

Private and Confidential- For Private Circulation only

(This Disclosure Document/Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus)

Dated: **June 25, 2020**

Schedule – I Disclosures as per SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended (including Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012) and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015), SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011 and Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

ECL FINANCE LIMITED

ECL Finance Limited was incorporated on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956. The Company received the certificate of commencement of business on August 4, 2005. The CIN of the Company is U65990MH2005PLC154854.

Registered Office:

Edelweiss House, Off. C.S.T. Road,
 Kalina, Mumbai – 400098, Maharashtra, India,
 Tel: +91 22 4009 4400; Fax: +91 22 4086 3759
 E-mail: CS.CBG@edelweissfin.com;
 Website: <https://eclfinance.edelweissfin.com>

ISSUE BY WAY OF PRIVATE PLACEMENT BY ECL FINANCE LIMITED (THE “COMPANY” / “ISSUER”) OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000 EACH WITH A BASE ISSUE OF RS 25 CRORE (“BASE ISSUE”) WITH A GREEN SHOE OPTION OF RS 250 CRORE AGGREGATING TO RS. 275 CRORES (THE “ISSUE”)

GENERAL RISKS	
Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Securities and Exchange Board of India (“SEBI”) does not take any responsibility for this Issue in any manner.	
GENERAL DISCLAIMER	
This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by ECL Finance Limited. This Disclosure Document is for the exclusive use of the intended recipient(s) to whom it is addressed and delivered and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same person / entity shall be deemed to be offered to the same person. It has to be distinctly understood that this Information Memorandum should not in any way be deemed/construed to have been approved or vetted by SEBI and this issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However the company undertakes to file this Information Memorandum and/or Private Placement Offer Letter with the registrar of companies (through the online portal provided by the Ministry of corporate Affairs) and SEBI within 30 days from the date of circulation of the Private Placement Offer Letter as per the provisions of the Companies Act, 2013 and the rules there under.	
CREDIT RATING	
CARE AA-; Outlook: Negative (Double A Minus ; Outlook: Negative) and CRISIL AA-; Outlook: Negative (pronounced as CRISIL double A minus rating) for Series I NCD and [ICRA]A+ (Negative) for Series II NCDs. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.	
LISTING	
The Debentures are proposed to be listed on BSE (the “Stock Exchange”).	
ISSUE PROGRAMME	
ISSUE OPENS ON: June 29, 2020	ISSUE CLOSES ON: June 29, 2020

The Company reserves the right to extend or close the Issue earlier from the aforesaid dates or change the Issue schedule including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.

DEBENTURE TRUSTEE	REGISTRAR TO ISSUE
 <p>Beacon Trusteeship Limited 4 C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai- 400 051 Tel: +91 22 26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Mr. Vitthal Nawandhar</p>	 <p>Link Intime India Private Limited C- 101, 1st Floor, 247 Park LBS Marg, Vikhroli (West) Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: eclncd.july2019@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan</p>



Edelweiss
 Ideas create, values protect

TABLE OF CONTENTS

Sr. No.	Particulars
1.	Definitions and Abbreviations
2.	Issuer Information
3.	A Brief summary of business/activities of the Issuer and its line of business
4.	Brief history of the Issuer
5.	Details of the Shareholding Pattern of the Company
6.	Our Management
7.	Details of auditors of the Company
8.	Details of borrowings of the Company
9.	Details of Promoters of the Company
10.	Abridged version of Audited Standalone Financial information for at least last three years
11.	Audited financial results for the half year ended 30 September, 2019
12.	Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.
13.	The names of the debenture trustee(s) and consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.
14.	The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies
15.	If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.
16.	Copy of consent letter from the Debenture Trustee
17.	Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange
18.	Other details
19.	Management's Perception of Risk Factors
20.	Undertakings by the Investor
21.	Disclaimers
22.	Summary Term Sheet
23.	Declaration

1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Term	Description
"ECL Finance Limited" or "ECLF" or the "Company" or the "Issuer"	ECL Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India
Articles of Association	Articles of Association of the Company, as amended from time to time.
Board of Directors/Board	The Board of Directors of the Company and includes committee thereof.
Memorandum of Association	The Memorandum of Association of the Company, as amended from time to time.
Promoter(s) / Holding Company	Edelweiss Financial Services Limited
Disclosure Document	Offer Document / Information Memorandum / Private Placement Offer Letter / Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

Issue Related Terms

Term	Description
Affiliate (s)	Affiliate (s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person.
AGM	Annual General Meeting
Application Form	The form in which an investor can apply for subscription to the Debentures.
BSE /Stock Exchange	BSE Limited
Bankers to the Issue	The banker to the Issue is ICICI Bank Limited.
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
CDSL	Central Depository Services (India) Limited.
Credit Rating Agency	CARE Ratings Limited CRISIL Limited and ICRA Limited
Events of Default	The occurrence of any one of the events as mentioned in the Trust Deed and the Term Sheet shall constitute an Event of Default.
Debentures	Secured Redeemable Non-Convertible Debt in the nature of Debentures (the “Debenture”/”NCDs”) of Face Value of Rs. 10,00,000/- each aggregating to Rs. 275 Crores for Series I and II
Debenture Trust Deed	Debenture Trust Deed between the Company and Beacon Trusteeship Limited (the Debenture Trustees) as stated in the Summary Term Sheet
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DP-ID	Depository Participant Identification Number.
EGM	Extra-ordinary General Meeting
Equity Shares	Equity shares of the Company of face value of Re. 1 each.
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and registered with the SEBI under applicable laws in India.
NBFC	Non Banking Financial Company
NSDL	National Securities Depository Limited.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
NSE	National Stock Exchange of India Limited.
Disclosure Document	This Disclosure Document/Private Placement Offer Letter through which the Debentures are offered on private placement basis
PAN	Permanent Account Number.
RBI	Reserve Bank of India
Registered Debenture Holder	The Debenture holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office.
SCRA	Securities Contracts (Regulations) Act, 1956.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Working Days	All days except Saturday, Sunday and any public holiday.

2. ISSUER INFORMATION

(i) REGISTERED OFFICE & CORPORATE OFFICE OF THE ISSUER

ECL Finance Limited

CIN: U65990MH2005PLC154854

Edelweiss House, Off. C.S.T. Road,
Kalina, Mumbai – 400 098, Maharashtra, India,
Tel: +91 22 4009 4400; Fax: +91 22 4086 3759
E-mail: cs@edelweissfin.com;
Website: www.edelweissfin.com

(ii) COMPANY SECRETARY & COMPLIANCE OFFICER OF THE ISSUER:

Mr. Archibold Serrao
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098,
Maharashtra, India.
Tel: +91 22 4009 4400; Fax: +91 22 4086 3759

(iii) CFO OF THE ISSUER:

Mr. Sarju Simaria
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098,
Maharashtra, India.
Tel: +91 22 4009 4400; Fax: +91 22 4086 3759

(iv) DEBENTURE TRUSTEE

Beacon Trusteeship Limited

4 C& D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club
Bandra (East), Mumbai- 400 051
Tel: +91 22 26558759
Email: compliance@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Mr. Vitthal Nawandhar

(v) REGISTRAR TO THE ISSUE

Link Intime India Private Limited

C- 101, 1st Floor, 247 Park
LBS Marg, Vikhroli (West)
Mumbai 400083 Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: eclncd.july2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan

(vi) CREDIT RATING AGENCIES TO THE ISSUE

CARE Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Road
Off. Eastern Express Highway, Sion (East)
Mumbai 400 022

Tel: +91 22 6754 3456
Fax: +91 22 6754 3457/67
Website: www.careratings.com

CRISIL Limited
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai – 400 076
Phone: +91 22 3342 3000
Fax: +91 22 4040 5800
Website: www.crisil.com

ICRA Limited
1105, Kailsah Building,
11th Floor, 26 Kasturba Gandhi Marg,
New Delhi – 110001
Phone: +91 11 23357940 - 45

(vii) AUDITORS OF THE ISSUER

Name: S. R. Batliboi & Co. LLP
Address: 12th Floor, The Ruby,
29, Senapati Bapat Marg, Dadar (West),
Mumbai - 400 028, Maharashtra, India

3. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

(a) Overview

ECL Finance Limited (ECLFL) was incorporated in Mumbai on July 18, 2005 as a Public Limited Company with primary objective for taking up financing and investment activities. ECLFL received its certificate of commencement of business on August 4, 2005 and Certificate of Registration as a Non-Banking Financial Institution not accepting public deposits from Reserve Bank of India (RBI) on April 24, 2006. Presently, its Registered Office is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400098, Maharashtra. The Company is primarily engaged in the business of structured collateralized finance, real estate finance, the Capital Market Related Financing Business, loans against properties, small and medium enterprise loans, agricultural and rural finance and construction finance and such other business as the Company may undertake from time to time. The Company is a Subsidiary of Edelweiss Financial Services Limited. Further, ECLFL is a Loan Company.

The Company offers various types of financing and ancillary services to individuals and corporates and designs the products to suit the requirements of the customers.

The Company also provides loan against securities including finance for investment in primary market issues as part of its capital market financing activities. The Company helps promoters by financing against their holding to meet its business requirements, expansion of businesses and diversification in other lines of businesses..

The Company is headquartered in Mumbai. As on March 31, 2020, the Company has network of 116 branches across India, which enables us to service clients across locations.

Product Offering

- **Small and Medium Enterprises Loan**

SME Lending is funding to SME sector (including Micro through customized term loans structured to suit varied business needs. This relates to credit facilities and short-term loans to SMEs for meeting their business and/or working capital requirements

- **Loan against Property**

This relates to loans offered to self-employed individuals or professionals for business or other purposes against a mortgage of residential or commercial property. With this product customer can borrow funds against existing property for business as well as investment need.

- **Structured Collateralized Finance**

Structured collateralized finance is offered mostly to promoters / corporates against collateral such as liquid market securities, pledge of other securities, pledge of shares by promoters, immovable property, etc. The loans include bridge financing or other short-term loans to corporates. The funds raised are utilized for the working capital requirement of the corporates or expansion and diversification of business or for funding the companies in special situations like acquisition financing etc.

- **Real Estate Finance**

Real Estate Finance is offered as structured financing solutions for finance/ loans to developers for real estate projects under construction. The Company also provides real estate loans offered to developers for construction of residential projects, against mortgage of the same property and/or other collateral.

- **Capital Market Financing**

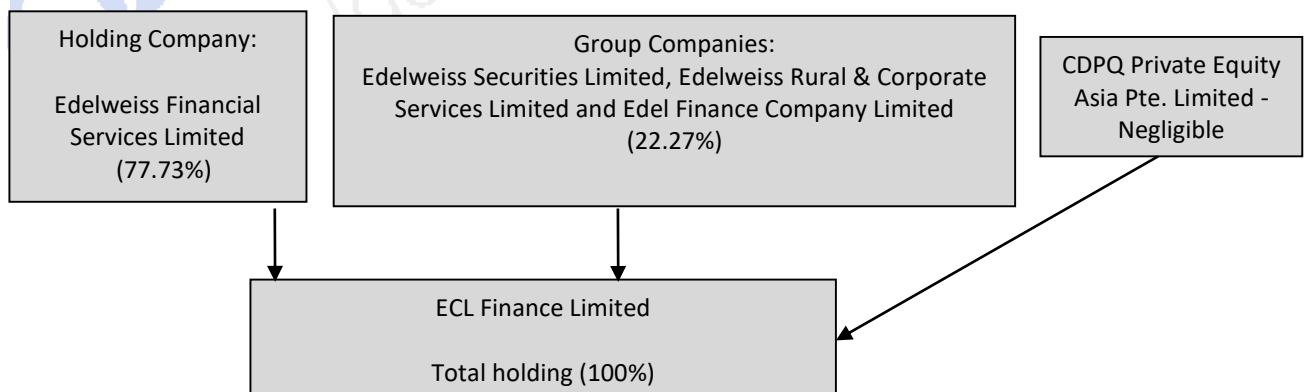
Loan Against Securities (LAS) is a Loan Facility offered against collateral of Equity Shares and other securities. With this product, the investors can borrow funds against securities and also includes financing of public offers of securities and employee stock ownership plan ("ESOP").

- **Agriculture and Rural Finance**

Agricultural finance relates to short term finance (usually for a period of three to nine months) against agri-commodities inventory stored in the warehouse.

Rural finance relates to small ticket loans in the nature of micro-finance through identified micro-finance channel partners to rural population.

(b) Corporate Structure:



(c) A summary of our key operational and financial parameters on a standalone basis, under Ind AS, are as follows:

Amount in million

Parameters	As at and for half year ended	As at and for the year ended
	September 30, 2019	March 31, 2019
Equity (Note 1)	39,361.29	38,494.52
Total Borrowings:	2,23,688.10	2,28,153.89
Debt securities	97,127.45	94,871.85
Borrowings (other than debt securities)	1,06,706.96	1,13,287.45
Subordinated Liabilities	19,853.69	19,994.59
Property, Plant and Equipment and Other Intangible assets (Note 2)	928.44	684.34
Financial assets (Note 3)	43,429.34	32,199.18
Non-financial assets (Note 4)	3,855.97	2,339.99
Cash and cash equivalents	9,724.45	985.40
Bank balances other than cash and cash equivalents	1,106.48	470.24
Financial liabilities (Note 5)	9,294.03	7,465.74
Non-financial liabilities (Note 6)	809.42	531.74
Loans (Note 7)	2,14,108.16	2,37,966.74
Interest Income	17,992.17	37,594.49
Finance Costs	12,046.16	24,398.26
Impairment on financial instruments	3,303.56	2,468.77
Total Comprehensive Income	886.54	5,655.53
Gross NPA (%)	2.60%	1.87%
Net NPA	1.49%	0.69%
CRAR - Tier I Capital Ratio (%)	14.11%	14.27%
CRAR - Tier II Capital Ratio (%)	9.06%	5.00%

1. "Equity" refers to the aggregate of Equity share capital and Other equity
2. "Fixed Assets" refers to the aggregate of Property, Plant and Equipment, Other intangible assets, Capital work in progress and Intangible assets under development.
3. "Financial assets" refers to the aggregate of Derivative financial instruments, Stock in trade, Receivables, Other receivables, Investments and Other financial assets.
4. "Non-financial assets" refers to the aggregate of Current tax assets (net), Deferred tax assets (net) and Other non-financial assets.
5. "Financial liabilities" refers to the aggregate of Derivative financial instruments, Trade payables and Other financial liabilities
6. "Non-financial liabilities" refers to the aggregate of Current tax liabilities (net), Provisions and Other non-financial liabilities.

Debt Equity Ratio

Amount in crores

Particulars	Pre Issue	Post Issue
D/E Ratio - Including Treasury		
Total Borrowings	22,352.95	22,627.95
Less: Compulsory Convertible Debentures	-1,039.50	-1,039.50
Borrowings (net of CCD)	21,313.45	21,588.45
Capital + Compulsory Convertible Debentures	4,999.07	4,999.07
D/E Ratio (Including Treasury Assets)	4.26	4.32

*Note: Pre Issue figures are as on December 31, 2019 and Post Issue figures assuming an inflow of Rs 275 crores

A summary of our key operational and financial parameters on a standalone basis, under I GAAP, are as follows:

Amount in million

Parameters	As at and for the year ended	As at and for the year ended
	March 31, 2018	March 31, 2017
Net worth (Note 1)	29,393.79	23,573.30
Total Borrowings:	2,22,944.57	1,78,411.57
- Long Term Borrowings	1,34,263.66	91,933.54
- Short Term Borrowings	58,117.29	58,812.99
- Current Maturities of Long Term Secured Borrowings	30,563.62	27,665.04
Fixed Assets (Note 2)	626.48	543.28
Non-Current Assets (Note 3)	10,405.57	9,758.86
Cash and Bank balances	2,508.49	11,677.78
Current Investments	0.43	67.23
Current Assets (Note 4)	33,928.27	18,775.93
Non-Current Liabilities (Note 5)	5,475.79	2,120.37
Current Liabilities (Note 6)	9,736.32	7,534.68
Loan Book (Note 7)	2,20,081.23	1,70,816.84
Interest Income	28,981.79	23,117.08
Finance Cost	17,112.09	13,689.69
Provisioning & Write-offs (Note 8)	3,345.42	2,733.37
PAT	4,620.47	3,903.18
Gross NPA (%) (Note 9)	1.82%	1.85%
Net NPA (%) (Note 10)	0.75%	0.64%
CRAR - Tier I Capital Ratio (%)	11.82%	11.35%
CRAR - Tier II Capital Ratio (%)	5.27%	4.79%

Notes: The below notes are applicable to the key operational and financial parameters for last two completed Financial Years as specified below, are as follows:

1. "Net Worth" refers to the aggregate of share capital and reserves and surplus.
2. "Fixed Assets" refers to the aggregate of property plant and equipment, intangible assets, capital work-in-progress and intangible under development.
3. "Non-Current Assets" refers to the aggregate of non-current investments, capital advances, non-current portion of unamortised loan origination costs, security deposits, long term advance income taxes, and other non-current assets (as per note no. 15 of the Reformatted Financial Information).

4. "Current assets" include stock-in-trade except credit substitutes, trade receivables, deposits placed with exchanges, depositories and others, prepaid expenses, current portion of unamortised loan origination costs, loans and advances to employees, vendor advances, input tax credit, short term advance income taxes, advances recoverable in cash or kind and other current assets except accrued interest on loans given.

5. "Non-Current liabilities" refers to the aggregate of other long term liabilities and long term provisions.

6. "Current liabilities" refers to the aggregate of trade payables, other current liabilities and short term provisions but excludes current maturities of secured long term debt.

7. "Loan book" is the aggregate of the Company's long term loans and advances (secured and unsecured), short term loans and advances (secured and unsecured), including loans given to related parties, debentures in the nature of loans, accrued interest on loans and credit substitutes, if any.

8. "Provisioning & Write-offs" refers to the aggregate of Bad- debts and advances written off, Loss on sale of non performing assets, Provision for standard assets, Provision for restructured assets, Provision for non performing assets, Provision for credit loss on securitisation.

9. "Gross NPAs (%)" refers to Gross NPAs divided by Loan book.

10. "Net NPAs" reflect our Gross NPAs less provisions for NPAs and "Net NPA (%)" refers to the ratio of Net NPAs to total assets under management.

(d) Project cost and means of financing, in case of funding of new projects : Not applicable

a. A BRIEF HISTORY OF THE ISSUER

i. History:

ECL Finance Limited (ECLFL) was incorporated in Mumbai on July 18, 2005 as a Public Limited Company with primary objective for taking up financing and investment activities. ECLFL received its certificate of commencement of business on August 4, 2005 and Certificate of Registration as a Non-Banking Financial Institution not accepting public deposits from Reserve Bank of India (RBI) on April 24, 2006. Presently, its Registered Office is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400098, Maharashtra. The Company is primarily engaged in the business of structured collateralized finance, real estate finance (including construction finance), the Capital Market Related Financing Business, loans against properties, small and medium enterprise loans and agricultural and rural finance and such other business as the Company may undertake from time to time. The Company is a Subsidiary of Edelweiss Financial Services Limited. Further, ECLFL is a Loan Company.

ii. Capital Structure of the Company as on March 31, 2020:

Particulars	Amount (Rs. in Crs)
A. Authorised Capital	
6,70,00,00,000 (Previous year: 670,00,00,000) Equity shares of Re. 1 each (Previous year: Re. 1 each)	670
40,00,000 (Previous year: 40,00,000) Preference shares of Rs. 10 each (Previous year: Rs. 10 each)	4
Total	674
B. Issued, Subscribed and Paid Up Capital	
2,138,267,650 (Previous year: 2,138,266,650) Equity shares of Re. 1 (Previous year: Re.1) each, fully paid-up	213.83
Total	213.83
Paid up capital	
(A) after the offer;.	There will be no change in the Capital and Share Premium after the Offer.
(B) after conversion of convertible instruments (if applicable)	
(d) share premium account (before and after the offer)	

iii. Change in share capital as on March 31, 2020 (for last five years):

(i) Authorized Share Capital and the changes therein:

None

(ii) Change in Equity Share Capital and changes therein:

5,62,58,790 equity shares issued on March 31, 2018;

162,030,004 Equity Shares of Re. 1 each issued on August 1, 2018;
 28,129,394 Equity Shares of Re. 1 each issued on August 29, 2018;
 1,000 Equity Shares of Re. 1 each issued on May 7, 2019.

(b) Equity Share Capital History of the Company as at March 31, 2020

Date of Allotment	No. of Equity Shares	Face Value (in `)	Issue Price (in `)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in `)	Cumulative Equity Share Premium (in `)
July 18, 2005	1,00,000	10	10	Cash	Allotment to the Subscribers to the Memorandum ¹	100,000	1,000,000	NIL
August 12, 2005	1,950,000	10	10	Cash	Allotment ²	2,050,000	20,500,000	NIL
March 30, 2007	200,000	10	500	Cash	Allotment ³	2,250,000	22,500,000	98,000,000.00
April 20, 2007	22,500,000	1	-	-	Subdivision ⁴	22,500,000	22,500,000	98,000,000.00
May 14, 2007	22,500,000	1	-	Bonus	Bonus issue ⁵	45,000,000	45,000,000	98,000,000.00
May 18, 2007	278,446,363	1	6.47	Cash	Preferential allotment ⁶	323,446,363	323,446,363	1,621,895,390.00
May 18, 2007	113,643,317	1	5.99	Cash	Preferential allotment ⁷	437,089,680	437,089,680	2,188,852,073.00
January 15, 2008	33,333,333	1	30	Cash	Preferential allotment ⁸	470,423,013	470,423,013	3,155,518,730.00
January 15, 2008	33,333,333	1	30	Cash	Preferential allotment ⁹	503,756,346	503,756,346	4122185387.00
January 15, 2008	13,328,300	1	30	Cash	Preferential allotment ¹⁰	517,084,646	517,084,646	4,508,706,087.00
January 15, 2008	13,090,500	1	29.99	Cash	Preferential allotment ¹¹	530,175,146	530,175,146	4,888,329,560.25
January 18, 2008	40,000,000	1	30	Cash	Preferential allotment ¹²	570,175,146	570,175,146	6,048,329,560.25
December 05, 2008	50,000,000	1	6	Cash	Allotment pursuant to conversion of options ¹³	620,175,146	620,175,146	6,298,329,560.25
January 02, 2009	1,271,673,316	1	1.80	Cash	Rights Issue ¹⁴	1,891,848,462	1,891,848,462	7,315,668,213.05
March 31, 2018	5,62,58,790	1	21.33	Cash	Rights Issue ¹⁵	1,948,107,252	1,948,107,252	8,459,409,413.75
August 1, 2018	162,030,004	1	21.33	Cash	Rights Issue ¹⁶	2,110,137,256	2,110,137,256	11,753,479,395.00
August 29, 2018	28,129,394	1	21.33	Cash	Rights Issue ¹⁷	2,138,266,650	2,138,266,650	12,325,349,975.00
May 7, 2019	1000	1	31	Cash	Preferential Allotment ¹⁸	2,138,267,650	2,138,267,650	12,325,380,975.00
Total						2,138,267,650	2,138,267,650	12,325,380,975.00

¹ Initial allotment of 99,994 equity shares to the subscribers to the Memorandum viz. Edelweiss Financial Services Limited, and 1 equity share each to Mr. Rashesh Shah, Mr. Venkatachalam Ramaswamy, Mr. Deepak Mittal, Mr. Shriram Iyer, Mr. Rajeev Mehrotra and Mr.

Prasad Baji.

² Allotment of 1,950,000 equity shares to Edelweiss Financial Services Limited.

³ Allotment of 200,000 equity shares to Edelweiss Financial Services Limited.

⁴ The face value of the equity shares of our Company was sub-divided from ` 10 each to ` 1 each through a resolution of the shareholders of our Company dated April 20, 2007

⁵ Allotment of 22,500,000 Equity Shares to the existing Equity Shareholders of our Company in the ratio of one new Equity Shares for every one existing Equity Shares held as on April 20, 2007 pursuant to capitalization of share premium/general reserves i.e. 22,499,940 Equity Shares to Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Rashesh Shah jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Venkatachalam Ramaswamy jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Mr. Deepak Mittal jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Shriram Iyer Jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Rajeev Malhotra jointly with Edelweiss Financial Services Limited, 10 Equity Shares to Prasad Baji jointly with Edelweiss Financial Services Limited.

⁶ Preferential allotment of 278,446,363 Equity Shares to Edelweiss Financial Services Limited.

⁷ Preferential allotment of 113,643,317 Equity Shares to Lehman Brothers Netherlands Horizons Limited Horizons BV.

⁸ Preferential allotment of 33,333,333 Equity Shares to Edelweiss Financial Services Limited.

⁹ Preferential allotment of 33,333,333 Equity Shares to Lehman Brothers Netherlands Horizons BV.

¹⁰ Preferential allotment of 13,328,300 Equity Shares to Galleon Special Opportunities Master Fund SPC Limited-Galleon Asian Crossover Segregated Portfolio.

