is made on DITC Share Capital (loan), as the amount is funded entirely by the State Government.

**(C) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The table below summarizes the maturity profile of the Group's financial liabilities:

(in lakhs)

|                             | 0 - 1 year    | 1-2 year | 2-3 year | 3-4 year | Beyond 4 years | Total         |
|-----------------------------|---------------|----------|----------|----------|----------------|---------------|
| <b>31-Mar-22</b>            |               |          |          |          |                |               |
| Borrowings                  | 112           | -        | -        | -        | -              | 112           |
| Trade payables              | 466           | -        | -        | -        | -              | 466           |
| Other financial liabilities | 13,399        | -        | -        | -        | -              | 13,399        |
|                             | <b>13,977</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>13,977</b> |
| <b>31 March 2021</b>        |               |          |          |          |                |               |
| Borrowings                  | 1,429         | -        | -        | -        | -              | 1,429         |
| Trade payables              | 382           | -        | -        | -        | -              | 382           |
| Other financial liabilities | 8,046         | -        | -        | -        | -              | 8,046         |
|                             | <b>9,857</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>9,857</b>  |

**41 MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

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

(in lakhs)

|   | As at 31 March 2022 |               |               |
|---|---------------------|---------------|---------------|
|   | Current             | Non- Current  | Total         |
| <b>Assets</b>                                     |                     |               |               |
| Cash and cash equivalents                         | 774                 | -             | 774           |
| Bank Balance other than cash and cash equivalents | 27,847              | -             | 27,847        |
| Loans   | 16,970              | 35,320        | 52,290        |
| Investments                                       | -                   | 4,131         | 4,131         |
| Other financial assets                            | 2,476               | -             | 2,476         |
| Tax assets  | -                   | 86            | 86            |
| Property, Plant and Equipment                     | -                   | 711           | 711           |
| Capital Work In Progress                          | -                   | -             | -             |
| Other Intangible assets                           | -                   | 7             | 7             |
| Other non-financial assets                        | -                   | 203           | 203           |
| <b>Total Assets</b>                               | <b>48,067</b>       | <b>40,457</b> | <b>88,524</b> |
| <b>Liabilities</b>                                |                     |               |               |
| Trade Payables                                    | 466                 | -             | 466           |
| Borrowings (Other than Debt Securities)           | 112                 | -             | 112           |
| Other financial liabilities                       | 13,399              | -             | 13,399        |
| Deferred tax liabilities (Net)                    | -                   | 3,845         | 3,845         |
| Provisions  | 28                  | -             | 28            |
| Other non-financial liabilities                   | 917                 | -             | 917           |
| <b>Total Liabilities</b>                          | <b>14,922</b>       | <b>3,845</b>  | <b>18,766</b> |

(in lakhs)

|  | As at 31 March 2021 |               |               |
|--|---------------------|---------------|---------------|
|  | Current             | Non- Current  | Total         |
| <b>Assets</b>                                    |                     |               |               |
| Cash and cash equivalents                        | 959                 | -             | 959           |
| Bank Balance other than cash and cash equivalent | 9,710               | -             | 9,710         |
| Trade Receivables                                | 378                 | -             | 378           |
| Loans  | 17,268              | 47,827        | 65,095        |
| Investments                                      | -                   | 1,830         | 1,830         |
| Other financial assets                           | 1,068               | -             | 1,068         |
| Tax assets                                       | -                   | 225           | 225           |
| Inventories                                      | 1                   | -             | 1             |
| Property, Plant and Equipment                    | -                   | 720           | 720           |
| Other Intangible assets                          | -                   | 22            | 22            |
| Other non-financial assets                       | -                   | 165           | 165           |
| <b>Total Assets</b>                              | <b>29,383</b>       | <b>50,789</b> | <b>80,173</b> |
| <b>Liabilities</b>                               |                     |               |               |
| Trade Payables                                   | 382                 | -             | 382           |
| Borrowings (Other than Debt Securities)          | 1,429               | -             | 1,429         |
| Other financial liabilities                      | 8,046               | -             | 8,046         |
| Deferred tax liabilities (Net)                   | -                   | 3,197         | 3,197         |
| Provisions                                       | -                   | 130           | 130           |
| Other non-financial liabilities                  | 675                 | -             | 675           |
| <b>Total Liabilities</b>                         | <b>10,533</b>       | <b>3,327</b>  | <b>13,860</b> |