¹¹ Preferential allotment of 13,090,500 Equity Shares to Shuaa Capital PSC.

¹² Preferential allotment of 40,000,000 Equity Shares to Waverly Pte Ltd.

¹³ Allotment of 50,000,000 Equity Shares to Edelweiss Financial Services Limited pursuant to conversion of options.

¹⁴ Rights Issue of 1,093,179,433 Equity Shares to Edelweiss Financial Services Limited, 35,818,473 Equity Shares to Galleon Special Opportunities Master Fund SPC Limited-Galleon Asian, 35,179,410 Equity Shares to Shuaa Capital PSC, 107,496,000 Equity Shares to Waverly Pte Ltd, in the ratio of 5.3748 to 1 Equity Shares.]

¹⁵ Rights Issue of 5,62,58,790 Equity Shares to Edel Finance Company Limited,

¹⁶ Rights Issue of 162,030,004 Equity Shares to Edelweiss Financial Services Limited

¹⁷ Rights Issue of 28,129,394 Equity Shares to Edel Finance Company Limited

¹⁸ Preferential Allotment of 1,000 Equity Shares to CDPQ Private Equity Asia Pte. Ltd

(e) Details of any acquisitions or amalgamation in the last one year:

Our Company has not made any acquisition or amalgamation in the last one year prior to the date of this Offer Document. However, the Company has filed an application under Section 230 to 232 of the Companies Act, 2013 before the National Company Law Tribunal ("NCLT") Mumbai Bench on March 26, 2019 for merger of Edelweiss Retail Finance Limited with the Company. Further, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders' meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/ unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of ERFL with the Company, which was approved by the RBI on September 27, 2019.

Further, EHFL has made an application dated March 12, 2019 to NHB, seeking its approval for transfer of entire shareholding of its existing shareholders viz. EFSL (holding 30.35%), Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (holding 55.23%) and Edel Finance Company Limited (holding 14.42%) to ECLF such that ECLF would become the holding company of EHFL. In this regard, NHB vide its letter dated October 14, 2019 has communicated that, considering the transfer of regulatory powers over the Housing Finance Companies from the National Housing Bank to the Reserve bank of India with effect from August 9, 2019 pursuant to the provisions of the Finance Act 2019, the said application of EHFL for change in shareholding pattern from current shareholders to ECL Finance Limited has been forwarded to RBI.

(f) Details of any reorganization or reconstruction in the last one year:

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to the date of this Offer Document. Shareholders' Agreement dated March 5, 2019 to be read with Amendment Agreement dated March 22, 2019 and Amendment Agreement dated May 6, 2019 ("Shareholders' Agreement") with Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited (collectively referred to in the SHA as the "Promoters") and CDPQ Private Equity Asia Pte. Ltd. (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec, for an investment amounting to approximately INR 18,000,000,000 (Indian Rupees eighteen thousand million) into the credit business vertical of our Company.

The Company entered into a subscription for securities agreement dated March 5, 2019 to be read with Amendment Agreement dated March 22, 2019 and Amendment Agreement dated May 6, 2019 ("Securities Subscription Agreement") with the Investor and the Promoter for the purpose of subscription to the Equity Securities. The subscription is sought to be done in three tranches for the Equity Securities and shall be utilised for the purposes of the business plan envisaged in the Shareholders' Agreement.

Further, our Company has also made an application under section 230 to 232 of the Companies Act, 2013 filed before the National Company Law Tribunal Mumbai Bench on March 26, 2019 in relation to the merger of ERFL with our Company. Further, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders' meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/ unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of ERFL with the Company, which was approved by the RBI on September 27, 2019. Further, post Shareholders' Agreement, CDPQ Private Equity Asia Pte. Ltd. has also received approval from the Competition Commission of India on April 26, 2019.

Further, EHFL has made an application dated March 12, 2019 to NHB, seeking its approval for transfer of entire shareholding of its existing shareholders viz. EFSL (holding 30.35%), Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (holding 55.23%) and Edel Finance Company Limited (holding 14.42%) to ECLF such that ECLF would become the holding company of EHFL. In this regard, NHB vide its letter dated October 14, 2019 has communicated that, considering the transfer of regulatory powers over the Housing Finance Companies from the National Housing Bank to the Reserve bank of India w.e.f August 9, 2019 pursuant to the provisions of the Finance Act 2019, the said application of EHFL for change in shareholding pattern from current shareholders to ECL Finance Limited has been forwarded to RBI.

DETAILS OF THE SHAREHOLDING PATTERN AS ON MARCH 31, 2020

iv. Shareholding pattern of the Company as on March 31, 2020

Sr. No.	Particulars	Total No. of Equity Shares	No. of Shares in Demat form	Total Shareholding as % of total no. of Equity Shares
1.	Promoter*	1,66,19,89,133	Nil	77.73%
2.	Promoter Group	47,62,77,517	391,889,333	22.27%
3.	Others	1000	1000	Negligible
	Total	2,138,267,650	391,890,333	100%

* including 6 shares held by nominees of Promoters.

* none of the shares are pledged or encumbered.

(b) List of Top 10 holders of Equity Shares of the Company as on March 31, 2020

Sr. No.	Name of Shareholder	No. of Equity Shares held	No of Shares in Demat form	% of Share Holding
1	Edelweiss Financial Services Limited(EFSL)	1,661,989,127	Nil	77.73
2	Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	294,472,650	294,472,650	13.77
3	Edelweiss Securities Limited.	97,416,683	97,416,683	4.56
4	Edel Finance Company Limited.	84,388,184	Nil	3.94
5	CDPQ Private Equity Asia Pte. Limited	1,000	1,000	Negligible
6	Mr. B. Renganathan as nominee of EFSL*	1	Nil	Negligible
7	Mr. Vinit Agarwal as nominee of EFSL*	1	Nil	Negligible
8	Mr. Dipakkumar K. Shah as nominee of EFSL*	1	NIL	Negligible

9	Mr. Ganesh Umashankar as nominee of EFSL*	1	Nil	Negligible
10	Mr. Ashish Bansal as nominee of EFSL*	1	Nil	Negligible
11	Mr. Amit Pandey as nominee of EFSL*	1	Nil	Negligible
	Total	2,138,267,650	391,890,333	100

*these are nominee shareholders

b. OUR MANAGEMENT

The Articles of Association provides that the minimum number of directors shall be not less than three and that the maximum number of directors shall be not more than 12 (unless otherwise determined by the Company in a general meeting), out of which the CDPQ Private Equity Asia Pte. Ltd. has the right to nominate two non-executive Directors and the Company has the right to nominate up to six nominee Directors. The remaining four Directors shall be Independent Directors. As on September 30, 2019, the Company had one Chairman and Managing Director, one Non-Executive Director, one Vice Chairman and Non-Executive Director, three Independent Directors, one Managing Director and Chief Executive Officer and one Non-Executive Director nominated by CDPQ Private Equity Asia Pte. Ltd. On May 7, 2019, post the Investment, CDPQ Private Equity Asia Pte. Ltd. has appointed Mr. Lim Meng Ann as the Non-Executive Director – nominee director on the Board of Directors of the Company. The general superintendence, direction and management of our affairs and business are vested in the Board of Directors. Currently, we have 8 (Eight) Directors on the Board of Directors.

DETAILS OF DIRECTORS

a) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON MARCH 31, 2020

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
Mr. Rashesh Shah Designation: Chairman and Managing Director DIN: 00008322 Nationality: Indian Occupation: Service Address: B- 233, 10 th Floor, Kalpataru Horizon – B, S.K. Ahire Marg, Worli, Mumbai – 400 018	56	August 1, 2013	1. Edelweiss Financial Services Limited 2. Mabella Trustee Services Private Limited 3. Edelweiss Tokio Life Insurance Company Limited 4. Rashesh & Vidya Shah Family Foundation
Mr. Deepak Mittal Designation: Managing Director & CEO DIN: 00010337 Nationality: Indian Occupation: Service Address: B-1103, Ashok Towers, Dr. S. S. Rao Road, Parel, Mumbai- 400012	46	February 18, 2019	1. Edel Give Foundation 2. Edelweiss Tokio Life Insurance Company Limited 3. Edelweiss Housing Finance Limited
Ms. Vidya Shah Designation: Non-Executive Director DIN: 00274831 Nationality: Indian Occupation: Service Date of Appointment: March 20, 2015 Term: Liable to retire by rotation Address: B- 223, 9th Floor, Kalpataru Horizon – B, S.K. Ahire Marg, Worli, Mumbai – 400 018	53	March 20, 2015	1. Common Purpose India; 2. EdelGive Foundation; 3. Edelweiss Asset Reconstruction Company Limited; 4. Edelweiss Financial Services Limited; 5. Toolbox India Foundation; 6. Mabella Trustee Services Private Limited.; 7. Rashesh & Vidya Shah Family Foundation; and 8. Kimyo Learning Private Limited

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
			9. Foundation For Reinventing Governance
Mr. P N Venkatachalam Designation: Independent Director DIN: 00499442 Nationality: Indian Occupation: Professional Address: Flat No. 3C, Settlor Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai, 600 004	75	December 20, 2007	1. Edelweiss Finance & Investments Limited; 2. Edelweiss Financial Services Limited; 3. Edelweiss Housing Finance Limited; 4. Edelweiss Tokio Life Insurance Company Limited; 5. Sundaram Home Finance Limited; 6. Sundaram Finance Limited; and 7. Edelweiss Asset Reconstruction Company limited.
Mr. Biswamohan Mahapatra Designation: Independent Director DIN: 06990345 Nationality: Indian Occupation: Professional Address: Flat No. 502, Floor. 5, Wing M1, Riddhi Gardens M1 Riddhi Gardens CHSL, Gen. A.K Vaidya Marg, Malad (E), Mumbai – 400 097	65	July 18, 2017	1. Edelweiss Financial Services Limited; 2. HDFC Credila Financial Services Private Limited; 3. Ujjivan Small Finance Bank Limited; and 4. National Payments Corporation of India.
Mr. Venkatchalam Ramaswamy Designation: Vice Chairman & Non-Executive Director DIN: 00008509 Nationality: Indian Occupation: Service Address: 142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai – 400 025	53	March 5, 2019	1. Edelweiss Financial Services Limited; 2. Edelweiss Finance & Investments Limited; 3. Edelweiss Investment Advisors Private Limited 4. Edelweiss Asset Reconstruction Company limited; and 5. Edelweiss Capital (Singapore) Pte. Ltd.; and 6. Edelweiss Alternative Asset Advisors Pte. Ltd.
Mr. Kunnasagaran Chinniah Designation: Independent Director DIN: 01590108 Nationality: Singaporean Occupation: Service Address: 12, Countryside Grove, Singapore 789 967	62	February 18, 2019	1. Edelweiss Financial Services Limited; 2. Nirlon Limited; 3. Edelweiss Rural & Corporate Services Limited; 4. Edelweiss Capital (Singapore) Pte. Ltd.; 5. Changi Airport International Pte. Ltd. 6. Keppel Infrastructure Fund Management Pte Ltd.; 7. Azalea Asset Management Pte. Ltd; 8. Astrea III Pte. Ltd.; 9. Azalea Investment Management Pte. Ltd.; 10. Hindu Endowments Board;

Name, Designation, DIN, Nationality, Occupation and Address	Age (years)	Date of Appointment	Other Directorships
			11. Greenko Energy Holdings; 12. Edelweiss Securities Limited; 13. Edelweiss Finance & Investments Limited; and 14. Edelweiss Tokio Life Insurance Company Limited
Mr. Lim Meng Ann Designation: Nominee Director (Investor Nominee Director) DIN: 08134665 Nationality: Singaporean Occupation: Service Address: 28, Kings Road, Singapore-268080	56	May 7, 2019	1. Cubic City Service Apartment Group Holdings Limited; 2. TVS Supply Chain Solutions Limited; 3. CDPQ Asia Pacific Pte. Ltd.; 4. CDPQ Private Equity Asia Pte. Ltd.; and 5. CDPQ Private Equity Asia II Pte. Ltd.

Mr. Rashesh Shah is Chairman & Managing Director of our Company. He has been instrumental in building the Edelweiss Group into one of India's leading diversified financial services conglomerates. He oversees the functioning and performance of the Edelweiss Group and is involved in formulating strategy and providing vital inputs for effective functioning of the Group. Rashesh serves on the Boards of various companies and public institutions. He has won several key awards over the years including EY Entrepreneur of The Year –Financial Services and Transformational Leader Award for Mid-Caps by Asian Centre for Corporate Governance & Sustainability. Rashesh served as President of FICCI, India's apex industry association, in 2017-18. He was also on the Executive Committee of the National Stock Exchange and on the committee to review Insider Trading Regulations set up by the Securities and Exchange Board of India - the country's capital markets regulator. Mr. Rashesh Shah holds an MBA from the Indian Institute of Management, Ahmedabad and a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.

Ms. Vidya Shah is a Non-Executive Director on our Board. She is the Chief Executive Officer of EdelGive Foundation, the philanthropic arm of the Edelweiss Group that seeks to build a bridge between the users and providers of philanthropic capital by exporting the skills and strategies of the for-profit world to the social sector. Inspired by the notion that philanthropy is best served when organizations work collaboratively, EdelGive puts a significant amount of focus on building a tight network of non-profits, philanthropists, foundations, and corporations to scale impact and benefit many more people in need. In 2008, Vidya founded EdelGive, as a way to bring more structure and a more embedded approach to Edelweiss' philanthropic initiatives. Under her able leadership, EdelGive has influenced over Rs. 100 crores in philanthropy, impacted over 4.5 lakh lives and supported over 130 organisations, across 14 states in India, in the areas of Education, Livelihood, and Women's Empowerment. She serves on the board of various prominent organisations such as Common Purpose and Toolbox India Foundation and is actively involved with Agastya International Foundation, Asian Venture Philanthropy Network, Janaagraha and Masoom etc. An MBA from the Indian Institute of Management, Ahmedabad, Vidya was one of Edelweiss Group's early employees and later became its CFO.

Mr. P N Venkatachalam is an Independent Director on our Board. He has over four decades of experience in the banking sector in India and abroad and has also worked in the software industry in banking & finance verticals. He joined State Bank of India in 1967 and retired in 2004 as its Managing Director. He was a member of the Interim Pension Fund Regulatory Authority of India. He holds a Master's Degree in Economics and is a Certified Associate from the Indian Institute of Bankers.

Mr. Biswamohan Mahapatra is an Independent Director on our Board. His career spans over three decades. He retired as Executive Director of Reserve Bank of India (RBI) in August 2014. At RBI he was in charge of banking regulation, policy, and supervision. Post retirement, he was an Advisor to RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI committees. He was also the Member-Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the Boards of various companies. Recently, he was appointed as the Non-Executive Chairman of National Payments Corporation of India. He holds a Master of

Science in Management (MSM) degree from the Arthur D. Little Management Education Institute, Cambridge, USA and an MBA from University of Delhi.

Mr. Deepak Mittal is the Managing Director and CEO of the Company. He has more than two decades of experience in financial services. He heads the Credit business of the Group. He has played several key roles at Edelweiss, most recent being the CEO of Edelweiss Tokio Life Insurance, a joint venture between the Edelweiss and Tokio Marine Holdings of Japan. Started in 2011, Edelweiss Tokio is acknowledged as an innovative customer centric insurer and has been one of the fastest growing Insurance companies in India. Prior to leading the Life Insurance business, Deepak helped scale up the Capital Markets business at Edelweiss Financial Services Limited (EFSL). He subsequently became the Chief Financial Officer of EFSL, where he helped steer the firm through a successful Initial Public Offering in 2007. Deepak also led the Group's new strategic initiatives and played a key role in the expansion of various Group businesses, including the acquisition and integration of Anagram stock broking. Mr. Deepak Mittal is a Chemical Engineer from IIT-BHU and an MBA from the IIM Ahmedabad.

Mr. Kunnasagaran Chinniah is an Independent Director on our Board. He has more than three decades of experience in the financial sector. He is presently a director of Edelweiss Financial Services Limited and Edelweiss Tokio Life Insurance Company Limited, Changi Airport International, Keppel Infrastructure Trust, Azalea Asset Management, Hindu Endowments Board, Singapore and several other companies. Earlier, he retired as the Managing Director/Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments (GICSI), the Private Equity arm of the Government of Singapore Investment Corporation (GIC). He joined GIC in 1989 and has held various positions with the Special Investments Department of GIC in their North American, European and Asian regions. He is a Chartered Financial Analyst and his other academic qualifications include a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

Mr. Venkatchalam Ramaswamy, Promoter and Co-founder of Edelweiss Financial Services Limited has over two and half decades of experience in the financial markets. He is the Vice Chairman and Non-Executive Director of our Company. He is the Vice Chairman and Non-Executive Director of our Company. Widely recognised as one of India's finest deal-makers, he co-heads the Global Wealth and Asset Management business, while continuing to play a mentorship role with Edelweiss Investment Banking. Mr. Venkat has been instrumental in crafting a client-need focused solutions approach for the Distressed Asset Resolution as well as the ARC business.

Today, Edelweiss ARC is the leading ARC in the country. Using his skills at building and maintaining large institutional relationships including International Pension Funds and Insurance companies, the Edelweiss Global Asset Management team, today is one of the fastest growing multi-category Alternative Asset Management businesses in India. An MBA from the University of Pittsburgh, United States of America, he also holds a Bachelor's Degree in Electronics Engineering.

Using his skills at building and maintaining large institutional relationships including International Pension Funds and Insurance companies, the Edelweiss Global Asset Management team, today is one of the fastest growing multicategory Alternative Asset Management businesses in India. An MBA from the University of Pittsburgh United States of America, he also holds a Bachelor's Degree in Electronics Engineering

Mr. Lim Meng Ann Based in the Asia office of CDPQ Asia Pacific Pte. Ltd., a subsidiary of Caisse de dépôt et placement du Québec, Mr. Lim Meng Ann is Managing Director, Direct Private Equity for Asia Pacific, where he leads the teams responsible for initiating, executing and monitoring private equity transactions in the region. He is also a member of the International Private Equity investment committee. Mr. Lim has over 15 years of experience in the private equity market, including 10 in leadership positions. Before joining CDPQ Asia Pacific Pte. Ltd. in June 2017, he was in charge of corporate mergers and acquisitions at Keppel Corp and Changi Airport Group, both blue-chip Singapore government-related companies of international repute. From 2007 to 2013, he was the Partner and Regional Head for China and South-East Asia at Actis, a London-based private equity firm focused on Asia, Africa and Latin America. From 1997 to 2007, he worked at Government of Singapore Investment Corp (GIC) as Executive Vice-President and Head of Greater China for private equity investments. Mr. Lim holds an MBA from Strathclyde University, Scotland and a BSc (Engineering) First Class Honours from University College London. He also attended the Stanford Executive Program and is a Chartered Financial Analyst. He is also the Director on the Board of Directors of TVS Supply Chain Solutions Limited.

(b) Change in Directors since last three years preceding the date of the Information Memorandum:

Name of Director	Date of Change	Director of the Company since	DIN	Reason	Designation
Mr. Sunil Mitra	August 2, 2017	March 20, 2015	00113473	Resignation	Independent Director
Mr. Biswamohan Mahapatra	July 18, 2017	July 18, 2017	06990345	Appointment	Independent Director
Mr. Venkatchalam Ramaswamy	March 5, 2019	March 5, 2019	00008509	Appointment	Vice Chairman and Non-executive Director
Mr. Kunnasagaran Chinniah	February 18, 2019	February 18, 2019	01590108	Appointment	Independent Director
Mr. Deepak Mittal	February 18, 2019	February 18, 2019	00010337	Appointment	Managing Director & CEO
Mr. Rashesh Shah	March 5, 2019	August 01, 2013	00008322	Appointment	Chairman and Managing Director
Mr. Raviprakash R. Bubna	March 31, 2019	December 1, 2009	000090960	Resignation	Managing Director
Mr. Himanshu Kaji	July 1, 2019	August 1, 2013	00009438	Resignation	Executive Director
Mr. Lim Meng Ann	May 7, 2019	May 7, 2019	08134665	Appointment	Non-Executive Director (Investor Nominee Director)

Confirmations

1. None of the Directors are identified as willful defaulters by the RBI, ECGC or any government authority.
2. Neither the Issuer nor any of its Promoters or Directors has been declared as a willful defaulter.

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons - Nil

Debenture holding of Directors: NIL

Remuneration of the Directors

Sl. No.	Name of the Director	Remuneration paid by the company			
		FY 18-19	FY 17-18	FY 16-17	Nature
1.	Mr. Rashesh Shah	68.00	67.50	67.50	Managerial Remuneration
2.	Mr. Raviprakash R. Bubna##	33.04	72.54	74.78	Managerial Remuneration
3.	Mr. Himanshu Kaji***	50.00	20.00	20.00	Managerial Remuneration
4.	Ms. Vidya Shah	Nil	NIL	NIL	NA
5.	Mr. P N Venkatachalam	0.44	0.24	0.28	Sitting fees
6.	Mr. Biswamohan Mahapatra	0.30	0.12	NA	Sitting fees
7.	Mr. Sunil Mitra*	-	0.12	0.20	Sitting fees
8.	Mr. Deepak Mittal#	9.85	-	-	Managerial Remuneration
19.	Mr. Kunnasagaran Chinniah#	0.02	-	-	Sitting fees
10.	Mr. Venkatchalam Ramaswamy\$	-	-	-	NA
11.	Mr. Lim Meng Ann^^	-	-	-	NA

c. DETAILS OF AUDITORS OF THE COMPANY

i. Details of the auditor of the Company

Name	Address	Auditor since
S. R. Batliboi & Co. LLP	12 th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, Maharashtra, India	May 23, 2018

Details of changes in auditors since last three years :

Name	Address	Change
B S R & Associates LLP, Chartered Accountants	Lodha Excelus, 5 th Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011, Maharashtra, India.	From September 22, 2006 till August 30, 2017
Price Waterhouse Chartered Accountants LLP	252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028, Maharashtra, India	From August 30, 2017 Till May 22, 2018
S. R. Batliboi & Co. LLP	14 th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, Maharashtra, India	From May 23, 2018

3. Details of Borrowings as on December 31, 2019

(a) Details of Secured Banking Facilities :

Name of Bank	Nature of Facility	Sanction	Outstanding (in millions)	Maturity Date	Security	Asset classification
Syndicate Bank	WCDL	200.00	200.00	28-Feb-20	Current Assets/Receivables	Standard
Citibank	WCDL	750.00	750.00	19-Jun-20	Current Assets/Receivables	Standard
Oriental Bank of Commerce	WCDL	300.00	300.00	3-Jan-20	Current Assets/Receivables	Standard
Axis Bank	WCDL	120.89	120.89	24-Jan-20	Current Assets/Receivables	Standard
Allahabad Bank	WCDL	500.00	500.00	18-Jan-20	Current Assets/Receivables	Standard
Union Bank of India	WCDL	2,310.00	2,310.00	16-Jan-20	Current Assets/Receivables	Standard
Axis Bank	WCDL	100.00	100.00	1-Jan-20	Current Assets/Receivables	Standard
Axis Bank	WCDL	33.29	33.29	19-Feb-20	Current Assets/Receivables	Standard
Axis Bank	WCDL	45.82	45.82	15-Feb-20	Current Assets/Receivables	Standard
State Bank of India	WCDL	300.00	300.00	7-Oct-20	Current Assets/Receivables	Standard
State Bank of India	WCDL	300.00	300.00	7-Oct-20	Current Assets/Receivables	Standard
RBL Bank	WCDL	124.00	124.00	21-Jan-20	Current Assets/Receivables	Standard
Bank of India	WCDL	810.00	810.00	28-May-20	Current Assets/Receivables	Standard
ICICI Bank	WCDL	169.25	169.25	5-Feb-20	Current Assets/Receivables	Standard
ICICI Bank	WCDL	130.75	130.75	5-Feb-20	Current Assets/Receivables	Standard
Central Bank of India	WCDL	150.00	150.00	30-May-20	Current Assets/Receivables	Standard

Axis Bank Ltd	Bank Overdraft	200.00	138.84	NA	Current Assets/Receivables	Standard
Bank of Baroda	Bank Overdraft	5,000.00	4,810.51	NA	Current Assets/Receivables	Standard
Bank of Maharashtra	Bank Overdraft	500.00	468.69	NA	Current Assets/Receivables	Standard
Bank of Baroda	Bank Overdraft	6,000.00	5,803.21	NA	Current Assets/Receivables	Standard
Bank of India	Bank Overdraft	540.00	412.21	NA	Current Assets/Receivables	Standard
Canara Bank	Bank Overdraft	1,500.00	1,413.48	NA	Current Assets/Receivables	Standard
Central Bank of India	Bank Overdraft	100.00	85.57	NA	Current Assets/Receivables	Standard
Oriental Bank of Commerce	Bank Overdraft	200.00	140.12	NA	Current Assets/Receivables	Standard
Punjab National Bbank	Bank Overdraft	1,000.00	972.50	NA	Current Assets/Receivables	Standard
Punjab & Sind Bank	Bank Overdraft	200.00	191.68	NA	Current Assets/Receivables	Standard
State Bank of Hyderabad	Bank Overdraft	400.00	243.48	NA	Current Assets/Receivables	Standard
Syndicate Bank	Bank Overdraft	300.00	227.70	NA	Current Assets/Receivables	Standard
Union Bank of India	Bank Overdraft	1,540.00	1,472.78	NA	Current Assets/Receivables	Standard
United Bank of India	Bank Overdraft	500.00	461.49	NA	Current Assets/Receivables	Standard
Allahabad Bank	Term Loan	1,000.00	600.00	26-Dec-22	Current Assets/Receivables	Standard
Andhra Bank	Term Loan	500.00	225.00	28-Feb-22	Current Assets/Receivables	Standard
Andhra Bank	Term Loan	1,000.00	550.00	26-Sep-22	Current Assets/Receivables	Standard
Andhra Bank	Term Loan	2,000.00	1,200.00	28-Dec-22	Current Assets/Receivables	Standard
Andhra Bank	Term Loan	1,000.00	1,000.00	16-Oct-24	Current Assets/Receivables	Standard
Axis Bank	Term Loan	1,000.00	500.00	15-Mar-21	Current Assets/Receivables	Standard
Bank of Baroda	Term Loan	12,500.00	8,333.30	30-Dec-21	Current Assets/Receivables	Standard
Bank of Baroda	Term Loan	10,000.00	2,750.00	15-Sep-22	Current Assets/Receivables	Standard
Bank of Baroda (e Dena Bank)	Term Loan	1,000.00	650.00	27-Jan-23	Current Assets/Receivables	Standard
Bank of Baroda (e Dena Bank)	Term Loan	2,000.00	1,400.00	30-Jan-23	Current Assets/Receivables	Standard
Bank of Baroda (e Vijaya Bank)	Term Loan	1,000.00	437.50	30-Sep-21	Current Assets/Receivables	Standard
Bank of Baroda (e Vijaya Bank)	Term Loan	1,000.00	500.00	28-Jun-22	Current Assets/Receivables	Standard
Bank of Baroda (e Vijaya Bank)	Term Loan	2,500.00	1,750.00	1-Jan-23	Current Assets/Receivables	Standard
Bank of Baroda (e Vijaya Bank)	Term Loan	1,000.00	100.00	29-Jun-20	Current Assets/Receivables	Standard

Bank of India	Term Loan	1,000.00	300.00	30-Jun-21	Current Assets/Receivables	Standard
Bank of India	Term Loan	250.00	100.00	31-Dec-21	Current Assets/Receivables	Standard
Bank of India	Term Loan	1,250.00	500.00	30-Mar-22	Current Assets/Receivables	Standard
Bank of India	Term Loan	3,000.00	2,400.00	17-Oct-23	Current Assets/Receivables	Standard
Bank of India	Term Loan	1,000.00	200.00	21-Dec-20	Current Assets/Receivables	Standard
Bank of India	Term Loan	3,000.00	3,000.00	27-Dec-24	Current Assets/Receivables	Standard
Bank of Maharashtra	Term Loan	1,000.00	850.00	13-Mar-24	Current Assets/Receivables	Standard
Bank of Maharashtra	Term Loan	1,000.00	150.00	31-Jul-20	Current Assets/Receivables	Standard
Bank of Maharashtra	Term Loan	1,000.00	650.00	31-Mar-23	Current Assets/Receivables	Standard
Canara Bank	Term Loan	2,400.00	960.00	30-Dec-21	Current Assets/Receivables	Standard
Canara Bank	Term Loan	2,000.00	900.00	31-Mar-22	Current Assets/Receivables	Standard
Canara Bank	Term Loan	5,000.00	2,822.37	25-Sep-22	Current Assets/Receivables	Standard
Canara Bank	Term Loan	3,000.00	2,700.00	21-May-24	Current Assets/Receivables	Standard
Canara Bank	Term Loan	1,000.00	650.00	21-Mar-23	Current Assets/Receivables	Standard
Catholic Syrian Bank	Term Loan	500.00	225.00	31-Mar-22	Current Assets/Receivables	Standard
Central Bank of India	Term Loan	1,000.00	100.00	30-Jun-20	Current Assets/Receivables	Standard
Corporation Bank	Term Loan	1,000.00	50.00	31-Mar-20	Current Assets/Receivables	Standard
DCB Bank	Term Loan	500.00	225.00	31-Mar-22	Current Assets/Receivables	Standard
Indian Bank	Term Loan	2,000.00	1,000.00	28-Jun-23	Current Assets/Receivables	Standard
Indian Bank	Term Loan	2,000.00	1,200.00	28-Sep-22	Current Assets/Receivables	Standard
Indian Bank	Term Loan	3,000.00	1,800.00	28-Sep-22	Current Assets/Receivables	Standard
Karnataka Bank	Term Loan	500.00	225.00	29-Mar-22	Current Assets/Receivables	Standard
Karnataka Bank	Term Loan	1,000.00	249.40	31-Jul-20	Current Assets/Receivables	Standard
Karnataka Bank	Term Loan	1,000.00	332.80	29-Dec-20	Current Assets/Receivables	Standard
Karnataka Bank	Term Loan	1,000.00	636.40	18-Jul-21	Current Assets/Receivables	Standard
Karur Vysya Bank	Term Loan	750.00	412.50	31-May-23	Current Assets/Receivables	Standard
NABARD	Term Loan	2,500.00	2,500.00	31-Jan-25	Current Assets/Receivables	Standard
Oriental Bank of Commerce	Term Loan	750.00	262.50	30-Sep-21	Current Assets/Receivables	Standard

Oriental Bank of Commerce	Term Loan	1,000.00	450.00	31-Mar-22	Current Assets/Receivables	Standard
Oriental Bank of Commerce	Term Loan	1,000.00	150.00	30-Sep-20	Current Assets/Receivables	Standard
Oriental Bank of Commerce	Term Loan	1,000.00	700.00	2-Aug-23	Current Assets/Receivables	Standard
Punjab & Sind Bank	Term Loan	800.00	360.00	30-Mar-22	Current Assets/Receivables	Standard
Punjab & Sind Bank	Term Loan	1,000.00	550.00	27-Sep-22	Current Assets/Receivables	Standard
RBL Bank	Term Loan	1,000.00	333.33	28-Jun-20	Current Assets/Receivables	Standard
SIDBI	Term Loan	1,000.00	550.00	7-Jan-22	Current Assets/Receivables	Standard
SIDBI	Term Loan	3,000.00	2,100.00	4-Oct-23	Current Assets/Receivables	Standard
SIDBI	Term Loan	3,000.00	2,625.00	4-Oct-24	Current Assets/Receivables	Standard
SIDBI	Term Loan	500.00	89.47	10-Jan-20	Current Assets/Receivables	Standard
SIDBI	Term Loan	1,500.00	525.00	7-Jan-21	Current Assets/Receivables	Standard
South Indian Bank	Term Loan	1,000.00	600.00	14-Nov-22	Current Assets/Receivables	Standard
State Bank of Bikaner & Jaipur	Term Loan	1,000.00	125.00	30-Jun-20	Current Assets/Receivables	Standard
State Bank of Hyderabad	Term Loan	1,000.00	166.67	30-Sep-20	Current Assets/Receivables	Standard
State Bank of India	Term Loan	10,000.00	7,500.00	10-Jan-22	Current Assets/Receivables	Standard
State Bank of Patiala	Term Loan	1,000.00	200.00	31-Dec-20	Current Assets/Receivables	Standard
State Bank of Travancore	Term Loan	500.00	25.00	3-May-20	Current Assets/Receivables	Standard
Syndicate Bank	Term Loan	2,000.00	900.00	15-Mar-22	Current Assets/Receivables	Standard
Syndicate Bank	Term Loan	3,000.00	1,500.00	30-Jun-22	Current Assets/Receivables	Standard
Syndicate Bank	Term Loan	2,500.00	1,500.00	30-Sep-22	Current Assets/Receivables	Standard
Syndicate Bank	Term Loan	1,000.00	50.00	31-Mar-20	Current Assets/Receivables	Standard
Syndicate Bank	Term Loan	1,500.00	300.00	31-Dec-20	Current Assets/Receivables	Standard
Union Bank of India	Term Loan	2,000.00	800.00	31-Dec-21	Current Assets/Receivables	Standard
Union Bank of India	Term Loan	2,000.00	1,200.00	26-Dec-22	Current Assets/Receivables	Standard
United Bank of India	Term Loan	1,000.00	800.00	31-Dec-23	Current Assets/Receivables	Standard
United Bank of India	Term Loan	1,000.00	900.00	31-Mar-24	Current Assets/Receivables	Standard
Bank of Baroda (Dena Bank)	Bank Overdraft	500.00	-	NA	Current Assets/Receivables	Standard
ICICI Bank	Bank Overdraft	200.00	-	NA	Current Assets/Receivables	Standard

RBL Bank	Bank Overdraft	126.00	-	NA	Current Assets/Receivables	Standard
Bank of Baroda (Vijaya Bank)	Bank Overdraft	400.00	-	NA	Current Assets/Receivables	Standard

ii. Details of Unsecured Loan Facilities :

Lender's Name	Type of facility	Amount Sanctioned	Principal amount outstanding	Repayment Date / Schedule	Security
Group Companies	Working Capital Loan	-	4,695,909,385	On Demand	
Non-convertible Subordinated Debt	Sub Debt	-	12,087,000,000		Refer Annexure "B"
Non-convertible Subordinated Debt (NLD)	Sub Debt	-	4,265,700,000		Refer Annexure "B"
Perpetual Debt	Perpetual Debt	-	3,000,000,000		Refer Annexure "B"
Commercial paper*		-	-		Refer point 8(f)(i) below
Total			24,048,609,385		

(b) Details of Secured Non Convertible Debentures :

Refer Annexure A

(c) Company has raised Compulsory Convertible Debentures as below:

Counterparty	Issuance Date	Maturity Date	Amount (in million)	Coupon
CDPQ Private Equity Asia Pte. Ltd.	May 7, 2019	May 7, 2024	10,394.9	9%

(d) List of Top 10 Debenture holders as on December 31, 2019

Name	Amount (in ₹ million)
Life Insurance Corporation of India	12,383.34
CDPQ Private Equity Asia Pte. Ltd.	10,394.97
Credit Suisse Ag Singapore Branch	6,100.00
Bank of Baroda	5,100.00
L And T Finance Limited	3,000.00
Credit Suisse Finance (India) Private. Limited.	2,740.00
IndusInd Bank Limited Treasury Dept	2,491.98
Standard Chartered Bank	2,490.00
Edelweiss Rural & Corporate Services Limited	2,160.00
Kotak Equity Hybrid Fund	2,000.00

(e) The amount of corporate guarantee issued by the issuer along with name of the counter party (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued : NONE

(f) Details of Commercial Paper as on December 31, 2019 – NIL

- (g) Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 31st December, 2019 - NONE
- (h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, loans from any bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, Statutory dues, Annual filing: NONE
- (i) Details of outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or part, (b) at premium or discount, or (c) in pursuance of an option

The Issuer has not issued any debt securities or has any outstanding borrowings taken: (i) for consideration other than cash, whether in whole or part; or (ii) in pursuance of an option as on December 31, 2019.

As on December 31, 2019, the Issuer has issued debt securities at a discount as per the table below:

Date of Issue	Product Code	No. of Debentures	Face Value (INR)	Discount Per Debenture (INR)	Aggregate Discount (INR)
03-Feb-17	A0A703A	210	1,00,000	3,000	6,30,000
11-Aug-17	A3A701A01	5,320	1,00,000	1,366	72,67,120
05-Apr-19	C2I901A	2,412	1,00,000	2,500	60,30,000
30-Apr-19	C2I901A01	938	1,00,000	2,068	19,39,784
30-May-19	C2I901A04	342	1,00,000	1,570	5,36,940
05-Jun-17	E0E704A	102	1,00,000	3,200	3,26,400
03-Aug-16	F9H601A	201	1,00,000	2,750	5,52,750
18-Jul-16	G9G604A	693	1,00,000	5,000	34,65,000
16-Aug-16	G9L601C	297	1,00,000	2,450	7,27,650
09-May-19	H1G901A01	100	1,00,000	74	7,400
29-Aug-16	H9H602A	395	1,00,000	2,450	9,67,750
01-Sep-16	H9I601A	110	1,00,000	4,750	5,22,500
27-Sep-16	I9I602A	135	1,00,000	1,500	2,02,500
04-Oct-16	I9J601A	395	1,00,000	1,500	5,92,500
24-Nov-16	K9K601A	130	1,00,000	1,500	1,95,000
05-Jan-17	L9A701A	248	1,00,000	3,000	7,44,000
16-Jan-17	L9F702A	104	1,00,000	3,000	3,12,000

As on December 31, 2019 the Issuer has issued the following debt securities at a premium value:

Date of Issue	Issue Reference	Number of Debentures	Face Value (INR)	Premium Per Debenture (INR)	Aggregate Premium
24-Oct-17	A3A701A02	216	1,00,000	4,093	8,84,088
06-Nov-17	A3A701A03	193	1,00,000	4,336	8,36,848
04-Aug-17	D3F701A01	9,916	1,00,000	850	84,28,600
18-Aug-17	D3F701A02	4,000	1,00,000	1,193	47,72,000

21-Nov-17	D3F701A03	100	1,00,000	5,160	5,16,000
22-May-19	H1G901A02	109	1,00,000	667	72,703
24-May-19	H1G901A03	400	1,00,000	835	3,34,000
20-Jun-19	H1G901A05	100	1,00,000	1,488	1,48,800
07-Sep-18	H1I804A01	5,995	1,00,000	89	5,33,555
27-Nov-17	K7L602C01	500	1,00,000	8,348	41,74,000
30-Jul-18	K7L602C02	93	1,00,000	13,410	12,47,130
24-Aug-18	K7L602C03	1,320	1,00,000	13,409	1,76,99,880
27-Aug-18	K7L602C04	90	1,00,000	13,409	12,06,810
29-Nov-18	K7L602C05	465	1,00,000	15,718	73,08,870
13-Sep-17	ECLF 2Jun20	140	10,00,000	30,718	43,00,520

4. Details of Promoters of the Company :

(a) Details of Promoter holding in the Company as on March 31, 2020

Name of Shareholders	Total no. of equity shares	No. of shares in demat form	Total Shareholding as % if total no. of equity shares	No of shares pledged	% of shares pledged with respect to shares owned
Edelweiss Financial Services Limited	1,66,19,89,133	Nil	77.73%	Nil	Nil

* including 6 shares held by nominees of Promoters.

5. Abridged version of Audited Consolidated (wherever available) and Standalone Financial information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Abridged version of Audited Standalone Financial information for last three years is enclosed as Annexure B

6. (a) Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement and Balance Sheet) and auditors qualifications, if any.

Refer Annexure C for Abridged version of financial results for the half year ended 30 September, 2019

(b) Related party transactions entered during the last three financial years immediately preceding the year of circulation of Disclosure Document including with regard to loans made or, guarantees given or securities provided

Refer annexure D

(c) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Disclosure Document and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. - Nil

(d) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the

company. - Nil

7. (a) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Enforcement Directorate, Ministry of Finance, ("ED") vide summon dated January 3, 2020 bearing file number T-3/03/MB20-II/2019/01 ("Summon") under section 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with section 131(1) of the Income Tax Act, 1961 and section 30 of the code of civil procedure 1908, issued to Chairman and CEO of Edelweiss Financial Services Limited ("EFSL") and requested his personal attendance in case of M/s Capstone Forex Private limited and other on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. EFSL vide letter dated January 9, 2020 requested for the deferment of the personal hearing. The ED, vide letter dated January 13, 2020 requested the personal attendance, on January 15, 2020. The Chairman and CEO of EFSL attended the office of ED on January 15, 2020 and the authorized representative of EFSL vide letter dated January 15, 2020, inter alia responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to vide email dated January 17, 2020 and letter dated January 22, 2020. No request for information or personal appearance is pending to be complied. The matter is currently pending.

Our Company and some of group companies ("Petitioners") jointly filed a writ petition ("Writ Petition") against the ICRA Limited ("ICRA") and SEBI, before the Hon'ble Bombay High Court ("Court") as, ICRA proposed downgrading the credit of the Petitioners, without having adequate material information required to ascertain and analyse the financial stability of the Petitioners. The Petitioners have filed the Writ Petition inter alia praying for (a) a writ of certiorari or any other appropriate writ, order or direction to quash and set aside ICRA's proposal to downgrade the ratings of the Petitioners (b) a writ of certiorari or any other appropriate writ, order or direction, restraining ICRA, from downgrading the Petitioners or issuing / publishing any rating for a period of 3 months from the date of the Writ Petition (c) pending the hearing and final disposal of the Writ Petition, pass a temporary order restraining ICRA from downgrading the Petitioners for a period of 3 months from the date of the Writ Petition and (d) pending the hearing and final disposal of the Writ Petition, pass an order of temporary injunction directing ICRA for extending the time-frame for review or publication of any credit rating for a period of 3 months from the date of the Writ Petition or such time after the lifting of the lockdown as the Court may deem fit. The Hon'ble Bombay High Court on April 27, '20 inter alia directed the Petitioners to file necessary review application before Rating Review Committee of ICRA on or before May 1, '20 and appear before said Committee on May 4, '20 and directed ICRA not to downgrade the rating of Petitioners. It was also clarified that the Petitioners shall not be allowed to raise any capital on the basis of its current rating until the matter is heard by the Rating Review Committee on May 4, '20 or any date thereafter. As per the directions of the Hon'ble High Court, the Petitioners submitted the review application and appeared before Rating Review Committee. Rating Review Committee decided to downgrade the Petitioners and ICRA vide its letters/e-mails dated 5th May, 2020 communicated downgrading of rating of the Petitioners. The matter is currently pending.

(b) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

1. EFSL received Notice dated September 17, 2019 from the office of the Property Cell, Detection Crime Branch, CID, Mumbai under Section 91 of Cr PC inter-alia informing that Detection Crime Branch is investigating an offence vide D.C.B., C.I.D., C.R. No 64/2019 under Section 419, 420, 465, 467, 468, 471 read with 34 and 120 B of Indian Penal Code and during investigation it was revealed that the arrested Accused, namely Pravin Rameshbhai Bhatt had prepaid and applied to EFSL for housing loan. It was further informed that based on said fake documents EFSL sanctioned the housing loan of ₹ 27,36,700 and disbursed the said amount on in February 2019. The investigation officer has directed EFSL to furnish necessary information and documents in respect of the said Loan. On September 27, 2019 EFSL furnished the required documents to Police authorities and recording of Statement of EFSL's officials is in process. The matter is pending.

Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Disclosure Document in the case of

Company and all of its subsidiaries.

(c) Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

1. Our Company has filed criminal complaints dated December 4, 2010 and December 10, 2010 against Mr. Prakash Patel, Mr. Kalpesh Padhya, Mr. Vyomesh Trivedi and Mr. Gaurav Davda (together referred to as "**Accused**") before the Joint Commissioner of Police, Economic Offences Wing, Crime Branch, Mumbai ("**EOW**") under sections 403, 406, 420, 120 - B, 34 and other applicable provisions of Indian Penal Code, 1860 for criminal breach of trust and cheating in relation to a loan, resulting in a loss of INR 82.9 million to our Company. During investigation, one more person, Mr. Mukesh Kanani was impleaded as an Accused. Subsequently, a first information report dated November 3, 2011 was registered against the Accused including Mr. Mukesh Kanani for an offence under section 420 and section 34 of Indian Penal Code, 1860. Thereafter, on August 28, 2014 EOW filed a case before the Additional Chief Metropolitan Magistrate's 19th Court at Esplanade Court Mumbai against the Accused for committing the alleged offence under section 420 and section 34 of the Indian Penal Code, 1860. The matter is currently pending.
2. Our Company has filed a criminal complaint before the BKC police station, Bandra against Mr. Mahesh Chavan, proprietor of Global Overseas, Mr. Kaushal *alias* Renu Menon, Ms. Deepali, Sandeep Kelkar and Mr. Rohit Paranjpe, Deodhar Gholat ("**Accused**") for committing an act of cheating with respect to purchase of a car, being C – 220 CDI, Grand Edition, manufactured by Mercedes Benz, for our company's employee Mr. Ram Yadav. Statements of Ram Yadav and Neelu Chandni recorded by police on January 21, 2015. Subsequently, first information report ("**FIR**") number 236/14 dated December 2, 2014 was filed with the BKC Police station for procurement of documents. Police case number PW/329/2015 was filed on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("**Court**"). The Police authorities filed only charge sheet against Sandeep Kandalkar and Mahesh Chavan. The matter is currently pending.
3. ECLF, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde ("**Borrowers**") under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of INR 5.83 million by ECLF against their property. ECLF upon its internal investigation found that the Borrowers have (a) obtained loan from another financial institution post the disbursement of loan from ECLF and (b) sold the property (mortgaged to ECLF) without consent/no objection certificate from ECLF. Therefore, it was suspected that the Borrowers have created multiple property documents (forged documents) in connection with the property which was mortgaged with ECLF and taken loan from other financial institutions. Subsequently, ECLF filed a complaint dated August 12, 2016 against the Borrowers before the Senior Police Inspector, Shivaji Nagar Police Station, Pune requesting them to take cognizance of the offences punishable under sections 420, 465, 467, 468, 471, 34 read with 120B of the Indian Penal Code, 1860 and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 allegedly violated by the Borrowers. Further, ECLF submitted certain documents to the Senior Police Inspector, Economic Offences Wing, Pune in relation to the loan sanctioned to the Borrowers, pursuant to a notice dated March 14, 2017 issued to ECLF. ECLF filed its statement before the Economic Offences Wing, Pune on 10 May 2017. The matter is currently pending.
4. ECL Finance Ltd vs. State of Maharashtra (Criminal Writ Petition No. 2494 of 2018) filed in High Court Bombay). Project: Godrej Central & Kamla Aquina, Date of filing: 12/06/2018. Petition against order dated 18/4/2018 passed by 47th Magistrate Court, in Misc. Application No.730 of 2017 in Case No.169/PW of 2017. In the said order the execution of the documents as prayed for in the miscellaneous application was granted subject to the condition that the Petitioners shall satisfy the claim of certain 18 flat purchasers in case they approach the Hon'ble Court. The matter is with respect Project Aquina which is one of the security for NCD. Since the Promoters of the Developer Company were taken in police custody by Economic Offence Wing for various complaints filed by the flat purchasers alleging fraud in various projects, the Project Aquina which is offered as a security has remain incomplete. In order to complete the project through PMC to recover our dues from the flat purchasers, we had moved an application to the Magistrate Court for allowing accused promoter to execute the PMC agreement etc. However, while deciding the application since EOW had submitted that beside the flat purchasers which are known to ECLFL there were 18 more flat purchasers. Since the promoters were not taken NOC from ECLFL for selling those flats and had not deposited the advance with ECLFL though the property was mortgaged with ECLFL therefore ECLFL had refused to entertain claim of those 18 flat purchasers. The Magistrate while allowing the application of ECLFL had directed ECLFL to consider the claim of those 18 flat purchasers. Being aggrieved by the said order, ECLFL has challenged the same by Criminal Writ Petition. The matter is pending for hearing.