#### 42 CAPITAL MANAGEMENT

##### Risk Management

The Group manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / repay debt. The primary objective of the Group's capital management is to maximise the shareholders' value.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing and current borrowing (including current maturities of long term debt). The Group manages capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

|                                 |                    | 31-Mar-22     | 31-Mar-21     |
|---------------------------------|--------------------|---------------|---------------|
| Borrowings                      |                    | 112           | 1,429         |
| Less: cash and cash equivalents |                    | 774           | 959           |
| <b>Net debt</b>                 | (i)                | <b>886</b>    | <b>2,388</b>  |
| Total Equity                    | (ii)               | 69,757        | 62,716        |
| <b>Total Capital</b>            | (i) + (ii) = (iii) | <b>70,643</b> | <b>65,104</b> |
| <b>Gearing ratio</b>            | (i)/(iii)          | <b>1%</b>     | <b>4%</b>     |

#### 43 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

Gross amount required to be spent by the Group during the year ₹ 132.19 lakh

Amount spent during the period ending 31 March 2022:

|   | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| Construction / acquisition of any asset | 8       | -                      | 8     |
| On purpose of other than (i) above      | -       | -                      | -     |

An amount of ₹ 125.66 lakhs has been transferred to unspent CSR account for the Financial Year 2021-22

Amount spent during the period ending 31 March 2021:

|   | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| Construction / acquisition of any asset | 30      | -                      | 30    |
| On purpose of other than (i) above      | 100     | -                      | 100   |

- (a) Amount required to be spent by the Company during the year: ₹ 132.19 lakh  
(b) amount of expenditure incurred ₹ 8.08 lakh  
(c) shortfall at the end of the year: ₹ 125.66 lakh. This amount was transferred to unspent CSR account within the prescribed time limit.  
(d) total of previous years shortfall Rs NIL  
(e) reason for shortfall The company was unable to identify and complete the projects before end of the year majorly due to covid-19.  
(f) nature of CSR activities  
(g) details of related party transactions under CSR : NIL  
(h) provision made with respect to a liability incurred by entering into a contractual obligation Rs NIL

43.1 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**44 DISCLOSURE REQUIRED UNDER SCHEDULE III OF COMPANIES ACT, 2013**

(in lakhs)

| NAME OF THE ENTITY                                     | NET ASSETS, I.E. TOTAL ASSETS MINUS TOTAL LIABILITIES |               | SHARE IN PROFIT OR (LOSS)           |              | SHARE IN OTHER COMPREHENSIVE INCOME |              | SHARE IN TOTAL COMPREHENSIVE INCOME |              |
|--|---|---------------|-------------------------------------|--------------|-------------------------------------|--------------|-------------------------------------|--------------|
|  | AS % OF CONSOLIDATED NET ASSETS                       | AMOUNT        | AS % OF CONSOLIDATED PROFIT OR LOSS | AMOUNT       | AS % OF CONSOLIDATED PROFIT OR LOSS | AMOUNT       | AS % OF CONSOLIDATED PROFIT OR LOSS | AMOUNT       |
| <b>Parent</b>  |   |               |                                     |              |                                     |              |                                     |              |
| EDC Limited  | 97.21%  | 86,057        | 98.21%                              | 5,247        | 99.21%                              | 1,785        | 98.46%                              | 7,032        |
| <b>Subsidiaries</b>                                    |   |               |                                     |              |                                     |              |                                     |              |
| Goa Electronics Limited                                | 2.79%   | 2,471         | 1.79%                               | 96           | 0.79%                               | 14           | 1.54%                               | 110          |
| <b>Elimination and Adjustment due to Consolidation</b> |   |               |                                     |              |                                     |              |                                     |              |
|  | 0.00%   | -             | 0.00%                               | -            | 0.00%                               | -            | 0.00%                               | -            |
| <b>TOTAL</b>   | <b>100.00%</b>  | <b>88,528</b> | <b>100.00%</b>                      | <b>5,343</b> | <b>100.00%</b>                      | <b>1,800</b> | <b>100.00%</b>                      | <b>7,142</b> |