5. The State Bank of India and others ("Appellants") has filed an O.S.A. No. 43/13 ("Appeal") dated September 25, 2013 before the High Court of Karnataka, Bangalore against United Breweries (Holdings) Ltd ("UBHL"), the Company and others, for a direction to UBHL for the deposit of the entire sale proceeds of the 13,612,591 shares of United Spirits Limited ("USL"), the release of the said amounts to the Appellants and an interim order restraining UBHL from paying any part of the sale proceeds to the pledge holders. The Appellants filed an appeal against the order dated May 24, 2013 in company application numbers 437,441,440, 439 and 438 of 2013 in company petition number 122, 121, 248, 185 and 57 of 2012 pursuant to which the single judge in the appeal partly allowed the applications filed by UBHL and permitted the Appellants to sell 13,612,591 equity shares of USL held by them to Relay BV and Diageo plc and others and to use the sale proceeds to make payment to UBHL's secured creditors. The said shares were pledged with various lenders including the Company. The Appellants also made the Company and other lenders of UBHL as parties in the Appeal and claimed that these pledges of shares, which were created in favour of the Company, as invalid on the ground that these pledges were created in breach of certain warranties contained in the guarantee agreement executed by UBHL in favour of and the benefit of the Appellants. Pursuant to the judgment dated December 20, 2013, the appellate court (Company Court) set aside the Company Court's order dated May 24, 2013 of the Company Court and held that the sale of shares was void.
6. Relay BV and Diageo plc and others filed a petition for special leave appeal (civil) numbers 967, 2955, 4826, 4827, 4828 and 4829 of 2014 against the Appellants to seek leave to appeal against the judgment dated December 20, 2013. The Appellants filed special leave petition (civil) numbers 6270, 13589 and 1501 of 2014, against UBHL and others, including the Company, in the Supreme Court praying to set aside the judgment dated December 20, 2013 of the Appellate Court. The matter was last listed on 9 April 2018 for consideration of impleadment applications filed by various parties in connected civil appeals. The Supreme Court was pleased to allow the impleadment applications. The Supreme Court also observed that in view of winding up order having been passed, United Breweries (Holdings) Limited shall sue and be sued in the name of Official Liquidator and accordingly the Supreme Court directed notice be issued to official liquidator. The matter is currently pending.
7. In the matter of Reliance Project Venture & Management Pvt. Ltd. ("RPVMPL") ("Plaintiff") v. ECL Finance & Ors. the Plaintiffs had earlier moved to the Bombay High Court, single judge bench inter alia for restraining ECL Finance from selling the pledge share of R Power and of RCOM, to pay damages of Rs. 3,008.41 crore and declare the sale of pledge shares illegal. The suit is currently pending.
8. The Directorate of Enforcement ("Complainant") has filed an original complaint dated September 03, 2016 (O.C. No-639/2016) with the Adjudicating Authority under the Section 5 (5) of the Prevention of Money Laundering Act of 2002 (ECIR/07/MBZO/2016) against M/s. Kingfisher Airlines Ltd, Mr. Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2 (1) (u) of Prevention of Money Laundering Act of 2002. Certain shares of Mr. Vijay Mallya and his associates were pledged with the Company as security ("Pledged Securities") for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The adjudicating authority has confirmed the provisional attachment under O.C. No-639/2016 vide an order dated February 22, 2017 and our Company has challenged the same vide Appeal No. FPA-PMLA-1773/MUM/2017 before the Appellate Authority. The Matter is currently pending
9. ECL has filed criminal complaints on December 4, 2010 and December 10, 2010 against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as "Accused") before the Joint Commissioner of Police, Economic Offences Wing, Crime Branch, Mumbai ("EOW") under Sections 403, 406, 420, 120 - B, 34 and other applicable provisions of Indian Penal Code, 1860 for the criminal breach of trust and cheating in relation to a loan, resulting in a loss of ₹ 82.9 million to ECL. During investigation, one more person Mukesh Kanani was impleaded as an Accused. Subsequently, a first information report dated November 3, 2011 was registered against the Accused including Mukesh Kanani for an offence under section 420 and Section 34 of Indian Penal Code, 1860. Thereafter, on August 28, 2014, EOW filed a case before the Additional Chief Metropolitan Magistrate's 19th Court at Esplanade Court Mumbai against the Accused for committing the alleged offence under Section 420 and Section 34 of the Indian Penal Code, 1860. The matter is currently pending for hearing.
10. ECL has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal alias Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjpe, Deodhar Gholat ("Accused") for committing an act of cheating with respect to purchase of a car, being C – 220 CDI, Grand Edition, manufactured by Mercedes Benz, for ECL's employee Ram Yadav. Subsequently, a first information report ("FIR") number 236/14 dated December 2, 2014 was filed with the BKC Police station for procurement of documents. Statements of Ram Yadav and Neelu Chandni were recorded by the police on January 21, 2015. Police case

number PW/329/2015 was filed on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("Court"). The Police authorities filed charge sheet only against Sandeep Kandalkar and Mahesh Chavan. The matter is currently pending.

- (e) Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Disclosure Document and if so, section-wise details thereof for the Company and all of its subsidiaries - NIL

8. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.

The Issuer has received the consent of Beacon Trusteeship Limited to act as the Trustees on behalf of the Debenture Holders.

9. The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.
 The rating rationale/letter adopted/issued by the Rating Agency is enclosed as Annexure E.

10. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document. Not Applicable

11. Copy of consent letter from the Debenture Trustee shall be disclosed.

The copy of consent letter from Debenture Trustee is enclosed as Annexure F

12. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange

The Debentures are proposed to be listed on BSE. The designated stock exchange is **BSE**.

13. Other details

(a) Debenture Redemption Reserve

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules as amended from time to time specified for Non-banking Financial Companies

(b) Name and address of the Valuer who performed valuation of the security offered is not applicable in this case.

(c) Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).

- a. The Companies Act, 2013 and the applicable Rules as amended from time to time;
- b. SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended from time to time;
- c. SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- d. SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011;
- e. SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013;
- f. SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 to the extent applicable;
- g. SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- h. SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 and amendments thereafter.
- i. SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.
- j. RBI Notification No. DNBR.(PD) 006 /GM(MSG)-2015 dated February 20, 2015 and amendments thereafter;
- k. RBI Circular RBI/2013-14/402 IDMD.PCD. 08/14.03.01/2013-14 and RBI Notification No. IDMD.PCD.07/ED(RG) 2013 dated December 5, 2013 and amendments thereafter;

(d) The Directors declare that:

- i. the company has complied with the provisions of the Act and the rules made thereunder;

- ii. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- iii. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.

(e) The disclosures pertaining to wilful default are not applicable to the Company since the Company or its promoters or directors have not been declared as wilful defaulters by any Bank.

(f) Application for the Debentures

How to Apply

Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by investors. Application Forms must be accompanied by a cheque or electronic fund transfer instruction drawn or made payable in favour of "ECL Finance Limited" and marked 'A/c Payee Only' in case of cheques. The full amount of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Cheques/ electronic fund transfer instruction may be drawn on any bank which is situated and is a member or sub-member of the Bankers' clearing houses located at Mumbai. Investors are required to make payments only through cheques/ electronic transfer payable at Mumbai.

The Company assumes no responsibility for any applications/ cheques/ lost in mail or in transit.

The payment by FPIs / FIIs shall be made through the payment modes permitted by Reserve Bank of India.

Who can Apply

Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this Disclosure Document, and this Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act.

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- FPIs / FIIs, /sub-accounts of FIIs
- Any other investor eligible to invest in these Debentures

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs, FIIs, FPIs and other persons resident outside India are not eligible to apply for or hold the Debentures.

Application by Banks/Corporate Bodies/Mutual Funds/FIs/Trusts/Statutory Corporations

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Office.

PAN

Each of the applicants should mention his/her/their PAN allotted under the IT Act. Applications without this will be considered incomplete and are liable to be rejected.

Basis of Allotment

The Company has the sole and absolute right to allot the Debentures to any applicant.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company.

Payment of Coupon

Coupon will be paid only to the Debenture holders registered in the Register of Debenture holders or to the Beneficial Owners. Coupon on the Debentures, if any shall be according to the term sheet. The determination of the persons entitled to receive Coupon in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture holders or the Depositories' record) shall be made on the Record Date. In the case of joint holders of Debentures, Coupon shall be payable to the first named Debenture holder.

Redemption

The entire principal amount of the Debentures will be repaid, on or before the Redemption Date. No surrender of debentures by the debenture holders will be allowed prior to the redemption date. The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered debenture holders whose name appears in the Register of debenture holders on the record date. Such payment will be a legal discharge of the liability of the Company towards the debenture holders. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

The Company's liability to the debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any Coupon or compensation from the dates of such redemption.

Right to Re-purchase and Re-issue the Debentures

The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed always to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other debentures in their place.

Further the Company, in respect of such re-purchased/re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

Right to further issue the Debentures

Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

Place, Currency and Mode of Payment

All obligations of the Company on the Debentures including Coupon, are payable at Mumbai in Indian rupees only. The payments will be made through cheques or RTGS/NEFT/Fund Transfer mode.

Issue of Debentures in Dematerialised Form

The Debentures will be issued only in dematerialized form. The trading in Debentures will be in dematerialized mode only. The Company has made arrangements with the depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Debentures allotted to the depository account of the investor.

Succession

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law.

Notices

The notices, communications and writings to the Debenture holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post/courier to the Registered Debenture holder(s) at the address of the Debenture holder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Rights of Debenture holders

The Debenture holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debenture shall not confer upon the holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Modifications of Rights

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated upon a Special Request or by a Special Resolution duly passed at the meeting of the Debentureholders convened in accordance with the provisions set out in the Fifth Schedule of the Debenture Trust Deed.

Future Borrowings

Subject to the applicable regulations, the Company shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether pari passu or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture holders/Debenture Trustee.

Tax Benefits

A debenture holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

Coupon Cheques/Refund Cheques

Loss of Coupon cheques/ refund cheques should be intimated to the Company immediately. Upon receipt of request for issue of duplicate Coupon cheques/refund cheques, the Company shall consider the same and such issue of duplicate cheques shall be governed by applicable law and any other conditions as may be prescribed by the Company.

Debenture Trustee

The Issuer has received the consent of Beacon Trusteeship Limited to act as the Trustees on behalf of the Debenture Holders. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Beacon Trusteeship Limited to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed executed between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same.

Valuation Agency

#ValuationAgentDetails# - Not Applicable

Anti Money Laundering

Since these debentures are issued in "compulsory demat mode" and the Company uses depository system for allotment of the debentures, KYC checks conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under "suspicious transactions" category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

19. MANAGEMENT'S PERCEPTION OF RISK FACTORS

Potential investors should consider carefully all the risk factors in this Disclosure Document for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer's Debentures could decline. Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

1. Early Termination for Extraordinary Reasons, Illegality and Force Majeure If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, the Issuer may at its discretion and without obligation terminate early the Debentures. If the Issuer terminates early the Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Issuer.

2. Interest Rate Risk: Since ECLF is engaged in lending and financing activities, its business and income will largely be dependent on interest income from its operations. Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and International economic and political conditions, inflation and other factors beyond the control of ECLF. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

3. Credit Risk: Any lending and investment activity by the Issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The Issuer has a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and

developments in sectors in which it has substantial exposure and to take timely appropriate remedial actions. The Issuer also undertakes periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and in such circumstances may have an effect on its results of operations. The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.

4. Increasing competition from banks, financial institutions and NBFCs: The successful implementation of Issuers growth plans depends on its ability to face the competition. The main competitors of the Issuer are NBFCs, financial institutions and banks. The Issuer, being an NBFC, does not have access to large quantities of low cost deposits because of which it may become less competitive. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Issuer does and have greater brand recognition and a larger client base. As the Issuer ventures into offering newer products, it is likely to face additional competition from those who may be better capitalised, have longer operating history and better management. If the Issuer is unable to manage its business and compete effectively with current or future competitors it might impede its competitive position and profitability.

5. Downgrading in Credit Rating: CRISIL AA-; Outlook: Negative (pronounced as CRISIL double A minus rating), CARE AA-; Outlook - Negative (pronounced (Double A Minus ; Outlook: Negative)) and [ICRA]A+ (Negative) has been assigned for long term borrowings through NCDs. The Issuer cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agencies may downgrade the rating of the Debentures. Such a downgrade in the credit rating may lower the value of the Debentures and may also result in the Issuer having to withdraw this borrowing programme.

EXTERNAL RISK FACTORS

1. The Debentures may be illiquid

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange(s) and that there would be any market for the Debenture(s). It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

2. A slowdown in economic growth in India

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

3. Material changes in regulations to which the Company is subject

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

4. Conditions in the Indian Equity market may affect the coupon on the Debentures. The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the

more developed economies. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected, thereby affecting the indices.

3. **We face risks related to public health epidemics and pandemics in India and abroad.** Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and have confirmed cases of diseases including the highly pathogenic ones such as H7N9, H5N1 and H1N1 strains of influenza in birds and swines and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. The World Health Organization and other agencies have recently issued warnings on the COVID-19 virus and on a potential avian or swine influenza pandemic if there is sustained human-to-human transmission. While, on January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern, on March 11, 2020, the World Health Organization has categorised the COVID-19 virus outbreak as a pandemic. Further, certain state governments in India have also declared the outbreak of the COVID-19 virus to be an epidemic. Governments around the world have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. Future potential impacts to the Company include disruptions or restrictions on our employees' ability to work, lack of demand for new loans or the borrower's ability to pay the required monthly payments. Changes to the operating environment may also be impacted. Operations include loan applications, processing or other areas requiring contact with the borrower. These changes may increase operating costs, increase NPAs, increase cost of recovery on account of increased litigation etc, reduction in value of security provided by the borrowers, reduction in the profit on account of higher NPAs and provisioning. Further impacts may include increased repurchase risk or loan defaults. The future effects of these issues are unknown.

A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the recent outbreak of COVID-19 virus, which is spreading in various jurisdictions across the world (the "Pandemic"). It is anticipated that these impacts will continue for some time. Amongst various measures announced to mitigate the economic impact from that Pandemic, the Reserve Bank of India issued circulars dated March 27, 2020 and April 17, 2020 (the "RBI circulars") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy globally in general and in India, in particular remains uncertain at this point in time and may turn severe in future. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious diseases could adversely affect the Indian economy and economic activity in the region. If the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition and results of operations and the trading price of the Equity Shares and other securities. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, financial condition, results of operations.

In an effort to contain the spread of such contagious diseases, various state governments in India have ordered complete or partial shutdown of corporate offices and businesses. This has led to companies like ours asking our employees to work from home. While every effort is being made to ensure normal operations of our company, no assurance can be made that our technological systems will function smoothly while our employees work from home. If such a situation continues for an extended period of time in future, reduced physical contact with customers and/or inadequacy of technological systems to support all normal operations under work from home situation may adversely impact our business operations. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

20. UNDERTAKINGS BY THE INVESTOR:

The following risks associated to the Debentures, is subject to and pursuant to the terms of the Debentures as provided in this Disclosure Document, The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures,

shall be deemed to have agreed, and accordingly the Company shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture holder, as also referred to hereinabove and hereinafter):

- (A) (1) sufficient knowledge (including of applicable laws, rules, regulations, circulars), experience and expertise as an investor, to make the investment in such Debentures;
- (2) not relied on either of the Company, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Disclosure Document;
- (3) understood that information contained in the Disclosure Document, or any other document issued by the Company is not being construed as business or investment advice; and
- (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (B) has understood there may be delay in listing of the Debentures and even after being listed, may not be marketable or may not have a market at all;
- (C) has understood that without prejudice to (A), and (B) above,
- (1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Company, whose decision shall be final and binding;
- (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Company;
- (D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Company, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;
- (E) has reviewed the terms and conditions applicable to the Debentures as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.
- (F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;
- (H) as an investor, is knowledgeable about applicable laws, rules, regulations with respect to the Debentures and is experienced in making investments, including in debt instruments having variable or unpredictable returns or no returns and also investments similar to the Debentures;
- (I) in investing in the Debentures:
- (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;
- (ii) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Company (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage;
- (J) has understood that, at any time during the term of the Debentures, the value of the Debentures may be substantially less than its redemption amount;

- (K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:
- (1) the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understand the Debentures,
 - (2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,
 - (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated: by the Stock Exchange in accordance with the rules, regulations and bye-laws of the Stock Exchange;
- (L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;
- (M) where the Debenture holder is a partnership firm
- (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
 - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
 - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
 - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
 - (v) for any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and
- (N) where the Debenture holder is a company, also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and its Rules, from investing in the Debentures;
 - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and
 - (iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder's assets.
- (O) where there is an intermediary who sells the Debentures and/or invests in the Debentures on behalf of its Clients/investor(s) ("Intermediary"), it also confirms that :
- (i) it is registered with SEBI;
 - (ii) it is fully in compliance with the laws and regulations applicable to it including the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("AML Guidelines") together with the PML Act and the PML Rules, the "AML Laws & Rules"), all applicable know-your-client norms ("KYC Guidelines") and all applicable rules, regulation and guidelines issued by any relevant regulator and the Intermediary has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients / investor(s);
 - (iii) the Intermediary is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale / investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s);
 - (iv) the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
 - (v) the Intermediary has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor.
 - (vi) the Intermediary has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client / investor has understood the risks involved in investment in the Debentures

- and is capable of taking the risks posed by the Debentures;
- (vii) the Intermediary in case of a Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 and in case of any other Intermediary under the regulations applicable to that Intermediary has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
 - (viii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
 - (ix) the Intermediary hereby consents (including on the basis of any request made by the Issuer in this regard) to provide and/or to the disclose to the Issuer any information regarding any or all of the Client / investor and the investment in the Debenture, as required under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law and agrees that such information shall be disclosed by the Issuer to any governmental and/or regulatory authorities.;
 - (x) The Intermediary shall provide its Clients / the investor(s) with a copy of the Offer Document;
 - (xi) The Intermediary shall guide the Clients / investor(s) as to where the valuations (of the Debentures) will be available;
 - (xii) The Intermediary shall guide the Clients / investor(s) as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer or through the secondary market;
 - (xiii) The Intermediary confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities in any of its advertisement or any marketing material other than for the selling the Debentures; and The Intermediary confirms that the marketing material shall only contain information that is provided in this Disclosure Document and should not contain any information that is extraneous to this Disclosure Document.

21. Disclaimers

This Disclosure Document in relation to the Debentures is made available by the Company to the applicant on the further strict understanding that

- (i) the applicant is a "Person Resident in India" as defined under the Foreign Exchange Management Act, 1999,
- (ii) in providing this Disclosure Document to the applicant, the applicant confirms that there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board of India;
- (iii) the applicant has sufficient knowledge, experience, and professional advice to make his own evaluation of the merits and risks of a transaction of the type under this Disclosure Document; and
- (iv) the applicant is not relying on the Issuer nor on any of the affiliates or the Holding Company for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Company is not acting as the advisor or agent of the applicant. This Disclosure Document does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Company or the affiliates of the Company or the Holding Company, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Company, and/or the affiliates of the Company or the Holding Company, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Company, and/or the affiliates of the Company and / or the Holding Company may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets for its clients, in financial products identical to or economically related to those financial products described in this Disclosure Document. The Company may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Disclosure Document and its contents are the Company's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Company.

Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined.

Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the Debenture holder may lose some or all of its investment especially where changes in the value of the transaction

may be accentuated by leverage. Even where the Debentures are principal protected, there is a risk that any failure by a person including a counterparty to perform obligations when due may result in the loss of all or part of the investment. Applicants are not being offered any guaranteed or indicative returns through these Debentures.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this Disclosure Document. The Company undertakes no obligation to effect any updates on information. Any opinions attributed to the Company, and/or the affiliates of the Company and / or the Holding Company constitute the Company's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given.

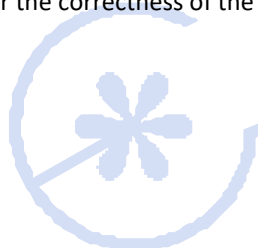
Applicants must understand that while the issue and other dates are specified, with the change in any regulations by the SEBI or any other regulatory body or for any other reason, the issue itself / these dates can be cancelled / reformed at the discretion of the Issuer and shall be final and binding on the prospective holders /holders of those debentures.

NOTE:

This Disclosure Document is not intended for distribution and it is meant solely for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Debentures mentioned herein are being issued on a private placement basis and this offer does not constitute nor should it be considered a public offer/invitation. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and have been marked against the serial number provided herein and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs, FIIs and other persons resident outside India are not eligible to apply for or hold the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The Company or any other parties, whose names appear herein, shall not be liable for any statements made herein or any event or circumstance arising there from. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

Stock Exchange Disclaimer Clause

It is to be distinctly understood that filing of this Disclosure Document with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document.



22. SUMMARY TERM SHEET

Please find below termsheet for Secured, Redeemable, Non-convertible Debentures of Face Value of Rs. 10,00,000/- each.

Series I

Security Name	9.75% Secured Redeemable Non - Convertible Debentures
Issuer	ECL Finance Limited
Type of Instrument	Secured Redeemable Non - Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Base Issue Size	Rs. 25 Crore
Green Shoe Option	Rs. 250 Crore
Issue Size	Rs. 275 Crore
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures Individuals</p> <ul style="list-style-type: none"> • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • Any other investor eligible to invest in these Debentures.
Face Value	Rs. 10,00,000/ per Debenture
Issue Price	Rs. 10,00,000/ per Debenture
Justification of Issue Price	Not Applicable
Discount at which Debenture is issued and the effective yield as a result of such discount	Not Applicable
Tenor	3 years
Coupon Rate	9.75% p.a.
Coupon payment frequency	Semi- Annual
Coupon type	Fixed
Day Count Basis	Actual/Actual
Default interest rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% per annum over the documented rate will be payable by the Issuer.
Redemption Date	The NCDs are redeemable at par at the end of 3 years from the date of allotment
Redemption Amount	Rs. 10,00,000 per debenture (At Par)
Redemption Premium / Discount	Not Applicable
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put and Call Option	NA
Step Up / Step Down	NA
Listing	The Company Proposes to list the debentures on the Wholesale Debt Segment of BSE Limited. The Company confirms that the debentures would be listed within 20 days from the deemed date of Allotment.
Market Lot	The minimum lot size for trading shall be 10 debenture and in multiple of 1 thereafter

Issuance mode of Debentures	DEMAT
Trading mode of the Debentures	DEMAT
Depository	NSDL/CDSL
Security	A pari-pasu charge on the receivables, current assets, loans & advances and other short term assets of company to the extent equal to a minimum of 1.00 times of principal outstanding and interest thereon. Security cover minimum of 1.00 times of the principal outstanding and interest thereon.
Rating	CARE AA-; Outlook: Negative (Double A Minus ; Outlook: Negative) and CRISIL AA-; Outlook: Negative (pronounced as CRISIL double A minus rating).
Purpose and objects of the Issue	The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations
Details of the Utilization of the proceeds	The proceeds of the issue of Debentures would be utilized for objects mentioned above
Settlement mode of the Debentures	Redemption proceeds comprising of the value of Principal and Interest amount shall be done by RTGS/cheque to the holders of the NCDs as on the Record Date.
Working day / Business days Convention	All days, except Saturdays, Sundays and any public holidays, on which banks in Mumbai are open for business.
Holiday Convention	Should any of the date(s), including the Date of Allotment/Deemed Date of Allotment, or the Record Date, as defined in the Disclosure Document, falls on a Saturday or Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next Working Day shall be considered as the effective date. Should the Maturity Date or Redemption Date of the debt securities falls on a Saturday, Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the redemption proceeds shall be paid on the next Working day.
Record Date	The date, as may be fixed by the Company, which would be 15 days (or such other date as the Board may decide) for determination of the persons entitled to receive Interest and/or Principal amount in respect of the Debentures.
Conditions Subsequent to Disbursement	Not Applicable
Conditions Precedent for Investment	The investment will be subject to conditions, including those stated below: <ul style="list-style-type: none"> • Issuer shall meet all the regulatory requirement relating to companies • Corporate approvals from the Board of Directors and shareholders (if required) of Issuer shall have been received for the execution, delivery and performance by Issuer for issuance of NCDs to Investors in accordance with the terms of the Issuance.
Events of Default	An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder: <ul style="list-style-type: none"> • Breach of the covenants • Issuer does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents; • If Issuer voluntarily or compulsorily goes into liquidation or ever has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking; • If Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its respective debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its respective property
Provisions related to Cross Default Clause	Not Applicable
Issue Opening Date	June 29, 2020
Issue Closing Date	June 29, 2020

Pay-in-Date (T+1)	June 30, 2020
Deemed Date of Allotment	June 30, 2020
Early Redemption Option	Not applicable
Roles and Responsibilities of Debenture Trustee	<p>Regulation 15 of the SEBI (Debenture Trustees) Regulations 1993, prescribes duties of the Debenture Trustees including following:</p> <ol style="list-style-type: none"> 1. Call for periodical reports from the issuer. 2. To take possession of Trust property in accordance with the provisions of the Trust Deed. 3. To enforce security in the interest of the debenture holders. 4. To ensure on a continuous basis that the security charged to debentures is available and adequate at all times to discharge the Interest and/ or Principal amount payable to debenture holders. 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed. 6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed. 7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document. 8. To inform SEBI immediately of any breach of trust deed or provision and law 9. To appoint a Nominee Director on the Board of Issuer in the event of:- <ul style="list-style-type: none"> • Two consecutive defaults in payment of Interest to the Debenture holders or • Default in creation of security for debentures or • Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> 1. To ensure that the assets of the company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms	<p>Security Creation: In case of delay in execution of Trust Deed and Charge documents, the Company will pay penal interest of at least 2% p.a. on the Face Value of the Debentures till these conditions are complied with at the option of the investor.</p> <p>Default in Payment: In case of default in payment of interest, premium and/ or principal amount on the due date, additional interest of at least @ 2% p.a. on the face Value of the Debentures will be payable by the Company for the defaulting period.</p> <p>Delay in Listing: In case of delay in listing of the debt securities beyond 30 days from the Deemed Date of Allotment, the Company will pay penal interest of at least 1 % p.a. on the Face Value of the Debenture from the expiry of 30 days from the Deemed Date of Allotment till the listing of such debt securities to the investor.</p> <p>The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other. With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in 'to be listed'</p>

	debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem /buyback the Debentures from the FIIs/sub-accounts of FIIs.
Material Documents	Transaction <ul style="list-style-type: none"> Letter appointing Beacon Trusteeship Limited as Trustee to the Debenture holders ("Debenture Trustee"). Letter appointing Link Intime India Private Limited as Registrar and Transfer Agent ("Registrar"). Memorandum & Articles of Association of the Company. Board Resolution authorizing issue of Debentures offered under terms of the Disclosure Document. Letter from Rating agency conveying the credit rating for the Debentures of the Company. Rating rationale pertaining to the NCDs. Any other documentation in form and substance customary for Transactions of this nature.
Letter of Allotment	The Issuer shall ensure the Debentures are credited to the demat accounts of investors within 2 working days from the Deemed Date of Allotment
Debenture Trustee	Beacon Trusteeship Limited
Registrar & Transfer Agent	Link Intime India Private Limited
Approvals	The Issuer agrees to comply with all applicable laws in respect of the Issue. The Issuer will be responsible for taking all the necessary authorizations and / or approvals internal, external regulatory, statutory or otherwise.
Manner of Bidding	Close
Mode of Settlement	ICCL
Mode of Allotment	Uniform Price

Illustration of Cash Flows:

Face Value per NCD (in Rs.)	1,000,000
Number of NCDs held (assumed)	1
Date of allotment	Tuesday, 30 June, 2020
Tenor	3 years
Redemption Date/Maturity Date	Friday, 30 June, 2023
Rate of Interest	9.75%
Frequency of Interest Payment	Semi Annual
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Coupon 1	Wednesday, 30 December, 2020	Wednesday, 30 December, 2020	183	48,883.56
Coupon 2	Wednesday, 30 June, 2021	Wednesday, 30 June, 2021	182	48,616.44
Coupon 3	Thursday, 30 December, 2021	Thursday, 30 December, 2021	183	48,883.56
Coupon 4	Thursday, 30 June, 2022	Thursday, 30 June, 2022	182	48,616.44
Coupon 5	Friday, 30 December, 2022	Friday, 30 December, 2022	183	48,883.56
Coupon 6	Friday, 30 June, 2023	Friday, 30 June, 2023	182	48,616.44
Redemption	Friday, 30 June, 2023	Friday, 30 June, 2023		1,000,000.00
Total Cash Flows				1,292,500.00

Series II

Security Name	8.90 % Secured Redeemable Non - Convertible Debentures
Issuer	ECL Finance Limited
Type of Instrument	Secured Redeemable Non - Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Base Issue Size	Rs. 25 Crore
Green Shoe Option	Rs. 250 Crore
Issue Size	Rs. 275 Crore
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures Individuals</p> <ul style="list-style-type: none"> • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • Any other investor eligible to invest in these Debentures.
Face Value	Rs. 10,00,000/ per Debenture
Issue Price	Rs. 10,00,000/ per Debenture
Justification of Issue Price	Not Applicable
Discount at which Debenture is issued and the effective yield as a result of such discount	Not Applicable
Tenor	18 months
Coupon Rate	8.90% p.a.
Coupon payment frequency	Annual
Coupon type	Fixed
Day Count Basis	Actual/Actual
Default interest rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% per annum over the documented rate will be payable by the Issuer.
Redemption Date	The NCDs are redeemable at par at the end of 18 months from the date of allotment
Redemption Amount	Rs. 10,00,000 per debenture (At Par) along with the accrued interest thereon
Redemption Premium / Discount	Not Applicable
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put and Call Option	NA
Step Up / Step Down	NA
Listing	The Company Proposes to list the debentures on the Wholesale Debt Segment of BSE Limited. The Company confirms that the debentures would be listed within 20 days from the deemed date of Allotment.
Market Lot	The minimum lot size for trading shall be 10 debenture and in multiple of 1 thereafter
Issuance mode of Debentures	Demat
Trading mode of the Debentures	Demat
Depository	NSDL/CDSL

Security	A pari-pasu charge on the receivables, current assets, loans & advances and other short term assets of company to the extent equal to a minimum of 1.00 times of principal outstanding and interest thereon. Security cover minimum of 1.00 times of the principal outstanding and interest thereon.
Rating	[ICRA]A+ (Negative)
Purpose and objects of the Issue	The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations
Details of the Utilization of the proceeds	The proceeds of the issue of Debentures would be utilized for objects mentioned above
Settlement mode of the Debentures	Redemption proceeds comprising of the value of Principal and Interest amount shall be done by RTGS/cheque to the holders of the NCDs as on the Record Date.
Working day / Business days Convention	All days, except Saturdays, Sundays and any public holidays, on which banks in Mumbai are open for business.
Holiday Convention	Should any of the date(s), including the Date of Allotment/Deemed Date of Allotment, or the Record Date, as defined in the Disclosure Document, falls on a Saturday or Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next Working Day shall be considered as the effective date. Should the Maturity Date or Redemption Date of the debt securities falls on a Saturday, Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the redemption proceeds shall be paid on the next Working day.
Record Date	The date, as may be fixed by the Company, which would be 15 days (or such other date as the Board may decide) for determination of the persons entitled to receive Interest and/or Principal amount in respect of the Debentures.
Conditions Subsequent to Disbursement	Not Applicable
Conditions Precedent for Investment	The investment will be subject to conditions, including those stated below: <ul style="list-style-type: none"> • Issuer shall meet all the regulatory requirement relating to companies • Corporate approvals from the Board of Directors and shareholders (if required) of Issuer shall have been received for the execution, delivery and performance by Issuer for issuance of NCDs to Investors in accordance with the terms of the Issuance.
Events of Default	An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder: <ul style="list-style-type: none"> • Breach of the covenants • Issuer does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents; • If Issuer voluntarily or compulsorily goes into liquidation or ever has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking; • If Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its respective debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its respective property
Provisions related to Cross Default Clause	Not Applicable
Issue Opening Date	June 29, 2020
Issue Closing Date	June 29, 2020
Pay-in-Date (T+1)	June 30, 2020
Deemed Date of Allotment	June 30, 2020
Early Redemption Option	Not applicable
Roles and Responsibilities of Debenture Trustee	Regulation 15 of the SEBI (Debenture Trustees) Regulations 1993, prescribes duties of the Debenture Trustees including following:

	<ol style="list-style-type: none"> 1. Call for periodical reports from the issuer. 2. To take possession of Trust property in accordance with the provisions of the Trust Deed. 3. To enforce security in the interest of the debenture holders. 4. To ensure on a continuous basis that the security charged to debentures is available and adequate at all times to discharge the Interest and/ or Principal amount payable to debenture holders. 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed. 6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed. 7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document. 8. To inform SEBI immediately of any breach of trust deed or provision and law 9. To appoint a Nominee Director on the Board of Issuer in the event of:- <ul style="list-style-type: none"> • Two consecutive defaults in payment of Interest to the Debenture holders or • Default in creation of security for debentures or • Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> 1. To ensure that the assets of the company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms	<p>Security Creation: In case of delay in execution of Trust Deed and Charge documents, the Company will pay penal interest of at least 2% p.a. on the Face Value of the Debentures till these conditions are complied with at the option of the investor.</p> <p>Default in Payment: In case of default in payment of interest, premium and/ or principal amount on the due date, additional interest of at least @ 2% p.a. on the face Value of the Debentures will be payable by the Company for the defaulting period.</p> <p>Delay in Listing: In case of delay in listing of the debt securities beyond 30 days from the Deemed Date of Allotment, the Company will pay penal interest of at least 1 % p.a. on the Face Value of the Debenture from the expiry of 30 days from the Deemed Date of Allotment till the listing of such debt securities to the investor.</p> <p>The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.</p> <p>With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in 'to be listed' debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs</p>

	are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem /buyback the Debentures from the FIIs/sub-accounts of FIIs.
Material Documents	<ul style="list-style-type: none"> Letter appointing Beacon Trusteeship Limited as Trustee to the Debenture holders ("Debenture Trustee"). Letter appointing Link Intime India Private Limited as Registrar and Transfer Agent ("Registrar"). Memorandum & Articles of Association of the Company. Board Resolution authorizing issue of Debentures offered under terms of the Disclosure Document. Letter from Rating agency conveying the credit rating for the Debentures of the Company. Rating rationale pertaining to the NCDs. Any other documentation in form and substance customary for Transactions of this nature.
Letter of Allotment	The Issuer shall ensure the Debentures are credited to the demat accounts of investors within 2 working days from the Deemed Date of Allotment
Debenture Trustee	Beacon Trusteeship Limited
Registrar & Transfer Agent	Link Intime India Private Limited
Approvals	The Issuer agrees to comply with all applicable laws in respect of the Issue. The Issuer will be responsible for taking all the necessary authorizations and / or approvals internal, external regulatory, statutory or otherwise.
Manner of Bidding	Close
Mode of Settlement	ICCL
Mode of Allotment	Uniform Price

Illustration of Cash Flows

Face Value per NCD (in Rs.)	1,000,000
Number of NCDs held (assumed)	1
Date of allotment	30 June 2020
Tenor	18 months
Redemption Date/Maturity Date	30 December 2021
Rate of Interest	8.90%
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Coupon 1	Wednesday, 30 June, 2021	Wednesday, 30 June, 2021	365	89,000.00
Coupon 2	Thursday, 30 December, 2021	Thursday, 30 December, 2021	183	44,621.92
Redemption	Thursday, 30 December, 2021	Thursday, 30 December, 2021		1,000,000.00
Total Cash Flows				1,133,621.92

23. DECLARATION

It is hereby declared that this Disclosure Document contains full disclosure in accordance with Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 and as amended from time to time (including Securities Exchange Board of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012) and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015 and RBI Circular RBI/2014-15/475/DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proposed issue is authorized by Board of the Company vide its resolution dated February 13, 2020 and further vide resolution passed by the Shareholders of the Company on February 18, 2020. The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The monies received under this offer shall be used only for the purpose and objects indicated herein. The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and any one placing reliance on any other source of information would be doing so at his own risk.

I am authorised by the Debentures Committee of the Company vide resolution dated June 25, 2020 to sign this Disclosure Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Disclosure Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For ECL Finance Limited



Archibold Serrao
Head – Compliance & Company Secretary

Place: Mumbai
 Date: June 25, 2020

DECLARATION BY THE INVESTOR

I/We hereby confirm that I/we have reviewed, read and understood the terms and conditions contained in the Disclosure Document, including the payoff calculation, the Early Redemption Option and the liquidity risks and found the same acceptable for investment.

I/We hereby confirm that we have been explained the nature of these Debentures. Further, I/We understand the nature of the risks inherent in an investment in these Debentures.

#Sole/First Applicant

Second Holder

Third Holder

Name

Signature

#In case of corporate/HUF/partnership, authorized signatories with stamp

PART-B

(To be filled by the Applicant)

- (i) **Name**
- (ii) **Fathers Name**
- (iii) **Complete Address including Flat/House Number, Street, Locality, Pincode**
- (iv) **Phone No**
- (v) **Email ID**
- (vi) **PAN No.**
- (vii) **Bank Account Details**

Signature of officer of the Company designated to keep record



Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
ECL Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results of ECL Finance Limited (the "Company") for the half year ended September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005
UDIN: 19102102AAABDA3966



per Shravan Jalan
Partner
Membership No.: 102102
Place: Mumbai
Date: November 11, 2019



(ϵ in Crone)

	Particulars	Half Year Ended		Year Ended
		September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations			
	(a) Interest income	1,799.22	1,931.59	3,759.45
	(b) Dividend income	0.28	1.10	190.34
	(c) Fee and commission income	60.19	45.92	117.33
	(d) Net gain on fair value changes	66.77	3.37	(64.52)
	Total revenue from operations	1,926.44	1,985.06	4,002.60
2	Other Income	1.48	2.45	14.66
3	Total Income (1+2)	1,927.92	1,987.51	4,017.46
4	Expenses			
	(a) Finance costs	1,204.62	1,204.27	2,439.83
	(b) Employee benefits expense	85.76	99.14	241.03
	(c) Depreciation and amortisation expense	9.57	4.56	10.65
	(d) Net loss on derecognition of financial instruments under amortised cost category	226.49	-	97.04
	(e) Impairment on financial instruments	103.67	141.17	149.84
	(f) Other expenses	186.22	134.81	296.13
	Total expenses	1,816.33	1,583.95	3,234.62
5	Profit before tax (3-4)	113.39	403.56	782.84
6	Tax expense (note 5)	24.68	147.95	217.06
	Current tax	72.22	161.91	239.86
	Deferred tax	(47.64)	(13.96)	(22.80)
7	Net Profit for the period (5-6)	88.81	255.61	565.88
8	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss	(0.25)	0.18	(0.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.09	(0.06)	0.18
9	Total Comprehensive Income (7+8)	88.65	255.73	565.55
10	Earnings Per Share (₹) (Face Value of ₹ 1/- each)			
	- Basic (Not Annualised)	0.42	1.29	2.73
	- Diluted (Not Annualised)	0.36	1.29	2.73

1. ECL Finance Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the half year ended September 30, 2019 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India.

2. The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meeting held on November 11, 2019.
3. In compliance with regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015 a limited Review of financial results for the half year ended September 30, 2019 has been carried out by the Statutory Auditors.
4. During the half year the Company has implemented Ind AS 116 "Leases". This does not have any significant impact on the profit and loss for the period.
5. Pursuant to management's intention to sell certain loans in near future, during the half year ended September 30, 2019, the Company has classified these loans amounting to Rs.1,107.89 crores from amortised cost to fair value through profit and loss account ("FVTPL").
6. For the half year ended September 30, 2019, the Company has not exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019 and continues to recognise the taxes on income as per the earlier provisions. Further, the Company is evaluating if it will opt for lower tax rates as permitted under section 115BAA of the Income Tax Act, 1961 by the end of March 2020.
7. Pursuant to change in valuation techniques for certain derivative instruments, the profit before tax for the half year ended 30 September 2018 is higher by Rs. 7.69 crores.



ECL Finance Limited

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 www.eclfin.com info@eclfin.com



Edelweiss
 RISK'S AREN'T ALWAYS BETTER

8. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 250 million, amounting to approximately Rs 18,000 million into the Company, the Investor has subscribed to 1000 Equity shares of Rs. 1/- each at premium of Rs. 31/- per Equity Share and 103,949,680 Computronly Convertible Debentures (CCDs) at Rs. 100 per CCD and accordingly paid the Company a total sum of Rs. 10,395 millions on May 7, 2019, towards first tranche.
9. A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 28, 2019.
10. Statement of assets and liabilities as at September 30, 2019.

	September 30, 2019 (Unaudited)	(₹ in Crores) March 31, 2019 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents		
(b) Bank balances other than (a) above	972.45	98.54
(c) Derivative financial instruments	110.65	47.02
(d) Securities held for trading	148.98	38.33
(e) Trade receivables	1,485.16	1,837.94
(f) Loans	30.13	72.10
(g) Other investments	21,410.81	23,796.87
(h) Other financial assets	746.71	658.54
	1,921.85	813.01
Non-financial assets		
(a) Current tax assets (net)	91.71	42.24
(b) Deferred tax assets (net)	197.41	148.62
(c) Property, Plant and Equipment	78.46	53.83
(d) Capital work in progress	0.03	1.35
(e) Intangible assets under development	3.33	5.40
(f) Other intangible assets	11.03	7.85
(g) Other non-financial assets	96.48	43.14
TOTAL ASSETS	27,315.29	27,464.58
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments		
(b) Payables	51.57	47.68
(i) Trade payables		
i) total outstanding dues of creditors other than micro enterprises and small enterprises		
(c) Debt securities	316.28	341.33
(d) Borrowings (other than debt securities)	9,712.75	9,487.19
(e) Subordinated Liabilities	10,670.70	11,328.75
(f) Other financial liabilities	1,985.37	1,899.46
	561.54	357.53
Non-financial liabilities		
(a) Current tax liabilities (net)	58.70	29.00
(b) Provisions	4.64	2.93
(c) Other non-financial liabilities	17.60	21.25
Equity		
(a) Equity share capital	213.83	213.83
(b) Other equity	3,722.30	3,635.63
TOTAL LIABILITIES AND EQUITY	27,315.29	27,464.58

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

on behalf of the Board of Directors

Deepak Mittal

Deepak Mittal
 Managing Director and CEO
 DIN: 00010337



Mumbai, November 11, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of ECL Finance Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of ECL Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
Impairment of receivables from financing business (as described in note 14 of the standalone Ind AS financial statements)	
<p>The Company's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Under this approach, the management has been required to exercise significant judgement in areas such as;</p> <ul style="list-style-type: none"> • calculation of past default rates • assigning rating grades to loans for which external rating is not available • calibrating external ratings-linked probability of default to align with past default rates • applying macro-economic factors to arrive at forward looking probability of default • significant assumptions regarding the probability of various scenarios and discounting rates for different loan products <p>In view of the high degree of estimation involved in the process of calculating impairment provision and considering its significance to the overall financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the standalone Ind AS financial statements, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included considering the appropriateness of the Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109. • We performed test of controls on classification of receivables into various stages through inspection of evidence and re-performance of those controls. • We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans. • We assessed <ul style="list-style-type: none"> • the Company's expected credit loss provisioning methodology • the models used in determining the impairment provision • the appropriateness of the historical data and the external rating considered for calculating the default and loss given default rates • the key assumptions especially in respect of the macro-economic factors and discounting rates • We tested the arithmetical accuracy of the models. • Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management. • We reviewed the relevant disclosures made in the standalone Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.
Transition to IND AS accounting framework (as described in note 52 of the standalone Ind AS financial statements)	
<p>The standalone IND AS financial statements are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management to implement such transition combined with procedures performed as follows:</p> <ul style="list-style-type: none"> • We reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.

Key audit matters	How our audit addressed the key audit matter
<p>7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS.</p> <p>Some of the key Ind AS impact items in case of the Company are:</p> <ul style="list-style-type: none"> • Impairment provisioning as per expected credit loss approach • Recognition of interest income/expense as per the effective interest rate method • Fair valuation of financial instruments <p>In view of the material impact and the complexity of implementation of the Ind AS framework, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> • We reviewed the first-time adoption exemptions availed by the Company as per 'Ind AS 101 First-Time Adoption of Indian Accounting Standards'. • Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments. • We tested the arithmetical accuracy of the Ind AS adjustments • We reviewed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101.
IT systems	
<p>The reliability and security of IT systems play a key role in the financial reporting process of the Company. The Company's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>Our audit procedures assisted by our IT specialists, included;</p> <p>General IT controls: We tested the governance and other higher controls operating over the IT environment of the Company, including system access and system change management. We considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p>Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</p>

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

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 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.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('IGAAP') audited by the



predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 02, 2018 and May 16, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 43 to the Ind AS financial statements;
 - ii. 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 - Refer Note 54B to the standalone Ind AS financial statements;



ECL Finance Limited

Independent Auditor's Report for the year ended March 31, 2019

Page 7 of 12

- iii: There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



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

Re: ECL Finance Limited

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



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in crore)	Amount paid* (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	25.99	12.13	FY 2013-2014	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	16.14	4.50	FY 2014-2015 and FY 2015-2016	The Commissioner of Income Tax (Appeals)

* paid under protest

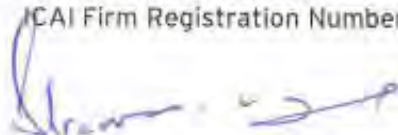
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private



placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO, LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102
Place of Signature: Mumbai
Date: May 13, 2019



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

Report on 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 ECL Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



ECL Finance Limited

Independent Auditor's Report for the year ended March 31, 2019

Page 12 of 12

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



ECL Finance Limited

Balance Sheet as at March 31, 2019

(Currency: Indian rupees in million)

Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets			
Financial assets			
(a) Cash and cash equivalents	9 985.40	1,627.97	10,850.13
(b) Bank balances other than cash and cash equivalents	10 470.24	985.32	936.71
(c) Derivative financial instruments	11 383.30	125.35	981.22
(d) Securities held for trading	12 18,379.37	24,944.75	12,734.40
(e) Receivables			
(i) Trade receivables	13 720.99	5,474.52	1,169.30
(f) Loans	14 2,37,966.74	2,20,024.70	1,71,640.40
(g) Other investments	15 6,585.40	5,727.29	6,992.84
(h) Other financial assets	16 6,130.12	1,978.59	928.04
	2,71,621.56	2,50,888.49	2,06,235.04
Non-financial assets			
(a) Current tax assets (net)	17 422.36	457.72	403.03
(b) Deferred tax assets (net)	18 1,486.22	1,516.32	1,364.72
(c) Property, plant and equipment	19 538.32	541.35	246.74
(d) Capital work in progress			270.12
(e) Intangible assets under development			16.40
(f) Other intangible assets	19 54.00	43.21	10.02
(g) Other non-financial assets	20 78.50	41.92	72.95
	3,024.33	2,815.39	2,383.98
Total assets	2,74,645.89	2,63,703.88	2,08,619.02
Liabilities and equity			
Liabilities			
Financial liabilities			
(a) Derivative financial instruments	11 476.83	450.32	667.18
(b) Trade payables			
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	21 3,413.31	1,301.94	479.12
(c) Debt securities	22 94,871.85	71,833.44	94,827.31
(d) Borrowings (other than debt securities)	23 1,13,287.45	1,38,208.56	76,518.36
(e) Subordinated liabilities	24 19,894.59	19,579.76	11,270.58
(f) Other financial liabilities	25 3,575.60	2,428.39	822.38
	2,35,619.63	2,33,802.41	1,84,584.93
Non-financial liabilities			
(a) Current tax liabilities (net)	26 289.96	568.40	175.56
(b) Provisions	27 29.29	147.47	288.42
(c) Other non-financial liabilities	28 212.49	173.81	111.23
	531.74	889.68	575.21
Equity			
(a) Equity share capital	29 2,138.27	1,948.11	1,891.85
(b) Other equity	30 36,356.25	27,063.68	21,567.03
	38,494.52	29,011.79	23,458.88
Total liabilities and equity	2,74,645.89	2,63,703.88	2,08,619.02

The accompanying notes are an integral part of the financial statements
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/F300005

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors

Deepak Mittal

Deepak Mittal
Managing Director & CEO
DIN : 00010337

Himanshu Kaji

Himanshu Kaji
Executive Director
DIN : 00009438

Sarju Simaria

Sarju Simaria
Chief Financial officer

Niteendra Maheshwari

Niteendra Maheshwari
Company Secretary

Mumbai May 13, 2019



ECL Finance Limited

Statement of Profit and Loss for year ended March 31, 2019

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	31	37,594.49	29,128.04
Dividend income	32	1,903.38	458.99
Fee and commission income	33	1,173.28	1,656.77
Net gain on fair value changes	34	(645.16)	1,387.99
Other income	35	148.59	92.09
Total Revenue		40,174.58	32,723.48
Expenses			
Finance costs	36	24,398.26	18,858.66
Net loss on derecognition of financial instruments	37	970.36	1,366.60
Impairment on financial instruments	38	1,498.41	2,082.80
Employee benefits expense	39	2,410.29	1,857.53
Depreciation, amortisation and impairment	19	106.53	52.78
Other expenses	40	2,961.28	1,371.13
Total expenses		32,345.13	25,589.50
Profit before tax		7,829.45	7,133.98
Tax expenses			
(1) Current tax	41	2,398.62	2,637.36
(2) Deferred tax (credit)		(228.00)	(208.73)
Profit for the year		5,658.83	4,705.35
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCT)		(5.00)	3.55
Income Tax - OCT - that will not be reclassified		1.78	(1.24)
Total		(3.30)	2.31
Total comprehensive income		5,655.53	4,707.66
Earnings per equity share (for continuing operation:) (Face value of ₹ 1 each):			
Basic (INR)		2.73	2.49
Diluted (INR)		2.73	2.49

The accompanying notes are an integral part of the financial statements
As per our report of even date attached.