**45 THE DISCLOSURES AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI**

**A) CAPITAL**

(in lakhs)

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) CRAR (%)   | 120.34%   | 98.70%    |
| (ii) CRAR Tier I capital (%)   | 116.44%   | 95.16%    |
| (iii) CRAR Tier II capital (%)   | 3.90%     | 3.55%     |
| (iv) Amount of subordinated debt raised as Tier II capital* (Raised during the year: NIL , 31 March 2019: NIL and 1 April 2018: NIL) | -         | -         |
| (v) Amount raised by issue of perpetual debt instruments   | -         | -         |

**B) INVESTMENTS**

(in lakhs)

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| <b>i) Value of investments</b>   |           |           |
| (i) Gross value of investments   |           |           |
| - In India   | 4,287     | 2,546     |
| - Outside India  | -         | -         |
| (ii) Provisions for depreciation/amortisations   |           |           |
| - In India   | (157)     | (716)     |
| - Outside India  | -         | -         |
| (iii) Net value of investments   |           |           |
| - In India   | 4,131     | 1,830     |
| - Outside India  | -         | -         |
| <b>ii) Movement of provisions held towards depreciation/appreciation/amortisationson investments</b> |           |           |
| (i) Opening balance  | 716       | 956       |
| (ii) Add: Provisions made during the year (Net of appreciation)                                      | -         | -         |
| (iii) Less: Write-off/write back of excess provisions during the year                                | 559       | 240       |
| (iv) Closing balance   | 157       | 716       |

**(C) DERIVATIVES****i) Forward rate agreement/interest rate swap***(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| (i) The notional principal of swap agreements   | -         | -         |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | -         | -         |
| (iii) Collateral required by the applicable NBFC upon entering into swaps                                     | -         | -         |
| (iv) Concentration of credit risk arising from the swaps  | -         | -         |
| (v) The fair value of the swap book   | -         | -         |

**ii) Exchange traded interest rate derivatives**

The Group has not traded in exchange traded interest rate derivative during the current and previous year.

**iii) Disclosures on risk exposure in derivatives****Qualitative disclosure**

Details for qualitative disclosure are part of accounting policy as per financial statements. (Refer note. 46)

**Quantitative disclosure***(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| (i) Derivatives (notional principal amount) for hedging | -         | -         |
| (ii) Marked to market positions                         |           |           |
| (a) Asset   | -         | -         |
| (b) Liability   | -         | -         |
| (iii) Credit exposure                                   | -         | -         |
| (iv) Unhedged exposures                                 | -         | -         |

**D) DISCLOSURES RELATING TO SECURITISATION****i) Outstanding amount of securitised assets as per books of the SPVs**

The Group has not entered into securitisation transactions during the current and previous year.

**ii) Details of financial assets sold to securitisation/reconstruction Group for asset reconstruction\****(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) No. of accounts  | -         | -         |
| (ii) Aggregate value (net of provisions) of accounts sold to SC/RC                         | -         | -         |
| (iii) Aggregate consideration  | -         | -         |
| (iv) Additional consideration realised in respect of accounts transferred in earlier years | -         | -         |
| (v) Aggregate gain/(loss) over net book value  | -         | -         |

**iii) Details of assignment transactions undertaken***(in lakhs)*

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| (i) No. of accounts  | -         | -         |
| (ii) Aggregate value of accounts sold, gross exposure                                      | -         | -         |
| (iii) Aggregate consideration for assigned portion   | -         | -         |
| (iv) Additional consideration realised in respect of accounts transferred in earlier years | -         | -         |
| (v) Aggregate gain/(loss) over net book value  | -         | -         |

**iv) Details of non performing financial assets purchased/sold****a) Details of non performing financial assets purchased**

The Group has not purchased any non performing financial asset during the current and previous year.

**b) Details of non performing financial assets sold (other than sale to ARCs)**

The Group has not sold any non performing financial asset during the current and previous year.

E) ASSET LIABILITY MANAGEMENT - MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES\*

(in lakhs)

|   | Over 1 day to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 years | Total  |
|---|------------------------|---------------------------|---------------------------|-------------------------|------------------------|------------------------|--------------|--------|
| Public Deposits                                 | -                      | -                         | -                         | -                       | -                      | -                      | -            | -      |
| Advances (Receivables under financing activity) | 2,859                  | 1,429                     | 4,170                     | 8,517                   | 23,765                 | 13,580                 | 288          | 54,608 |
| Investments                                     | -                      | -                         | -                         | -                       | -                      | -                      | 4,287        | 4,287  |
| Borrowings (Other than public deposits)         | -                      | -                         | -                         | 112                     | -                      | -                      | -            | 112    |
| Foreign currency assets                         | -                      | -                         | -                         | -                       | -                      | -                      | -            | -      |
| Foreign currency liabilities                    | -                      | -                         | -                         | -                       | -                      | -                      | -            | -      |

F) EXPOSURES

I) Exposure to real estate sector

(in lakhs)

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| <b>(i) Direct Exposure</b>   |           |           |
| (a) Residential mortgages  |           |           |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | -         | -         |
| (b) Commercial real estate lending secured by mortgages on commercial real estates                                       | -         | -         |
| (c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:                                     |           |           |
| - Residential  | -         | -         |
| - Commercial real estate   | -         | -         |
| <b>(ii) Indirect Exposure</b>  |           |           |
| Fund based and non-fund based exposures on Housing Finance Companies (HFCs)  | -         | -         |
| Investment in Housing Finance Companies  | -         | -         |

II) Exposure to Capital Market

(in lakhs)

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| (i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested | -         | -         |
| (ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds,      | -         | -         |
| (iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;   | -         | -         |
| (iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented  | -         | -         |
| (v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;   | -         | -         |
| (vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity | -         | -         |
| (vii) Bridge loans to companies against expected equity flows/issues;   | -         | -         |
| (viii) All exposures to Venture Capital Funds (both registered and unregistered)  | -         | -         |
| <b>Total exposure to Capital Market</b>   | -         | -         |

III) Details of financing of Parent Group Products

The Group does not have any financing of parent Group products during the current and previous year.

IV) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded

The Group has not exceeded the prudential exposure limits during the current and previous year.

V) Unsecured advances

Total loans and advances includes ₹ 181.80 lakh which are unsecured advances (31 March 2020: ₹ 1.33 lakh).

G) REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS

No registration have been obtained from any financial sector regulators.

H) DETAILS OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

No penalties has been levied by the Reserve Bank of India or any other Regulators for the year ended 31 March 2021. (Previous year: Nil)

I) DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

No ratings has not been obtained during the current year.

J) REMUNERATION OF NON-EXECUTIVE DIRECTORS

There have been no remuneration provided to any non-executive directors.

K) **DRAW DOWN FROM RESERVES**

During the year, the Group has not drawn down any amount from reserves.

L) **CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (STAGE 3 ASSETS)**

I) **Concentration of deposits**

The Group being a Systemically Important Non-Deposit taking Non-Banking Financial Group registered with Reserve Bank of India, does not accept public deposits.

\* Reserve Bank of India vide its communication dated 8th September 2020 has granted the exemption to the Group from credit concentration norms till March 31, 2022, in respect of those Government owned companies which are in infrastructure development.