1 to 54

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors

Deepak Mittal

Deepak Mittal

Managing Director & CEO

DIN : 00010337

Himanshu Kaji

Himanshu Kaji

Executive Director

DIN : 00009438

Sarju Simaria

Sarju Simaria

Chief Financial Officer

Atendra Maheshwari

Atendra Maheshwari

Company Secretary

Mumbai May 13, 2019



ECL Finance Limited
Statement of Changes in Equity for the year ended March 31, 2019

(Currency: Indian rupees in: millions)

A. Equity share capital

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Issued during the year	Outstanding as on March 31, 2018
Issued, subscribed and paid up (Equity shares of Rs.1 each, fully paid-up)	1,948.11	190.16	2,138.27	1,891.85	56.26	1,948.11

B. Other Equity

	Securities premium	Retained earnings	Statutory reserve	Debt redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2017	6,839.25	9,436.19	2,968.44	2,122.26	97.89	21,567.03
Profit for the year	-	4,705.35	-	-	-	4,705.35
Other comprehensive income	-	2.31	-	-	-	2.31
Total comprehensive income	6,839.25	14,246.85	2,968.44	2,122.26	97.89	26,374.69
Securities premium on shares issued during the year	1,161.35	-	-	-	-	1,161.35
Premium paid on redemption of debentures	(19.59)	-	-	-	-	(19.59)
Income tax impact on ESOPs	-	(57.12)	-	-	-	(57.12)
Transfer to statutory reserve	-	(974.10)	974.10	-	-	-
Balance released from debt redemption reserve	-	401.65	-	(401.65)	-	-
ESOPs charged during the year	-	-	-	-	42.13	42.13
Dividend distribution during the year	-	(339.78)	-	-	-	(339.78)
Balance as at March 31, 2018	7,983.61	13,327.50	3,892.54	1,720.61	140.02	27,063.68
Profit for the year	-	5,658.83	-	-	-	5,658.83
Other comprehensive income	-	(3.30)	-	-	-	(3.30)
Total comprehensive income	7,983.61	18,983.03	3,892.54	1,720.61	140.02	32,719.21
Securities premium on shares issued during the year	3,896.92	-	-	-	-	3,896.92
Income tax impact on ESOPs	-	(259.88)	-	-	-	(259.88)
Transfer to statutory reserve	-	(1,131.77)	1,131.77	-	-	-
Transfer to debt redemption reserve	-	(2,117.26)	-	2,117.26	-	-
Balance as at March 31, 2019	11,979.93	15,474.12	5,024.31	3,837.87	140.02	36,356.25

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

 per Shrawan Jalan
Partner

Membership No: 102102



Mumbai May 11, 2019

For and on behalf of the Board of Directors

 Deepak Mittal
Managing Director & CEO
DIN : 00910537

 Sarju Simaria
Chief Financial Officer

Mumbai May 13, 2019

 Himanshu Kaji
Executive Director
DIN : 00089438

 Jitendra Maheshwari
Company Secretary


ECL Finance Limited

Statement of Cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

A. Operating activities

Profit before tax

7,829.45

7,133.98

Adjustments to reconcile profit before tax to net cash flows:

Depreciation and amortisation

106.53

52.78

Impairment of financial assets (net)

1,498.41

2,082.80

Fair value of financial instruments (net)

1,992.39

110.69

Expense on employee stock option scheme (ESOP)

45.69

42.13

(Profit) / Loss on sale of property, plant and equipment

(1.29)

0.32

11,471.18

9,422.70

Working capital Changes (net)

Loans

(19,440.45)

(50,595.41)

Trade receivables

4,753.53

(4,305.22)

Securities held for trading

4,697.13

(12,655.72)

Other investments

(1,139.20)

1,581.48

Other financial assets

(3,737.45)

(434.01)

Other non financial assets

(216.54)

(141.92)

Trade payables

2,065.68

822.82

Other financial liability

2,688.49

542.68

Non financial liabilities and provisions

(84.58)

(76.06)

1,057.79

(55,838.66)

Income taxes paid

(2,641.71)

(2,299.20)

Net cash used in operating activities -A

(1,583.92)

(58,137.86)

B. Investing activities

Purchase of Property, plant and equipment and intangible assets

(143.43)

(384.46)

Increase in capital work-in-progress and intangibles under development

(24.31)

243.31

Proceeds from sale of Property, plant and equipment and intangible assets

4.64

4.85

Net cash used in investing activities -B

(163.10)

(136.30)

C. Cash flow from financing activities

Proceeds from issuance of share capital (including securities premium)

4,087.08

1,200.02

Increase / (decrease) in debt securities (Refer note 1)

22,000.69

(21,839.24)

(Decrease) / increase in borrowings other than debt securities (Refer note 1)

(24,983.32)

61,707.12

Increase in subordinate debt (Refer note 1)

-

7,984.10

Net cash generated from financing activities - C

1,104.45

49,052.00

Net decrease in cash and cash equivalents (A+B+C)

(642.57)

(9,222.16)

Cash and cash equivalent as at the beginning of the year

1,627.97

10,850.13

Cash and cash equivalent as at the end of the year

985.40

1,627.97



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ECL Finance Limited

Statement of Cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Operational cash flows from interest and dividends		
Interest paid	22,459.13	20,121.01
Interest received	37,904.45	27,042.31
Dividend received	1,903.38	458.59

Notes:

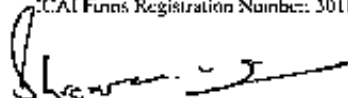
1. Net figures have been reported on account of volume of transactions.
2. for disclosure relating to changes in liabilities arising from financing activities refer note 46

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firms Registration Number: 301033E/E300005



per Shrawan Jalan

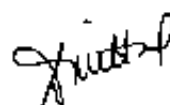
Partner

Membership No: 102102



Mumbai May 13, 2019

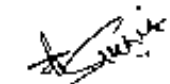
For and on behalf of the Board of Directors



Deepak Mittal

Managing Director & CEO


DIN : 00010337



Sarju Simaria

Chief Financial officer

Mumbai May 13, 2019



Himanshu Kaji

Executive Director

DIN : 00009438



Jitendra Maheshwari

Company Secretary



1. Corporate information:

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial services Limited. The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company's Primary business is advancing Loans and financing. The Company focuses on Credit business, a mix of diversified and scalable verticals like retail credit, corporate credit and distressed credit. It offers home finance, retail construction finance, loan against property, SME finance Agri & Rural finance and Loan against securities under retail credit and structured collateralised credits to corporates, Real estate finance to developers under corporate credit.

2. Basis of preparation:

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

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 52 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 47-Maturity Analysis of assets and liabilities".

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

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

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



4. Significant accounting policies

4.1 Recognition of interest income and dividend income

4.1.1 Effective interest rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

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

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

4.1.2 Interest income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

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

4.1.3 Dividend income:

The Company recognised Dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

4.2 Financial instruments:

4.2.1 Date of recognition:

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

4.2.2 Initial measurement of financial instruments:

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



4.2.3 Day 1 profit and loss:

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

4.2.4 Classification & measurement categories of financial assets and liabilities:

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

Financial assets carried at amortised cost (AC)

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

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

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

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

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

4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

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

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

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



4.3.2 Financial assets held for trading:

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

4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

4.3.6 Debt securities and other borrowed funds:

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

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

4.3.7 Financial assets and financial liabilities at fair value through profit or loss:

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or



ms



- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

4.3.8 Financial guarantee:

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

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

4.3.9 Loan commitments:

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

4.3.10 Financial liabilities and equity instruments

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

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

4.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.



4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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



4.5.2 Derecognition of financial liabilities

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

4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on 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. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

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

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

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



Notes to the financial statement for the year ended March 31, 2019

Company categorises its financial assets as follows:

Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

4.7 Collateral valuation:

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

To the extent possible, the company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

4.8 Collateral repossessed:

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



Notes to the financial statement for the year ended March 31, 2019

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

4.9 Write-offs:

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

4.10 Forborne and modified loan:

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

4.11 Determination of fair value:

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

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

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

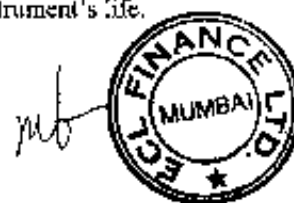
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and executable price quotes available on the balance sheet date.

Level 2 financial instruments:

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.



Notes to the financial statement for the year ended March 31, 2019

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.12 Operating leases:

The determination of whether an arrangement is 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.

Lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

4.13 Earnings per share:

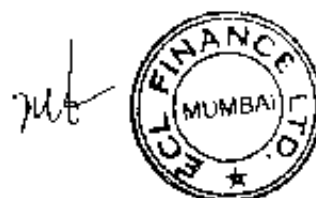
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

4.14 Foreign currency transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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



4.15 Retirement and other employee benefit:

4.15.1 Provident fund and national pension scheme:

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

4.15.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

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

Remeasurement are not reclassified to profit or loss in subsequent periods.

4.15.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

4.15.4 Deferred bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles.

4.15.5 Share-based payment arrangements:

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.



Notes to the financial statement for the year ended March 31, 2019

4.16 Property, plant and equipment:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

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

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Equipment	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

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

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

4.17 Intangible assets:

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

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




Notes to the financial statement for the year ended March 31, 2019

4.18 Impairment of non-financial assets:

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

4.19 Provisions and other contingent liabilities:

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

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

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

4.20 Income tax expenses:

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

4.20.1 Current tax:

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

4.20.2 Deferred tax:

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

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



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Notes to the financial statement for the year ended March 31, 2019

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

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

4.20.3 Current and deferred tax for the year:

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

4.21 Cash and cash equivalents:

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

5. Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies:

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

5.1 Business model assessment :

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.



5.2 Significant increase in credit risk:

As explained in note 51.D.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty:

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

5.3 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. Judgments 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.

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

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

5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs



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Notes to the financial statement for the year ended March 31, 2019

- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

5.6 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

5.7 Provisions and contingent liabilities:

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

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

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

5.8 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

6. Standards issued but not yet effective :

Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance asset model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.



Notes to the financial statement for the year ended March 31, 2019

Prepayment Features with Negative Compensation (Amendments to Ind AS 109):

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

Annual Improvements to Ind AS (2018):

Ind AS 12 Income taxes:

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19):

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019. The application of these amendments is not likely to have a material impact on the Financial Statements.

Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12):

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings;

If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.



Notes to the financial statement for the year ended March 31, 2019

7. Accounts for the previous year ended March 31, 2018 were audited by previous auditors – Price Waterhouse & Co LLP.
- 8.1 Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 250 million, amounting to approximately Rs 18,000 million into the Company, the Investor has subscribed to 1000 Equity shares of Re. 1/- each at premium of Rs. 31/- per Equity Share and 103,949,680 Compulsorily Convertible Debentures (CCDs) at Rs. 100 per CCD and accordingly paid the Company a total sum of Rs. 10,395 millions on May 7, 2019, towards first tranche.
- 8.2 A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 26, 2019.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

9. Cash and cash equivalents

Cash in hand

Cash in hand

Balances with banks

In current accounts

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash in hand	0.04	0.06	0.02
Balances with banks In current accounts	985.36	1,627.91	10,850.11
	985.40	1,627.97	10,850.13

10. Bank balances other than cash and cash equivalents

Fixed deposit with banks

Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation

(Refer Note 10.A Below)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposit with banks	1.52	709.79	699.98
Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation	467.72	275.53	236.73
	470.24	985.32	936.71

Notes:

Fixed deposit balances with banks earns interest at fixed rate.

10.A Encumbrances on fixed deposits held by the Company:

Fixed deposits pledged for:

Bank guarantee for non convertible debenture

RBL Bank Limited

Axis Bank Limited

Bank Of India Limited

ICICI Bank Limited

Bank guarantee for cash credit lines

ICICI Bank Limited

Security deposit for term loan WCDL facilities

Union Bank of India

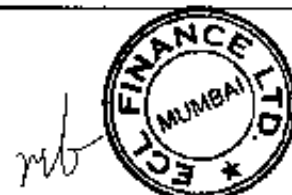
Bank guarantee for securitisation

DCB Bank Limited

ING Vysya Bank Limited

Yes Bank Limited

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Bank guarantee for non convertible debenture			
RBL Bank Limited	50.02	50.01	50.01
Axis Bank Limited	145.06	-	-
Bank Of India Limited	-	-	20.04
ICICI Bank Limited	0.52	-	-
Bank guarantee for cash credit lines			
ICICI Bank Limited	50.12	50.18	-
Security deposit for term loan WCDL facilities			
Union Bank of India	5.05	-	-
Bank guarantee for securitisation			
DCB Bank Limited	32.46	-	-
ING Vysya Bank Limited	126.64	117.47	108.86
Yes Bank Limited	57.85	57.87	57.82
	467.72	275.53	236.73



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

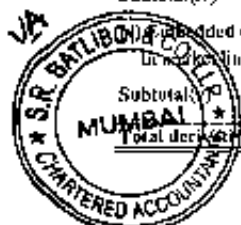
11. Derivative financial instruments

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

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

Particulars	As at March 31, 2019							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	4,750.00	136.59	Rupees	INR	11,500.00	183.22
Interest rate futures	G-Sec Units		44,54,000	0.42	G-Sec Units		25,00,000	1.86
Less: amounts offset				(0.42)				(1.86)
(Refer Note 11.A & 30)								
Subtotal(i)				136.59				183.22
(ii) Equity linked derivatives								
Stock futures				-	No. of Shares		20,88,334	2.18
Less: amounts offset								(2.18)
(Refer Note 11.A & 30)								
Subtotal(ii)				-				-
(iii) Index linked derivatives								
Index futures				-	Index Units		87,100.0	16.72
Options purchased	Index Units		1,48,27,500	217.94				-
Options sold				-	Index Units		4,22,94,375	14.36
Less: amounts offset								(16.72)
(Refer Note 11.A & 30)								
Subtotal(iii)				217.94				14.36
(iv) Embedded derivatives*								
In market linked debentures				28.77				279.25
Subtotal(iv)				28.77				279.25
Total derivative financial instruments			Total	383.30			Total	476.83

Particulars	As at March 31, 2018							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency Derivatives								
Options sold				-				0.04
Subtotal(i)				-				0.04
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	9,750.00	27.50	Rupees	INR	20,000.00	35.06
Interest rate futures	G-Sec Units		40,80,000	0.10				-
Less: amounts offset				(0.10)				
(Refer Note 11.A & 30)								
Subtotal(ii)				27.50				35.06
(iii) Equity linked derivatives								
Stock futures	No. of Shares		91,906	1.83	No. of Shares		29,800	0.02
Less: amounts offset				(1.83)				(0.02)
(Refer Note 11.A & 30)								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		22,575	0.39				-
Options purchased	Index Units		1,56,975	3.91				-
Options sold				-	Index Units		8,97,375	191.33
Less: amounts offset				(0.39)				-
(Refer Note 11.A & 30)								
Subtotal(iv)				3.91				191.33
(v) Embedded derivatives*								
In market linked debentures				93.94				223.85
Subtotal(v)				93.94				223.85
Total derivative financial instruments				125.35				450.32



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

11. Derivative financial instruments

Particulars	As at April 01, 2017							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency derivatives								
Currency swaps	Currency units	USD	1,00,00,000	1.47				-
Currency futures				-	Currency units	INR	1,00,00,000	4.72
Less: amounts offset				-				(4.72)
(Refer Note 1.A & 50)								
Subtotal(i)				1.47				-
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	23,000.00	32.17	Rupees	INR	8,750.00	41.15
Interest rate futures					G-Sec Units		18,76,000	0.74
Less: amounts offset							-	(0.74)
(Refer Note 1.A & 50)								
Subtotal(ii)				32.17				41.15
(iii) Equity linked derivatives								
Stock futures	No of Shares		20,51,800	4.15				-
Less: amounts offset				(4.15)				
(Refer Note 1.A & 50)								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		2,49,150	47.71				-
Options purchased	Index Units		10,70,175	723.34				-
Options sold				-	Index Units		11,91,000	70.50
Less: amounts offset				(47.71)				
(Refer Note 1.A & 50)								
Subtotal(iv)				723.34				70.50
(v) Embedded derivatives*								
In market linked debentures				226.24				555.53
Subtotal(v)				226.24				555.53
Total derivative financial instruments				983.22				667.18

Note: The notional/units field indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Refer Note 4.3.5 for further details.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 51.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

11.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	137.01	(0.42)	136.59	(88.47)	(6.00)	42.12	246.71	383.30	288.83
TriParty REPO (TRRPS)	3,709.11	(3,700.11)	-	-	-	-	-	-	-
Margin placed with broker*	1,626.14	(20.34)	1,625.80	-	-	1,625.80	-	1,625.80	1,625.80

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	207.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
TriParty REPO (TRRPS)	5,797.14	(3,700.11)	2,097.03	-	(41.05)	2,055.98	-	2,097.03	2,055.98

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2018	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	29.82	(2.32)	27.50	(18.05)	-	9.45	97.85	125.35	107.30
CBLO (with broker*)	3,500.00	(3,500.00)	-	-	-	-	-	-	-
Margin placed with broker*	196.10	2.30	198.60	-	-	198.60	-	198.60	198.60



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

11.A Offsetting

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2018	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	35.08	(0.02)	35.06	(18.05)	(15.35)	1.66	415.26	450.32	416.92
CBLO Borrowings	18,825.41	(3,500.00)	15,325.41	-	(41.05)	15,284.36	-	15,325.41	15,284.36

Financial Assets subject to offsetting, netting arrangements

As at April 01, 2017	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	84.02	(51.86)	32.16	(13.67)	-	18.49	951.06	983.22	969.55
Margin placed with broker*	695.62	46.40	742.02	-	-	742.02	-	742.02	742.02

Financial Liabilities subject to offsetting, netting arrangements

As at April 01, 2017	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk	
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	46.61	(5.46)	41.15	(13.67)	(27.48)	-	626.03	667.18	626.03
CBLO Borrowings	6,536.84	-	6,536.84	-	(41.05)	6,495.79	-	6,536.84	6,495.79

Note: At the reporting date, cash margin received that has been offset against the gross derivative assets. Also, cash margin paid that has been offset against the gross derivative liabilities.



(Currency/Indian rupees in million)

12. Securities held for trading:

At fair value through profit and loss account

Central Government Debt Securities

5.69% Government Stock 25.09.2018 Bonds	-
6.05% Government Stock 02.02.2019 Bonds	-
7.28% Government Stock 02.06.2019 Bonds	100.40
6.90% Government Stock 13.07.2019 Bonds	100.300
10.03% Government Stock 09.09.2019 Bonds	-
6.33% Government Stock 02.01.2020 Bonds	100.30
7.80% Government Stock 03.05.2020 Bonds	-
8.27% Government Stock 09.06.2020 Bonds	100.90
8.12% Government Stock 10.12.2020 Bonds	100.00
7.80% Government Stock 11.04.2021 Bonds	100.00
7.94% Government Stock 24.05.2021 Bonds	100.00
8.79% Government Stock 08.11.2021 Bonds	100.00
8.20% Government Stock 15.02.2022 Bonds	100.00
8.13% Government Stock 21.09.2022 Bonds	-
8.33% Government Stock 14.05.2022 Bonds	-
8.15% Government Stock 11.06.2022 Bonds	-
6.84% Government Stock 19.12.2022 Bonds	-
6.30% Government Stock 09.04.2023 Bonds	100.00
7.37% Government Stock 16.04.2023 Bonds	100.00
7.16% Government Stock 20.05.2023 Bonds	100.00
6.17% Government Stock 12.06.2023 Bonds	100.00
8.83% Government Stock 25.11.2023 Bonds	100.00
7.68% Government Stock 15.12.2023 Bonds	-
7.32% Government Stock 25.01.2024 Bonds	100.00
7.35% Government Stock 22.06.2024 Bonds	100.00
8.40% Government Stock 28.07.2024 Bonds	-
7.72% Government Stock 25.05.2025 Bonds	100.00
7.59% Government Stock 11.01.2026 Bonds	100.00
6.97% Government Stock 06.09.2026 Bonds	100.00
8.15% Government Stock 24.11.2026 Bonds	-
8.24% Government Stock 15.02.2027 Bonds	100.00
6.79% Government Stock 15.05.2027 Bonds	100.00
7.17% Government Stock 08.01.2028 Bonds	100.00
6.61% Government Stock 25.03.2028 Bonds	-
7.26% Government Stock 14.01.2029 Bonds	100.00
7.88% Government Stock 19.03.2030 Bonds	-
7.61% Government Stock 09.05.2030 Bonds	-
6.79% Government Stock 17.09.2031 Bonds	-
6.79% Government Stock 22.06.2041 Bonds	100.00

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
	-	-	-	100.00	30.00,000	299.26	-	-	-
	-	-	-	100.00	80.00,000	805.28	-	-	-
	100.40	1.00,000	10.75	100.00	-	-	-	-	-
	100.300	1.60,000	16.38	100.00	28.60,000	291.15	100.00	3.60,000	36.85
	-	-	-	-	-	-	100.00	20.00,000	217.88
	100.30	60.00,000	609.30	100.00	25.00,000	554.96	-	-	-
	-	-	-	100.00	65.00,000	682.69	-	-	-
	100.90	10.00,000	104.59	100.00	50.00,000	527.03	-	-	-
	100.00	25.00,000	265.09	100.00	85.00,000	897.59	100.00	30.00,000	382.37
	100.00	30.00,000	316.56	-	-	-	-	-	-
	100.00	5.00,000	54.25	-	-	-	-	-	-
	100.00	40.00,000	419.59	100.00	3.55,00,000	3,701.82	100.00	15.00,000	160.00
	-	-	-	100.00	10.00,000	103.16	-	-	-
	-	-	-	100.00	15.00,000	160.22	-	-	-
	-	-	-	100.00	20.00,000	200.11	100.00	5.00,000	54.01
	100.00	20.00,000	201.95	-	-	-	-	-	-
	100.00	5.00,000	52.66	100.00	-	-	-	-	-
	100.00	44.00,000	455.47	100.00	55.00,000	558.82	-	-	-
	100.00	16.00,000	98.96	100.00	75.00,000	727.34	-	-	-
	100.00	5.00,000	35.18	-	-	-	-	-	-
	100.00	1.15,00,000	1,182.56	-	-	-	100.00	15.00,000	159.64
	100.00	5.00,000	51.81	100.00	40.00,000	406.05	-	-	-
	100.00	46.00,000	421.53	100.00	1.00,00,000	1,037.03	100.00	50.00,000	520.11
	100.00	16.00,000	103.24	100.00	15.00,000	152.08	100.00	5.00,000	53.26
	100.00	15.00,000	147.43	100.00	40.00,000	387.62	-	-	-
	-	-	-	100.00	10.00,000	104.50	100.00	5.00,00,000	3,285.82
	100.00	36.00,000	96.62	100.00	20.00,000	681.13	-	-	-
	100.00	2.00,00,000	1,992.64	100.00	30.00,000	300.40	-	-	-
	100.00	60.00,000	605.66	100.00	5.00,000	44.53	-	-	-
	-	-	-	-	-	-	100.00	10.00,000	104.76
	100.00	20.00,000	185.82	100.00	55.00,000	509.40	100.00	35.00,000	373.11
	-	-	-	-	-	-	100.00	10.00,000	110.19



Year	Sex	Population (thousands)
2000	Male	~14,500
	Female	~15,500
2005	Male	~15,000
	Female	~16,000
2010	Male	~15,500
	Female	~16,500

30,000,000	29
30,000,000	28
-	

6,821



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency/figures in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Debt Securities									
7.80% Primal Enterprises Limited 19.04.2019 Ccd	-	-	-	1,07,600	3,030	337.11	-	-	-
2.65% IndusInd Housing Finance Limited 26.09.19 Bonds	-	-	-	10,00,000	900	977.98	1,000	13,200.00	13.63
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	-	-	-	10,00,000	10	11.24	-	-	-
11.20% Shriram Transport Finance Company Limited 20.04.2020 Bonds	-	-	-	1,000	4,000	4.34	-	-	-
8.75% IndusInd Finance Limited 24.06.2020 Bonds	-	-	-	-	-	-	-	-	-
9.25% IndusInd Finance Limited 01.02.2021 Ncd (Series 3A Option 1)	10,00,000	14	14.01	-	-	-	-	-	-
9.50% IndusInd Finance Limited 01.02.2021 Ncd (Series 3A Option 1)	10,00,000	108	108.20	1,000	12,49,000	1,244.48	1,000	51,210.00	50.32
8.75% Edelweiss Rental Finance Limited 22.03.2021 Bonds	-	-	-	-	-	-	-	-	-
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	16,920	17.04	1,000	4,271	4.57	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 Ncd	-	-	-	-	-	-	1,000	6,333.00	7.21
8.41% National Thermal Power Corporation Limited 16.12.2023 Ncd	-	-	-	-	-	-	1,000	15,000.00	16.58
8.41% India Infrastructure Finance Company Limited 22.01.2024 Ncd	-	-	-	13	31,514	0.15	13	1,19,384.00	1.57
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	-	-	-	1,000	53,375	56.00	-	-	-
10.00% Edelweiss Housing Finance Limited 19.07.2026 Ncd	-	-	-	1,000	898	0.96	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	-	-	-	10,00,000	4.00	4.06
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	-	-	-	-	-	-
8.50% Greater Hyderabad Municipal Corporation 16.02.2028 Ncd	-	-	-	10,00,000	16	16.34	-	-	-
8.85% IndusInd Commercial Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	1,00,000	8,600	773.01	-	-	-
9.20% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	10,00,000	300	299.13	-	-	-
9.75% IFC Financial Credit Solutions Limited 07.06.2028 Bonds	1,000	37,970	36.75	-	-	-	-	-	-
9.38% Greater Hyderabad Municipal Corporation 14.08.2028 Bonds	10,00,000	9	9.23	-	-	-	-	-	-
8.50% National Highways Authority Of India 07.02.2029 Bonds	-	-	-	10,00,000	6	6.68	1,000	14,702.00	18.59
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	-	-	1,000	2,743.00	3.21
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	10,00,000	9	10.02	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	25	23.69	-	-	-
9.30% Yes Bank Limited Perpetual Bonds	-	-	-	1,000	1	1.04	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	-	550	582.59	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	-	-	-	-	-
Total Debt Securities (B)			295.18			4,354.13			145.37
Equity Investments									
CTRE ETF	10.00	2,65,89,545	724.27	-	-	-	-	-	-
UBI BSVXX Fund	102.00	5,000	0.33	102.00	13,75,000	112.81	-	-	-
India Gilt Trust	-	-	-	100.00	86,751	8.20	-	-	-
Bindustan Zinc Limited	-	-	-	-	-	-	2.00	11,36,000	328.08
Coal India Limited	-	-	-	-	-	-	10.00	19,15,900	560.69
Total Equity Investments (C)			724.60			121.01			888.77
Total Preference Shares (D)				8.00	2,28,68,297	179.62	-	-	-
	-	-	-	10.00	22,26,835	21.56	-	-	-
Total Preference Shares (D)						201.18			