V) **Sector-wise NPAs**

(in lakhs)

| Sector                            | 31-Mar-22   | 31-Mar-21 |
|-----------------------------------|---|-----------|
| Agriculture and allied activities | The requisite information of NPAs (Stage 3 assets) sector wise maintained by the Group are different than the sectors stipulated by the RBI. Hence the necessary disclosure has not been made in the financial statements. NPAs of the Group includes large number of nominal value accounts and its sector wise re-classification is not carried by the Group. |           |
| MSME                              |   |           |
| Corporate borrowers               |   |           |
| Services                          |   |           |
| Unsecured personal loans          |   |           |
| Auto loans                        |   |           |
| Other personal loans              |   |           |

O) **DISCLOSURE OF COMPLAINTS**

(in lakhs)

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| No. of complaints pending at the beginning of the year | -         | -         |
| No. of complaints received during the year             | -         | -         |
| No. of complaints redressed during the year            | -         | -         |
| No. of complaints pending at the end of the year       | -         | -         |

P) **THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION -MONITORING OF FRAUDS IN NBFCs ISSUED BY RBI DATED 29 SEPTEMBER 2016**

There were NIL cases (Previous year: NIL cases) of frauds amounting to NIL (Previous year: NIL) reported during the year.

Q) **DISCLOSURES AS REQUIRED FOR LIQUIDITY RISK**

I) **Funding Concentration based on significant counterparty (both deposits and borrowings)**

(in lakhs)

|  | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Number of significant counter parties*                       | -         | -         |
| Amount (NIL)   | -         | -         |
| Percentage of funding concentration to total deposits (%)    | 0.00%     | 0.00%     |
| Percentage of funding concentration to total liabilities (%) | 0.00%     | 0.00%     |

II) **Top 20 large deposits**

The Group being a Systemically Important Non-Deposit taking Non-Banking Financial Group registered with Reserve Bank of India, does not accept public deposits.

III) **Top 10 borrowings**

(in lakhs)

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| Total amount of top 10 borrowings                                 | 112       | 1,429     |
| Percentage of amount of top 10 borrowings to total borrowings (%) | 100.00%   | 100.00%   |

**Funding Concentration based on significant instrument/product\***
*(in lakhs)*

|                                | 31-Mar-22 |                                 | 31-Mar-21 |                                 |
|--------------------------------|-----------|---------------------------------|-----------|---------------------------------|
|                                | Amount    | Percentage of total liabilities | Amount    | Percentage of total liabilities |
| Non-convertible debentures     | -         | 0.00%                           | -         | 0.00%                           |
| Loans from bank                | 112       | 0.60%                           | 1,429     | 10.30%                          |
| Deposits                       | -         | 0.00%                           | -         | 0.00%                           |
| External commercial borrowings | -         | 0.00%                           | -         | 0.00%                           |
| Sub-ordinated debts            | -         | 0.00%                           | -         | 0.00%                           |
| Commercial paper               | -         | 0.00%                           | -         | 0.00%                           |

**Stock ratio**
*(in lakhs)*

|   | 31-Mar-22 | 31-Mar-21 |
|---|-----------|-----------|
| (i) Commercial paper as a percentage of total public funds              | NA        | NA        |
| (ii) Commercial paper as a percentage of total liabilities              | NA        | NA        |
| (iii) Commercial paper as a percentage of total assets                  | NA        | NA        |
| (iv) Other short term liabilities as a percentage of total public funds | NA        | NA        |
| (v) Other short term liabilities as a percentage of total liabilities   | 3.60%     | 6.64%     |
| (vi) Other short term liabilities as a percentage of total assets       | 0.76%     | 1.20%     |
| (vii) Non convertible debentures as a percentage of total public funds  | NA        | NA        |
| (viii) Non convertible debentures as a percentage of total liabilities  | NA        | NA        |
| (ix) Non convertible debentures as a percentage of total assets         | NA        | NA        |

**Institutional set-up for liquidity risk Management**

Refer note of standalone financials statement.