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

13. Trade receivables

a) Trade receivables

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables considered good - unsecured	722.93	5,471.44	1,165.05
Receivables - credit impaired	4.81	4.75	4.62
	727.74	5,480.94	1,174.29
Allowance for expected credit losses			
Receivables considered good - unsecured	(1.94)	(1.67)	(0.37)
Receivables - credit impaired	(4.81)	(4.75)	(4.62)
	720.99	5,474.52	1,169.30

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	6.42	4.59
Add/(less): asset originated or acquired (net)	0.33	1.43
Impairment allowance - closing balance	6.75	6.42

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person
- 2) No trade or other receivables are due from firms or private companies in which directors is/are partner, a director or a member.

c) Trade receivables days past due

As at March 31, 2019	Current	1-90 days	91-180 days	181-270 days	270-360 days	> 360 days	Total
ECL Rates		1.2%	5.7%	25.0%	100.0%	100.0%	
Estimated total gross carrying amount at default*	660.37	48.50	5.52	7.94	0.00	4.81	727.74
ECL - simplified approach	-	0.18	-	1.73	0.03	4.81	6.75
Net carrying amount	660.37	48.32	5.52	6.21	0.57	-	720.99

As at March 31, 2018	Current	1-90 days	91-180 days	181-270 days	270-360 days	> 360 days	Total
ECL Rates		0.6%	3.1%	16.4%	87.5%	100.0%	
Estimated total gross carrying amount at default*	5,411.31	55.03	0.06	9.70	0.04	4.75	5,480.94
ECL - simplified approach	-	-	-	1.67	-	4.75	6.42
Net carrying amount	5,411.31	55.03	0.06	8.03	0.04	-	5,474.52

As at April 01, 2017	Current	1-90 days	91-180 days	181-270 days	270-360 days	> 360 days	Total
ECL Rates		0.4%	2.2%	11.7%	62.5%	100.0%	
Estimated total gross carrying amount at default*	1,074.57	94.60	0.50	-	-	4.62	1,174.29
ECL - simplified approach	-	0.36	0.01	-	-	4.62	4.99
Net carrying amount	1,074.57	94.24	0.49	-	-	-	1,169.30

*Include receivables from stock exchanges / Clearing house and companies in same group. The Company has no history of default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

14. Loans (at amortised cost)

Term Loans;

Corporate credit

Retail credit

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

Secured by tangible assets (property including land & building)

Secured by inventories, fixed deposits, unlisted securities, project receivables & other marketable securities

Unsecured

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

Loans in India

Public sector

Others

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Term Loans;			
Corporate credit	1,49,405.54	1,38,890.78	1,11,930.05
Retail credit	94,679.89	85,895.20	63,654.44
Total gross	2,44,085.43	2,24,785.98	1,75,584.49
Less: Impairment loss allowance (Refer Note 14.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,37,966.74	2,20,024.70	1,71,640.40
Secured by tangible assets (property including land & building)	1,47,496.71	1,15,099.27	86,828.03
Secured by inventories, fixed deposits, unlisted securities, project receivables & other marketable securities	71,263.24	92,794.69	57,401.80
Unsecured	25,325.48	16,892.02	31,354.66
Total gross	2,44,085.43	2,24,785.98	1,75,584.49
Less: Impairment loss allowance (Refer Note 14.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,37,966.74	2,20,024.70	1,71,640.40
Loans in India			
Public sector			
Others	2,44,085.43	2,24,785.98	1,75,584.49
Total gross	2,44,085.43	2,24,785.98	1,75,584.49
Less: Impairment loss allowance (Refer Note 14.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,37,966.74	2,20,024.70	1,71,640.40

14.A Loans given to directors

Loans Given to Directors

(refer note 18 related party disclosure)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans Given to Directors	342.19	-	-
	342.19	-	-



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency/Indian rupees in million)

14.B Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 5.1.D.1 and policies on ECL allowances are set out in Note 4.6

a Credit quality of assets

	As at March 31, 2019				As at March 31, 2018				As at March 31, 2017			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing												
High grade	2,12,533.38	25,864.50		2,12,533.38	2,07,186.27	12,300.51		2,07,186.27	1,54,301.98	17,489.51		1,54,301.98
Standard grade				25,864.50				25,864.50				25,864.50
Non-performing												
Individually impaired												
	2,12,533.38	25,864.50	5,687.55	2,44,085.43	2,07,186.27	12,300.51	4,699.20	2,24,185.98	1,54,301.98	17,489.51	3,793.00	1,75,584.49

b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

Reconciliation / movement for the year ended March 31, 2019

Particulars	Non credit impaired			Credit impaired			Total	
	Gross Carrying Amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Opening balance	2,07,186.27	1,378.49	12,900.51	510.36	4,099.20	2,672.43	2,24,785.98	4,761.28
Transfer of financial assets								
Stage I to Stage II	(14,454.04)	(111.80)	14,454.04	111.80	-	-	-	-
Stage I to Stage III	(5,406.57)	(73.30)	-	-	5,426.52	73.30	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-
Stage III to Stage I	958.66	8.98	(958.66)	(8.98)	-	-	-	-
Stage III to Stage II	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	-	-
Reclassification of ECL arising from transfer of stage (net)	-	(3.45)	-	30.61	65.81	(117.82)	24,534.31	1,078.05
New assets originated / repayments received (net)	24,260.01	491.73	1,09.45	-	(4,992.46)	(727.00)	(4,992.46)	(117.82)
Transfer of assets to ARIC	-	-	-	-	(242.42)	-	(242.42)	(227.00)
Closing Balance	2,12,533.38	1,891.05	25,864.50	468.92	5,687.55	3,358.72	2,44,085.43	6,118.69



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency/Indian rupees in million)

14.B Credit quality of assets (contd.)

Reconciliation / movement for the year Ended March 31, 2018

Particulars	Non credit impaired		Credit impaired		Total	
	Stage I		Stage II		Total	
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	₹ 34,301.58	1,238.29	17,499.51	361.54	1,73,584.49	2,944.09
Transfer of financial assets:						
Stage I to Stage II	(2,334.85)	(14.82)	2,334.85	14.82	-	-
Stage I to Stage III	(6,957.03)	(224.82)	-	-	-	-
Stage II to Stage I	100.15	2.00	(100.15)	(2.00)	-	-
Stage II to Stage III	-	-	(760.29)	(9.42)	-	-
Stage III to Stage I	414.90	181.69	-	-	-	-
Reclassification of ECL arising from transfer of stage (net)	-	(158.36)	-	3.72	-	1,914.07
New assets originated / repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	55,267.73	650.24
Loans sold to ARC	-	-	-	-	(4,286.03)	(734.62)
Amounts written off	-	-	-	-	(1,780.21)	(1,332.50)
Closing balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43
					2,24,785.98	4,761.28



V/A



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

15. Other investments

As at March 31, 2019	At amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)			
Preference shares (refer note 1)	711.13	-	-	-	-	-	711.13
Security receipts	-	-	5,734.43	-	5,734.43	-	5,734.43
Units of AIF	-	-	139.84	-	139.84	-	139.84
TOTAL - gross (A)	711.13	-	5,874.27	-	5,874.27	-	6,585.40
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	711.13	-	5,874.27	-	5,874.27	-	6,585.40
Total (B)	711.13	-	5,874.27	-	5,874.27	-	6,585.40
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total net (A-C)	711.13	-	5,874.27	-	5,874.27	-	6,585.40

As at March 31, 2018	At amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)			
Preference shares (refer note 1)	653.09	-	-	-	-	-	653.09
Security receipts	-	-	4,878.84	-	4,878.84	-	4,878.84
Units of AIF	-	-	195.36	-	195.36	-	195.36
TOTAL - gross (A)	653.09	-	5,074.20	-	5,074.20	-	5,727.29
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	653.09	-	5,074.20	-	5,074.20	-	5,727.29
Total (B)	653.09	-	5,074.20	-	5,074.20	-	5,727.29
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	653.09	-	5,074.20	-	5,074.20	-	5,727.29

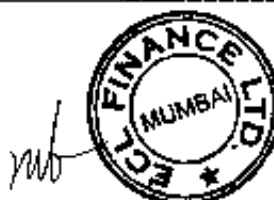
As at April 01, 2017	At amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)			
Liquidity instruments	-	-	66.80	-	66.80	227.50	294.30
Preference shares (refer note 1)	1,104.69	-	-	-	-	-	1,104.69
Security receipts	-	-	5,383.83	-	5,383.83	-	5,383.83
Units of AIF	-	-	210.02	-	210.02	-	210.02
TOTAL - gross (A)	1,104.69	-	5,660.65	-	5,660.65	227.50	6,992.84
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	1,104.69	-	5,660.65	-	5,660.65	227.50	6,992.84
Total (B)	1,104.69	-	5,660.65	-	5,660.65	227.50	6,992.84
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	1,104.69	-	5,660.65	-	5,660.65	227.50	6,992.84

Notes:

1) The above investment is in preference shares issued by Company in same, hence no ECL is being provided on it.

2) Please refer note 15.B - Investment details for further details

3) Please refer note 5C - Fair value measurement for valuation methodology



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

15.A Investments in preference shares measured at amortised cost:

i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 51. D.1 and policies on ECL allowances are set out in Note 4.6

	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing												
High grade	711.13	-	-	711.13	653.09	-	-	653.09	1,104.69	-	-	1,104.69
	711.13	-	-	711.13	653.09	-	-	653.09	1,104.69	-	-	1,104.69


ii) Reconciliation of changes in gross carrying amount for investments in preference shares:

	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	653.09	-	-	653.09	1,104.69	-	-	1,104.69
Unwinding of discount: (recognised in interest income)	58.04	-	-	58.04	108.19	-	-	108.19
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	(339.79)	-	-	(339.79)
Assets derecognised or matured (excluding write offs)	-	-	-	-	(220.00)	-	-	(220.00)
Closing balance	711.13	-	-	711.13	653.09	-	-	653.09

The above investment is in Preference shares issued by company in same, hence no ECL is being provided on it.



④



Equity Instruments (Griffy, 1999)

At fair value through profit and loss

Atlantic Industries, Inc. Limited

Equity Instruments (offly paid up)
at cost

Advan Credit Services India Pvt Limited
(Associate company)

Preference shares (Tuffly paid up)

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Edwards & Commodities Services Limited
(79% Non cumulative non convertible redeemable)
Edwards Investment Adviser Limited
(1% Non cumulative non convertible redeemable)

(1% Non-cumulative non convertible redeemable)

Security receipts

4.4 Fair value through profit and loss

[illegible]

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
EARC Trust SC 331	1,000	3,96,720	401.40	1,000	3,96,720	389.80	-	-	-
FARC Trust SC 345	1,000	8,865	9.73	-	-	-	-	-	-
BARC Trust SC 361	1,000	2,40,000	240.00	-	-	-	-	-	-
Edelweiss ARF-1 Trust Scheme-1	1,000	56,728	11.75	-	-	-	-	-	-
Total (D)			5,734.43			4,878.84			5,383.83
Units of AIF									
At fair value through profit and loss									
Edelweiss Stressed and Troubled Assets Revival Fund	5,576.40	23,000.00	139.43	7,797.20	23,000.00	194.93	8,381.60	25,000.00	209.59
Edelweiss Short Term Income Fund (Institutional) Growth	10.00	40,799.00	0.43	10.00	40,799.00	0.43	10.00	40,799.00	0.43
Total (E)			139.86			195.36			210.02
Total (A+B+C+D+E)			6,585.40			5,727.20			6,992.84

Note: Please refer note 50 - Fair value measurement for valuation methodologies for investments



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

16. Other financial assets

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	56.99	29.65	3.95
Deposits placed with/exchange/depositories	91.05	71.05	91.05
Accrued interest on margin	0.21	0.59	0.32
Margin placed with broker (refer note 11.A)	1,625.80	198.60	742.02
Interest accrued on investments	5.54	5.54	31.17
Advances recoverable in cash or in kind or for value to be received	185.13	189.35	59.53
Receivables from trust	4,165.40	1,492.81	-
	6,130.12	1,978.59	928.04

17. Current tax assets (net)

Advance income taxes (net of provision for tax ₹ 5,573.86, March 31, 2018 ₹ 6,286.90 million, April 01, 2017 ₹ 4,933.07 millions)	422.36	457.72	403.03
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18. Deferred tax assets (net)

Deferred tax assets

Loans

Expected credit loss	1,847.19	1,442.94	1,153.63
Effective interest rate on financial assets	152.25	154.24	82.24

Investments and other financial instruments

Impairment - Investments at amortised cost	-	63.70	61.52
Fair valuation - Investments and securities held for trading	-	4.00	-

Employee benefit obligations

Provision for deferred bonus	-	46.68	95.33
Disallowances under section 43B of the Income tax act, 1961	8.70	(0.02)	4.49

Fair valuation of employee stock options

	-	259.88	317.01
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Others

	9.42	2.24	1.73
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Deferred tax liabilities

Property, plant and equipment and intangibles

Difference between book and tax depreciation	26.98	24.29	16.70
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Investments and other financial instruments

Fair valuation - Derivative financial instruments	5.41	6.09	83.55
Fair valuation - Investments and securities held for trading	268.99	333.11	133.77

Borrowings

Effective interest rate on financial liabilities	229.96	91.00	117.21
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Others

	-	2.85	-
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	531.34	457.34	351.23
	1,486.22	1,516.32	1,364.72



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

19. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other intangible assets		Total
	Buildings	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Computer software	Total	
<u>Deemed cost*</u>										
As at April 1, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
Additions	270.11	2.01	30.07	6.29	14.28	21.60	344.36	40.10	40.10	384.46
Disposals	-	-	-	(5.36)	(0.40)	(10.07)	(5.83)	-	-	(5.83)
as at March 31, 2018	476.87	4.15	30.92	21.33	16.24	35.76	585.27	50.12	50.12	635.39
Additions	-	10.26	5.07	0.71	8.32	49.34	73.70	69.73	69.73	143.43
Disposals	-	-	-	(1.14)	-	(2.44)	(6.58)	-	-	(6.58)
as at March 31, 2019	476.87	14.41	35.99	18.90	24.56	81.66	652.39	119.85	119.85	772.24
<u>Depreciation and Impairment:</u>										
Opening balance*	-	-	-	-	-	-	-	-	-	-
Add: Depreciation/amortisation for the year	17.92	1.12	2.99	6.24	3.22	13.09	44.58	8.20	8.20	52.79
Disposals	-	-	-	(0.56)	(0.08)	(0.02)	(0.66)	-	-	(0.66)
as at March 31, 2018	17.92	1.12	2.99	5.68	3.14	13.07	43.92	8.20	8.20	52.12
Add: Depreciation/amortisation for the year	22.95	2.09	7.74	5.13	7.74	27.73	73.38	33.15	33.15	106.53
Disposals	-	-	-	(1.56)	-	(1.67)	(3.23)	-	-	(3.23)
as at March 31, 2019	40.87	3.21	10.73	9.25	10.88	39.13	114.07	41.35	41.35	155.42
<u>Net book value</u>										
As at April 01, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
As at March 31, 2018	458.95	3.03	27.97	15.65	13.10	22.69	541.35	41.92	41.92	583.27
As at March 31, 2019	436.00	11.20	25.26	9.65	13.68	42.53	538.12	78.50	78.50	616.62

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2019

2019

2018

2017

*The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognized as of 1 April 2017 (transition date) measured as per the provisions of Ind AS 16 and Ind AS 38 and use that carrying value as its deemed cost as of the transition date.

against secured redeemable non-convertible debentures (Refer note 22.8)



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

20. Other non-financial assets

(Unsecured considered good, unless stated otherwise)

Input tax credit	353.52	120.13	-
Contribution to gratuity fund (net)	-	0.74	3.36
Prepaid expenses	31.06	6.91	5.44
Vendor advances	25.61	42.56	55.87
Advances recoverable in cash or in kind or for value to be received	0.75	-	2.75
Advances to employees	3.36	6.01	3.04
Others	17.11	38.52	2.49

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	431.41	214.87	72.95

21. Trade Payables

Payable to :

Trade payables to non-related parties

2,560.85	814.48	418.83
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(includes sundry creditors, provision for expenses, customer payables and not payable for settlement in clearing house)

Trade payables to related parties

852.46	487.46	60.29
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3,413.31	1,301.94	479.12
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21.A Details of dues to micro and small enterprises

Trade Payables includes Rs.Nil (March 31, 2018: Rs.Nil; March 31, 2017: Rs Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

22. Debt securities

at amortised cost

(Refer Note 22.A and 22.B)

Redeemable non-convertible debentures - secured

Privately placed

45,351.78	44,885.23	29,905.88
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Public issue

29,552.37	3,246.45	10,213.07
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Market linked debentures

8,237.72	9,635.39	17,582.38
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INR Bonds

INR denominated USD settled notes (masala bonds)

5,197.22	5,174.33	5,154.70
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Redeemable non-convertible debentures - unsecured

Privately placed

906.16	829.20	748.69
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Commercial papers - unsecured

5,650.00	8,250.00	31,620.00
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Less: Unamortised discount

(23.40)	(187.16)	(397.41)
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5,626.60	8,062.84	31,222.59
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Total

94,871.85	71,833.44	94,827.31
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Debt securities in India

89,674.63	66,659.11	89,672.61
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Debt securities outside India

5,197.22	5,174.33	5,154.70
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Total

94,871.85	71,833.44	94,827.31
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22.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2019

Redeemable non-convertible debentures - secured

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2019	-	-	-	-	-	90.00	90.00
May 2019	-	-	125.00	-	470.00	180.70	775.70
Jun 2019	650.00	600.00	-	-	-	206.60	1,456.60
Jul 2019	-	-	-	-	125.00	156.50	281.50
Aug 2019	-	-	125.00	2,500.00	-	1,868.70	4,493.70
Sep 2019	-	250.00	-	-	-	143.00	393.00
Oct 2019	-	-	-	-	-	348.60	348.60
Nov 2019	-	-	125.00	-	-	343.30	468.30
Dec 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jan 2020	-	-	-	-	-	536.60	536.60
Feb 2020	-	-	375.00	-	-	213.30	588.30
Mar 2020	-	-	500.00	1,404.69	-	269.00	2,173.69
Apr 2020	-	144.00	42.00	-	-	243.50	429.50
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	914.30	-	-	-	80.00	994.30
Jul 2020	-	-	28.00	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	2,666.67	-	54.00	2,720.67
Nov 2020	-	-	-	-	-	10.00	10.00
Dec 2020	10,840.00	500.00	1,220.00	-	-	20.20	12,580.20
Jan 2021	-	-	-	-	-	20.00	20.00
Mar 2021	-	1,000.00	-	-	-	-	1,000.00
Apr 2021	-	-	-	-	-	15.00	15.00
May 2021	-	-	-	-	-	50.00	50.00
Jun 2021	-	600.00	-	-	-	-	600.00
Aug 2021	-	-	11,077.91	-	-	-	11,077.91
Sep 2021	-	-	5,000.00	-	-	-	5,000.00
Jan 2022	-	-	-	-	-	1,119.50	1,119.50
Apr 2022	767.28	-	-	1,670.89	-	-	2,438.17
Oct 2022	-	-	750.00	-	-	-	750.00
Aug 2023	-	-	3,922.47	-	-	-	3,922.47
Oct 2023	-	-	750.00	-	-	-	750.00
Jan 2024	586.68	-	1,720.86	1,790.72	-	-	4,098.26
Oct 2024	-	-	750.00	-	-	-	750.00
Dec 2024	-	-	-	200.00	-	-	200.00
Feb 2025	-	-	-	50.00	-	-	50.00
Mar 2025	-	-	-	100.00	-	-	100.00
Apr 2025	-	-	-	100.00	-	-	100.00
Aug 2025	-	-	-	-	-	30.00	30.00
Sep 2025	-	-	-	-	-	70.00	70.00
Oct 2025	-	-	875.00	200.00	-	-	1,075.00
Nov 2025	-	-	-	360.00	-	-	360.00
Dec 2025	-	-	250.00	-	-	10.00	260.00
Jan 2026	-	-	-	-	-	8.00	8.00
Mar 2026	-	-	250.00	-	-	400.00	650.00
May 2026	-	-	200.00	-	-	-	200.00
Jun 2026	-	-	225.00	-	-	-	225.00
Aug 2026	-	-	-	-	-	18.00	18.00
Mar 2027	-	-	5,000.00	-	-	-	5,000.00
Sep 2027	-	1,250.00	-	-	-	-	1,250.00
Aug 2028	-	-	4,698.48	-	-	-	4,698.48
Jan 2029	-	-	-	2,938.90	-	-	2,938.90
	12,843.96	5,295.30	39,874.72	13,981.87	595.00	6,994.20	79,585.05

Add: interest accrued & effective interest rate amortisation** 3,556.82

83,141.87



* Represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISIN's.



22.A Maturity profile and rate of interest of debt securities are set out below:

INR Bonds

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00

Add: interest accrued & effective interest rate amortisation** 177.22

5,197.22Redeemable non-convertible debentures - unsecured

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Feb 2020	-	-	-	-	-	600.00	600.00
Aug 2023	-	-	21.60	-	-	-	21.60
Apr 2026	-	-	110.00	-	-	-	110.00
	-	-	131.60	-	-	600.00	731.60

Add: interest accrued & effective interest rate amortisation** 174.56

906.16

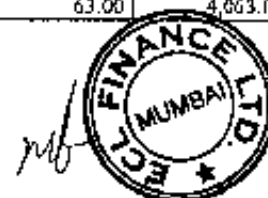
As at March 31, 2018

Redeemable non-convertible debentures - secured

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2018	-	-	-	-	-	747.80	747.80
May 2018	-	-	-	-	-	409.80	409.80
Jun 2018	-	-	-	-	-	308.00	308.00
Jul 2018	-	-	-	-	-	459.20	459.20
Aug 2018	-	-	-	2,600.00	-	645.90	3,245.90
Sep 2018	-	-	-	-	-	237.70	237.70
Oct 2018	-	-	-	-	-	205.00	205.00
Nov 2018	-	-	-	-	-	170.50	170.50
Dec 2018	-	-	1,650.00	-	-	267.90	1,917.90
Jan 2019	-	-	100.00	-	1,425.85	112.00	1,637.85
Feb 2019	-	-	250.00	-	327.00	93.50	670.50
Mar 2019	-	-	-	-	-	292.00	292.00
Apr 2019	-	-	-	-	-	160.00	160.00
May 2019	-	-	125.00	-	470.00	192.70	787.70
Jun 2019	-	-	-	-	-	213.60	213.60
Jul 2019	-	-	-	-	125.00	179.00	304.00
Aug 2019	-	-	125.00	2,500.00	-	351.50	2,976.50
Sep 2019	-	500.00	-	-	-	173.00	673.00
Oct 2019	-	-	-	-	-	352.60	352.60
Nov 2019	-	-	125.00	-	-	352.30	477.30
Dec 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jan 2020	-	-	-	-	-	339.80	339.80
Feb 2020	-	-	375.00	-	-	213.30	588.30
Mar 2020	-	-	2,000.00	1,408.47	-	159.00	3,607.47
Apr 2020	50.00	122.00	42.00	-	-	243.50	457.50
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	314.30	-	-	-	80.00	394.30
Jul 2020	-	-	28.00	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	4,000.00	-	63.00	4,063.00

* represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.