**46 DISCLOSURE OF RESTRUCTURED ACCOUNTS AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI**
*(in lakhs)*

| Type of restructuring - Others+  |                    | Asset Classification |              |          |      |       |
|--|--------------------|----------------------|--------------|----------|------|-------|
|  |                    | Standard             | Sub-standard | Doubtful | Loss | Total |
| Restructured accounts as on 1 April of the FY (opening figures)                                  | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Fresh restructuring during the year*   | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Upgradations to restructured standard category during the FY#                                    | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Restructured standard advances which cease to attract higher provisioning and/or additional risk | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Downgradations of restructured accounts during the FY#   | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Write-offs/Settlements/Recoveries of restructured accounts during the FY*                        | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |
| Restructured accounts as on 31 March of the FY (closing figures)                                 | No. of borrowers   | -                    | -            | -        | -    | -     |
|  | Amount outstanding | -                    | -            | -        | -    | -     |
|  | Provision thereon  | -                    | -            | -        | -    | -     |

47 **Other disclosures**

a) **SMA/overdue categories**

(in lakhs)

| Asset Classification               | Total Exposure | ECL Provision |
|------------------------------------|----------------|---------------|
| SMA (SMA - 0)                      | 233            | 3             |
| Overdue - Standard (SMA 1 & SMA 2) | 394            | 81            |
| Overdue - Others                   | 1,601          | 973           |
| <b>Total</b>                       | <b>2,228</b>   | <b>1,056</b>  |

b) **Asset classification benefit extension**

Asset classification benefit has been extended to NIL accounts having total outstanding of NIL wherein NIL of provision is being carried as on 31 March 2021.

48 **COVID-19 PANDEMIC:**

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Indian Government too had imposed lockdowns starting from March 24, 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on the Group's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Group has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Group, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Group, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

The Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC, Group's lenders to seek/extend moratorium and various other financial support from other banks, agencies in determining the Group's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The Group would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

In assessing the recoverability of loans, receivables, intangible assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Group has also considered the impact of COVID -19 pandemic while estimating the recoverability during the year ended March 31, 2021. Since the situation is rapidly evolving, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor material changes in markets and future economic conditions.

During the year ended March 31, 2021, the Group completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2021. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Group has recorded for the year ended March 31, 2021, an amount of ₹3597.03 lakh towards impairment on financial instruments.

55 The Group has considered Bank Overdraft as part of Cash and Cash Equivalent while preparing Cash Flow Statement. Further, Bank deposits of more than three months has not been considered as part of Cash and Cash Equivalents while preparing Cash Flow Statement, rather it has been considered as part of Investing Activity. This has resulted in restatement of the previous year's Cash Flow Statement. All other previous year's figures have been reclassified, re-arranged and regrouped, wherever necessary.

56 The Corporation had extended the Corporate Loan amounting to ₹ 160.00 lakh to M/S. Vishwas Steel Ltd. On default of repayment of the loan, the pledge against shares held as security has been invoked and the shares of M/S. Mega Corporation Ltd. are held by the Corporation in the Demat Account. No accounting effect has been given for the same as final decision in respect of such shares is yet to be taken. However, considering the notional amount of shares, if any, full provision has been made against the loan amount.

57 An amount of Rs. 135.65 lakh has been spent up to 31.3.2021 towards Convention Center, Dona-Paula. The same is expected to be recovered from the Government of Goa and therefore the same has been netted off against the amount reflected under Govt of Goa\* in Note 18 - OTHER FINANCIAL LIABILITIES.

58 Dividend for the Financial Year 2019-20 was proposed by the Board @1% amounting to ₹ 100.92 lakh and was approved in the Annual General Meeting. The same was paid in June 2021.

59 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

60 As per the audit report of the Associate Company, Goa Antibiotics and Pharmaceuticals Limited for Financial Year 2021-22, qualifications exist for non provisioning of Expected Credit Loss with respect to certain receivables. The same does not affect our consolidated books of accounts as at 31.3.2022 as well as for 31.3.2021. The value of the investment in the said associate in consolidated accounts has been reduced to NIL in view of the negative net worth of the Associate Company. Any additional provision for expenses, including for Expected Credit Loss would not lead to any changes in the consolidated books of accounts for the said year.

61 The auditor of our associate company Goa Antibiotics and Pharmaceuticals Limited has issued a qualified opinion in his audit report for Financial Year 2021-22 based on following observations:

1. "Company has not measured expected credit losses of financial assets as per requirements of IND-AS 109 Financial Instruments. Expected credit losses are required to measure to reflect

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b. the time value of money; and

c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2. The Company had marketing arrangements with M/s Goa Food & Pharma (P) Limited. The party owes the company an amount of ₹ 50.32 Lakh as per the terms of Arbitration Award out of which ₹ 412.99 Lakh is towards substantive claims and ₹ 437.32 Lakh towards interest. The company had recognized in the earlier year interest to the extent of ₹ 264.94 Lakh and created equal allowance for expected credit loss in the books of accounts. Further a deposit had also been given to Goa Food & Pharma (P) Limited of ₹ 165.59 Lakh.

In case of two other parties M/s Emcee Enterprises and M/s Madhur Pharma, the company has preferred an appeal against them for recovering dues amounting to ₹ 55.16 Lakh and ₹ 15.04 Lakh respectively. The above amounts are shown in debtors however no allowance for expected credit loss is made for the dues. There is no information as regards the financial ability of the parties for payments of these debts. As a result, auditors were unable to determine whether full or partial allowance for expected credit loss should have been made in the Profit and Loss Account for these dues.

The company reports Earnest Money Deposit lying with several government departments to the tune of ₹ 18.50 Lakh. Out of this, deposits to the tune of ₹ 12.15 Lakh are outstanding for more than 3 years old and no information is available as regards financial commitment of the parties for refund of these deposits. Company has not provided any allowance for expected credit loss for these dues."

The financial impact of the above qualification in the consolidated Financial Statements is only to the extent of 26% being the proportion of shareholding of the EDC Limited (Holding Company) in the Associates Company.

However, the above qualification does not affect consolidated books of accounts as at March 31, 2022 as well as for March 31, 2021. Since the value of the investment in the said associate in Standalone and consolidated accounts of EDC Limited has been reduced to Nil by making impairment loss allowance on same, in view of the negative net worth of the Associate Company. Any additional provision for expenses, including for Expected Credit Loss would not lead to any changes in the consolidated books of accounts for the said years.

62 The financial statements of the Group were authorised for issue in accordance with a resolution of the directors on 18.10.2022

As per our report of even date

For ABM & Associates LLP

Chartered Accountants

Firm Registration No. : 105016W / W100015

-Sd-

Shailesh Mundaye

Partner

Membership No : 152631

Place : Porvorim, Goa

Date :

For and on behalf of the Board of Directors

-Sd-

SADANAND SHET TANAVADE

Chairman

DIN : 08525108

-Sd-

B S PAI ANGLE

Managing Director

DIN : 07206897

-Sd-

ASHWIN KAMAT

Chief Financial Officer

Place: Panaji Goa

Date:

-Sd-

GOVIND NARVEKAR

Company Secretary

M No. 26759

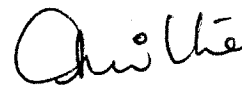
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT 2013 ON THE  
STANDALONE FINANCIAL STATEMENTS OF EDC LIMITED, GOA, FOR THE  
YEAR ENDED 31 MARCH 2022.**

The preparation of standalone financial statements of 'EDC Limited, Goa' for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 August 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of EDC Limited, Goa for the year ended 31 March 2022 under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**



**(Anitha Balakrishna)  
Principal Accountant General**

**PLACE : Goa  
DATE : 08 February 2023**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EDC LIMITED, GOA, FOR THE YEAR ENDED 31 MARCH 2022.**

The preparation of consolidated financial statements of 'EDC Limited, Goa' for the year ended **31 March 2022** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **25 November 2022**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **EDC Limited, Goa** for the year ended **31 March 2022** under section 143 (6) (a) read with section 129(4) of the Act. We did not conduct supplementary audit of the financial statements of **Goa Electronics Limited, Goa Auto Accessories Limited and Goa Antibiotics and Pharmaceuticals Limited** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**



**(Anitha Balakrishna)  
Principal Accountant General**

**PLACE : Goa  
DATE : 08 February 2023**