22.A Maturity profile and rate of interest of debt securities are set out below:**Non-convertible redeemable debentures (secured) (contd..)**

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Nov 2020	-	-	-	-	-	12.00	12.00
Dec 2020	-	500.00	1,700.00	-	-	20.20	2,220.20
Jan 2021	-	-	-	-	-	26.00	26.00
Mar 2021	-	1,200.00	-	-	-	-	1,200.00
Apr 2021	-	-	-	-	-	15.00	15.00
May 2021	-	-	-	-	-	50.00	50.00
Sep 2021	-	-	5,020.00	-	-	-	5,020.00
Jan 2022	-	-	-	-	-	20.00	20.00
Sep 2022	-	-	6,500.00	-	-	-	6,500.00
Oct 2022	-	-	750.00	-	-	-	750.00
Oct 2023	-	-	750.00	-	-	-	750.00
Jan 2024	-	-	500.00	-	-	-	500.00
Oct 2024	-	-	750.00	-	-	-	750.00
Dec 2024	-	-	-	200.00	-	-	200.00
Feb 2025	-	-	-	50.00	-	-	50.00
Mar 2025	-	-	-	100.00	-	-	100.00
Apr 2025	-	-	-	100.00	-	-	100.00
Aug 2025	-	-	30.00	-	-	-	30.00
Sep 2025	-	-	70.00	-	-	-	70.00
Oct 2025	-	-	875.00	200.00	-	-	1,075.00
Dec 2025	-	-	260.00	-	-	-	260.00
Jan 2026	-	-	8.00	-	-	-	8.00
Mar 2026	-	-	650.00	-	-	-	650.00
May 2026	-	-	200.00	-	-	-	200.00
Jun 2026	-	-	225.00	-	-	-	225.00
Aug 2026	-	-	-	-	-	20.00	20.00
Mar 2027	-	-	5,000.00	-	-	-	5,000.00
Sep 2027	-	1,250.00	-	-	-	-	1,250.00
	50.00	3,923.30	29,953.00	11,158.47	2,347.85	7,715.50	55,148.12

Add: interest accrued & effective interest rate amortisation** 2,618.95

57,767.07**INR Bonds**

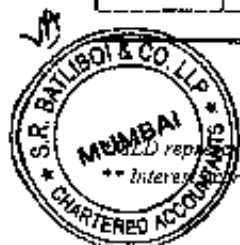
Month	Rate of Interest					Grand Total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00

Add: interest accrued & effective interest rate amortisation** 154.33

Total 5,174.33**Redeemable non-convertible debentures - unsecured**

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Feb 2020	-	-	-	-	-	600.00	600.00
Aug 2023	-	-	-	-	-	21.60	21.60
Apr 2026	-	-	112.00	-	-	-	110.00
	-	-	110.00	-	-	621.60	731.60

Add: interest accrued & effective interest rate amortisation** 97.60

829.20

* MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs

22.A Maturity profile and rate of interest of debt securities are set out below:

As at April 01, 2017

Redeemable non-convertible debentures - secured

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2017	-	-	-	-	-	173.10	173.10
May 2017	-	-	-	-	-	655.50	655.50
Jun 2017	-	-	-	-	-	242.50	242.50
Jul 2017	-	1,500.00	-	-	-	738.10	2,238.10
Aug 2017	-	-	-	60.00	-	639.80	699.80
Sep 2017	-	-	-	-	-	415.90	415.90
Oct 2017	-	-	-	100.00	-	596.60	696.60
Nov 2017	-	-	-	85.00	-	872.40	957.40
Dec 2017	-	-	-	-	-	403.00	403.00
Jan 2018	-	-	-	-	-	802.80	802.80
Feb 2018	-	-	-	-	-	288.30	288.30
Mar 2018	-	-	-	-	-	255.00	255.00
Apr 2018	-	-	-	-	-	237.70	237.70
May 2018	-	-	1,650.00	-	-	274.40	1,924.40
Jun 2018	-	-	-	-	-	459.20	459.20
Jul 2018	-	-	-	-	-	258.50	258.50
Aug 2018	-	-	-	-	-	808.20	808.20
Sep 2018	-	-	-	7,234.29	-	812.00	8,046.29
Oct 2018	-	-	-	2,600.00	-	643.90	3,243.90
Nov 2018	-	-	-	50.00	-	1,148.70	1,198.70
Dec 2018	-	-	-	-	-	176.00	176.00
Jan 2019	-	-	-	-	-	160.00	160.00
Feb 2019	-	-	-	-	470.00	177.70	647.70
Mar 2019	-	-	-	-	-	213.60	213.60
Apr 2019	-	-	-	-	-	143.00	143.00
May 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jun 2019	-	-	-	-	125.00	169.00	294.00
Jul 2019	-	-	-	-	-	352.60	352.60
Aug 2019	-	-	250.00	-	327.00	101.00	678.00
Sep 2019	-	-	-	-	-	280.50	280.50
Oct 2019	-	-	-	2,500.00	-	349.50	2,849.50
Nov 2019	-	-	100.00	-	1,425.85	117.50	1,643.35
Dec 2019	-	-	-	-	-	343.30	343.30
Jan 2020	-	-	42.00	-	-	243.50	285.50
Feb 2020	-	37.00	215.00	-	-	24.00	276.00
Mar 2020	-	-	-	-	-	80.00	80.00
Apr 2020	-	-	1,700.00	-	-	-	1,700.00
May 2020	-	-	28.00	-	-	45.70	73.70
Jun 2020	-	-	-	4,000.00	-	54.00	4,054.00
Jul 2020	-	-	250.00	-	-	813.30	1,063.30
Aug 2020	-	-	-	1,408.47	-	209.00	1,617.47
Oct 2020	-	-	-	-	-	84.50	84.50
Nov 2020	-	-	-	-	-	289.80	289.80
Dec 2020	-	-	-	-	-	10.00	10.00
Jan 2021	-	-	-	-	-	15.00	15.00
Apr 2021	-	-	-	-	-	50.00	50.00
May 2021	-	-	-	-	-	20.00	20.00
Jan 2022	-	-	750.00	-	-	-	750.00
Oct 2022	-	-	-	-	-	20.00	20.00
Oct 2023	-	-	750.00	-	-	-	750.00
Jan 2024	-	-	-	200.00	-	-	200.00
Oct 2024	-	-	750.00	-	-	-	750.00
Oct 2024	-	-	500.00	-	-	-	500.00
Feb 2025	-	-	-	100.00	-	-	100.00
Mar 2025	-	-	70.00	-	-	-	70.00
Mar 2025	-	-	250.00	-	-	-	250.00

*MLD represents market linked debentures



22.A Maturity profile and rate of interest of debt securities are set out below:

Non-convertible redeemable debentures (secured) - Contd.,

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Aug 2025	-	-	875.00	200.00	-	-	1,075.00
Sep 2025	-	-	-	50.00	-	-	50.00
Oct 2025	-	-	-	100.00	-	-	100.00
Dec 2025	-	-	30.00	-	-	-	30.00
Jan 2026	-	-	110.00	-	-	-	110.00
Mar 2026	-	-	200.00	-	-	-	200.00
Apr 2026	-	-	225.00	-	-	-	225.00
May 2026	-	-	250.00	-	-	-	250.00
Jun 2026	-	-	-	-	-	20.00	20.00
Aug 2026	-	-	8.00	-	-	-	8.00
Mar 2027	-	-	5,000.00	-	-	-	5,000.00
	-	1,537.00	15,653.00	18,687.76	2,347.85	15,623.60	53,849.21
Add: interest accrued & effective interest rate amortisation**							3,852.12
							57,701.33

INR Bonds

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00
Add: interest accrued & effective interest rate amortisation**						134.70
Total						5,154.70

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2017	-	-	-	300.00	-	300.00
Dec 2025	-	-	10.00	-	-	10.00
Mar 2026	-	-	400.00	-	-	400.00
	-	-	410.00	300.00	-	710.00
Add: interest accrued & effective interest rate amortisation**						38.69
Total						748.69

*MLD represents market linked debentures

**Interest accrued but not due is payable on next interest payment date for respective ISINs.



22.A Maturity profile and rate of interest of debt securities are set out below:**Commercial papers - unsecured**As at March 31, 2019

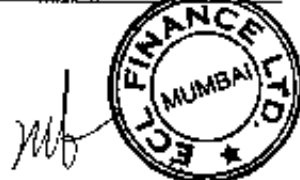
Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
Apr 2019	-	4,987.15	-	4,987.15
May 2019	-	-	493.07	493.07
Jul 2019	-	-	146.38	146.38
	-	4,987.15	639.45	5,626.60

As at March 31, 2018

Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
May 2018	1,977.54	740.71	-	2,718.35
Jun 2018	-	2,857.05	-	2,857.05
Sep 2018	-	1,927.03	-	1,927.03
Dec 2018	-	94.26	-	94.26
Feb 2019	-	466.15	-	466.15
	1,977.64	6,085.20	-	8,062.84

As at April 01, 2017

Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
Apr 2017	497.32	799.66	-	1,296.98
May 2017	15,830.28	-	128.58	15,958.86
Jun 2017	13,783.03	144.47	39.25	13,966.75
	30,110.63	944.13	167.83	31,222.59



22.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets) and corporate guarantee from parent

During the previous year, the Company has raised Rs 28,914.15 million worth of redeemable non-convertible debentures through public issue. As at March 31 2019 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the prospectus.

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

INR Bonds (Masala Bond):

Debentures are secured by pari passu charge on receivables from financing business and securities held for trading.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
23. Borrowings other than debt securities (at amortised cost)			
<u>Secured</u>			
<u>Term loan from bank</u>	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] (Refer Note 23.A)			
<u>Term loans from other parties</u>	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] (Refer note 23.A)			
<u>Other borrowings</u>			
Cash credit lines	22,322.04	18,235.36	3,872.85
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.50% to 10%)			
Working capital demand loan	2,900.00	4,370.00	3,100.00
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.65% to 10%)			
Tri party REPO			
TREPS facilitates borrowing and lending of funds, in Triparty repo arrangement	2,097.03	-	-
[Secured by pledge of government securities] [Repayable on April 02, 2019]			
CBLO borrowings			
Collateralised borrowing and lending obligation and clearcorp repo order matching system		15,325.41	6,536.84
[Secured by pledge of government securities] [March 18; Repayable on April 03 2018 Interest payable in range of 6.55% to 6.75%] [March 17; Repayable on April 03 2017 Interest payable in range of 6.06% to 6.09%]			
<u>Unsecured</u>			
<u>Loan from related parties (refer note 48)</u>	1,014.31	12,124.87	14,060.73
(Repayable on demand, Interest rate payable @ 10% for March- 19, 9% for March-18 and 10% for March-17)			
Total	1,13,287.45	1,38,208.56	76,518.36
Borrowings in India	1,13,287.45	1,38,208.56	76,518.36
Borrowings in outside India	-	-	-
	1,13,287.45	1,38,208.56	76,518.36



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

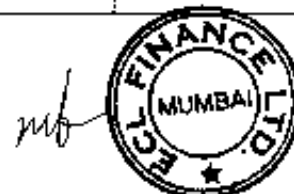
(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2019

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2019	83.40	140.90	500.00	-	724.30
May 2019	-	37.50	187.50	-	225.00
Jun 2019	511.20	2,961.16	693.06	200.00	4,365.42
Jul 2019	83.40	640.90	422.37	-	1,146.67
Aug 2019	125.00	137.50	87.50	-	350.00
Sep 2019	927.47	2,484.08	568.06	500.00	4,479.60
Oct 2019	83.40	140.90	1,972.37	-	2,196.67
Nov 2019	-	37.50	187.50	-	225.00
Dec 2019	458.40	6,454.08	668.06	200.00	7,780.53
Jan 2020	83.40	590.90	422.37	-	1,096.67
Feb 2020	-	137.50	25.00	-	162.50
Mar 2020	575.07	2,320.75	518.06	500.00	3,913.87
Apr 2020	83.40	140.90	1,972.37	-	2,196.67
May 2020	-	37.50	125.00	-	162.50
Jun 2020	358.60	2,654.08	593.06	200.00	3,805.73
Jul 2020	82.60	590.90	422.37	-	1,095.87
Aug 2020	-	137.50	25.00	-	162.50
Sep 2020	475.07	2,220.75	430.56	500.00	3,626.37
Oct 2020	-	140.90	1,922.37	-	2,063.27
Nov 2020	-	37.50	125.00	-	162.50
Dec 2020	307.60	6,074.91	475.00	200.00	7,057.51
Jan 2021	-	590.90	350.00	-	940.90
Feb 2021	-	137.50	25.00	-	162.50
Mar 2021	391.67	1,899.91	325.00	500.00	3,116.58
Apr 2021	-	140.90	1,900.00	-	2,040.90
May 2021	-	37.50	125.00	-	162.50
Jun 2021	225.00	1,949.91	425.00	200.00	2,799.91
Jul 2021	-	591.00	350.00	-	941.00
Aug 2021	-	137.50	25.00	-	162.50
Sep 2021	225.00	1,849.91	325.00	500.00	2,899.91
Oct 2021	-	50.00	1,825.00	-	1,875.00
Nov 2021	-	37.50	125.00	-	162.50
Dec 2021	225.00	6,691.58	425.00	200.00	6,941.58
Jan 2022	-	590.00	275.00	-	775.00
Feb 2022	-	137.50	25.00	-	162.50
Mar 2022	225.00	1,246.58	325.00	500.00	2,296.58
Apr 2022	-	50.00	1,825.00	-	1,875.00
May 2022	-	37.50	100.00	-	137.50
Jun 2022	100.00	1,056.58	425.00	200.00	1,781.58
Jul 2022	-	500.00	275.00	-	775.00
Aug 2022	-	137.50	-	-	137.50
Sep 2022	100.00	956.58	325.00	500.00	1,881.58
Oct 2022	-	50.00	1,775.00	-	1,825.00
Nov 2022	-	37.50	100.00	-	137.50
Dec 2022	50.00	150.00	425.00	-	625.00
Jan 2023	-	500.00	225.00	-	725.00
Feb 2023	-	137.50	-	-	137.50
Mar 2023	50.00	-	325.00	-	375.00
Apr 2023	-	-	525.00	-	525.00
May 2023	-	37.50	-	-	37.50
Jun 2023	-	-	175.00	-	175.00
Jul 2023	-	-	75.00	-	75.00



23-A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Sep 2023	-	-	275.00	-	275.00
Oct 2023	-	-	375.00	-	375.00
Dec 2023	-	-	175.00	-	175.00
Jan 2024	-	-	75.00	-	75.00
Mar 2024	-	-	225.00	-	225.00
Apr 2024	-	-	75.00	-	75.00
	5,829.47	47,167.46	26,967.54	4,900.00	84,864.47

Add: interest accrued & effective interest rate amortisation: ** 89.60

84,954.07

As at March 31, 2018

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2018	245.90	-	-	-	245.90
May 2018	187.50	-	-	-	187.50
Jun 2018	3,758.75	473.33	-	-	4,232.08
Jul 2018	993.27	50.00	-	-	1,043.27
Aug 2018	312.50	-	-	-	312.50
Sep 2018	3,975.42	140.00	-	-	4,115.42
Oct 2018	543.27	50.00	-	-	593.27
Nov 2018	187.50	-	-	-	187.50
Dec 2018	4,008.75	140.00	-	-	4,148.75
Jan 2019	1,730.77	50.00	-	-	1,780.77
Feb 2019	187.50	-	-	-	187.50
Mar 2019	3,508.75	473.33	-	-	3,982.08
Apr 2019	930.77	50.00	-	-	980.77
May 2019	312.50	-	-	-	312.50
Jun 2019	3,856.27	140.00	-	-	3,996.27
Jul 2019	1,730.77	-	-	-	1,730.77
Aug 2019	187.50	-	-	-	187.50
Sep 2019	7,257.20	140.00	-	-	7,397.20
Oct 2019	993.27	50.00	-	-	1,043.27
Nov 2019	312.50	-	-	-	312.50
Dec 2019	3,881.67	140.00	-	-	4,021.67
Jan 2020	930.77	-	-	-	930.77
Feb 2020	125.00	-	-	-	125.00
Mar 2020	3,290.53	140.00	-	-	3,430.53
Apr 2020	1,730.77	-	-	-	1,730.77
May 2020	125.00	-	-	-	125.00
Jun 2020	2,948.87	473.33	-	-	3,422.20
Jul 2020	929.97	-	-	-	929.97
Aug 2020	125.00	-	-	-	125.00
Sep 2020	3,003.03	140.00	-	-	3,143.03
Oct 2020	1,597.37	-	-	-	1,597.37
Nov 2020	125.00	-	-	-	125.00
Dec 2020	6,534.18	140.00	-	-	6,674.18
Jan 2021	775.00	-	-	-	775.00
Feb 2021	125.00	-	-	-	125.00
Mar 2021	2,543.25	90.00	-	-	2,633.25
Apr 2021	325.00	-	-	-	325.00
May 2021	125.00	-	-	-	125.00

Interest accrued but not due is payable on next interest payment date for respective term loan



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Jun 2021	2,326.58	90.00	-	-	2,416.58
Jul 2021	775.00	-	-	-	775.00
Aug 2021	125.00	-	-	-	125.00
Sep 2021	2,376.58	40.00	-	-	2,416.58
Oct 2021	150.00	-	-	-	150.00
Nov 2021	125.00	-	-	-	125.00
Dec 2021	6,726.58	40.00	-	-	6,766.58
Jan 2022	550.00	-	-	-	550.00
Feb 2022	125.00	-	-	-	125.00
Mar 2022	1,981.58	40.00	-	-	2,021.58
Apr 2022	100.00	-	-	-	100.00
May 2022	100.00	-	-	-	100.00
Jun 2022	1,606.58	-	-	-	1,606.58
Jul 2022	550.00	-	-	-	550.00
Aug 2022	100.00	-	-	-	100.00
Sep 2022	1,606.58	-	-	-	1,606.58
Oct 2022	50.00	-	-	-	50.00
Nov 2022	100.00	-	-	-	100.00
Dec 2022	450.00	-	-	-	450.00
Jan 2023	450.00	-	-	-	450.00
Feb 2023	100.00	-	-	-	100.00
Mar 2023	100.00	-	-	-	100.00
	85,035.53	3,090.00	-	-	88,125.53

Add: interest accrued & effective interest rate amortisation**

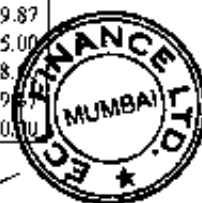
27.39

88,152.92

As at April 01, 2017

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2017	-	-	112.50	-	112.50
May 2017	-	125.00	166.67	-	291.67
Jun 2017	62.50	1,610.14	621.83	-	2,294.47
Jul 2017	-	197.37	112.50	-	309.87
Aug 2017	-	125.00	83.33	-	208.33
Sep 2017	62.50	1,610.14	530.93	-	2,203.56
Oct 2017	-	247.37	112.50	-	359.87
Nov 2017	-	25.00	41.67	-	66.67
Dec 2017	62.50	1,672.64	343.43	-	2,078.56
Jan 2018	-	247.37	112.50	-	359.87
Feb 2018	-	150.00	41.67	-	191.67
Mar 2018	62.50	1,672.64	343.43	-	2,078.56
Apr 2018	-	247.37	112.50	-	359.87
May 2018	-	25.00	41.67	-	66.67
Jun 2018	62.50	1,672.64	343.43	-	2,078.56
Jul 2018	-	247.37	112.50	-	359.87
Aug 2018	-	150.00	-	-	150.00
Sep 2018	62.50	1,672.64	343.43	-	2,078.56
Oct 2018	-	247.37	112.50	-	359.87
Nov 2018	-	25.00	-	-	25.00
Dec 2018	62.50	1,672.64	343.43	-	2,078.56
Jan 2019	-	247.37	112.50	-	359.87
Feb 2019	-	150.00	-	-	150.00



** Interest accrued but not due is payable on next interest payment date for respective term loan

7/10

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total
Mar 2019	62.50	1,641.39	280.93	-	1,984.81
Apr 2019	-	247.37	50.00	-	297.37
May 2019	-	25.00	-	-	25.00
Jun 2019	62.50	1,516.39	249.68	-	1,828.56
Jul 2019	-	247.37	50.00	-	297.37
Aug 2019	-	150.00	-	-	150.00
Sep 2019	62.50	1,491.39	139.90	-	1,693.79
Oct 2019	-	197.37	50.00	-	247.37
Nov 2019	-	25.00	-	-	25.00
Dec 2019	62.50	5,386.39	112.50	-	5,561.39
Jan 2020	-	197.37	50.00	-	247.37
Feb 2020	-	25.00	-	-	25.00
Mar 2020	62.50	1,190.56	112.50	-	1,365.56
Apr 2020	-	147.37	50.00	-	197.37
May 2020	-	25.00	-	-	25.00
Jun 2020	62.50	1,065.56	112.50	-	1,240.56
Jul 2020	-	147.37	50.00	-	197.37
Aug 2020	-	25.00	-	-	25.00
Sep 2020	62.50	1,015.56	-	-	1,078.06
Oct 2020	-	147.37	-	-	147.37
Nov 2020	-	25.00	-	-	25.00
Dec 2020	62.50	4,910.00	-	-	4,972.50
Jan 2021	-	125.00	-	-	125.00
Feb 2021	-	25.00	-	-	25.00
Mar 2021	62.50	735.00	-	-	797.50
Apr 2021	-	125.00	-	-	125.00
May 2021	-	25.00	-	-	25.00
Jun 2021	62.50	735.00	-	-	797.50
Jul 2021	-	125.00	-	-	125.00
Aug 2021	-	25.00	-	-	25.00
Sep 2021	62.50	685.00	-	-	747.50
Oct 2021	-	50.00	-	-	50.00
Nov 2021	-	25.00	-	-	25.00
Dec 2021	62.50	5,085.00	-	-	5,147.50
Jan 2022	-	50.00	-	-	50.00
Feb 2022	-	25.00	-	-	25.00
Mar 2022	62.50	352.50	-	-	415.00
Apr 2022	-	50.00	-	-	50.00
Jul 2022	-	49.41	-	-	49.41
	1,250.00	42,180.76	5,452.88	-	48,883.65

Add: interest accrued & effective interest rate amortisation**

44.31

48,927.96

** Interest accrued but not due is payable on next interest payment date for respective ISINs.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

24. Subordinated liabilities (unsecured)

(at amortised cost)

(Refer Note 24.A)

Subordinated debt

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Privately placed non-convertible redeemable	8,318.84	8,343.95	7,121.17
Public issue of non-convertible redeemable	4,357.01	4,243.64	4,149.41
Market linked debentures	4,045.92	3,719.35	-
Perpetual debt	3,272.82	3,272.82	-
Total	19,994.59	19,579.76	11,270.58
Subordinated liabilities in India	19,994.59	19,579.76	11,270.58
Subordinated liabilities outside India	-	-	-
Total	19,994.59	19,579.76	11,270.58

24.A Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2019

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2020	-	-	4,000.00	-	4,000.00
Sep 2020	-	-	500.00	-	500.00
Dec 2020	-	-	200.00	-	200.00
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,751.60	1,751.60
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	3,000.00	-	3,000.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	2,700.00	8,200.00	3,184.10	15,884.10

Add: interest accrued & effective interest rate amortisation**

837.67

16,721.77



*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.



(Currency: Indian rupees in million)

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	3,000.00	-	3,000.00

Add: interest accrued & effective interest rate amortisation** 272.82

3,272.82

As at March 31, 2018

Subordinated debt (unsecured)

Month	Rate of Interest			MLD*	Grand total
	9% - 10%	10% - 11%	11% - 12%		
Apr 2020	-	-	4,000.00	-	4,000.00
Sep 2020	-	-	500.00	-	500.00
Dec 2020	-	-	200.00	-	200.00
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,751.60	1,751.60
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	3,000.00	-	3,000.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	2,700.00	8,200.00	3,184.10	15,884.10

Add: interest accrued & effective interest rate amortisation** 422.84

16,306.94

Perpetual debt

Month	Rate of Interest			Grand Total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	3,000.00	-	3,000.00

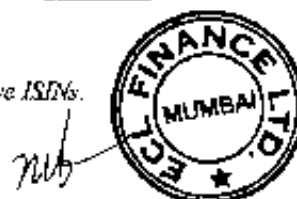
Add: interest accrued & effective interest rate amortisation** 272.82

3,272.82



*MLD represents market linked debentures

**Interest accrued but not due is payable on next interest payment date for respective ISINs.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

As at April 01, 2017

Subordinated debt (unsecured)

Month	Rate of Interest			Grand Total
	9% - 10%	10% - 11%	11% - 12%	
Apr 2020	-	-	4,000.00	4,000.00
Sep 2020	-	-	500.00	500.00
Dec 2020	-	-	200.00	200.00
Jun 2022	-	-	500.00	500.00
May 2025	-	-	3,000.00	3,000.00
Sep 2025	-	200.00	-	200.00
Jun 2026	-	2,500.00	-	2,500.00
	-	2,700.00	8,200.00	10,900.00

Add: interest accrued & effective interest rate amortisation** 370.58

11,270.58

*** Interest accrued but not due is payable on next interest payment date for respective ISINs.*

24.B Details of subordinated liabilities:

Market Linked Debentures:

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level.

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment, if call option is not exercised.



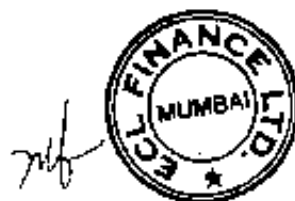
ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
25. Other financial liabilities			
Payable on account of securitisation	750.24	-	-
Bank overdraft	1,622.07	1,707.83	325.66
Accrued salaries and benefits	529.57	720.56	496.72
Payable - SLB segment	673.72	-	-
	3,575.60	2,428.39	822.38
26. Current tax liabilities (net)			
Provision for taxation (net of advance Tax ₹ 5384.86, March 31, 2018 ₹ 3,927.81 million, April 01, 2017 ₹ 3,009.54 millions)	289.96	568.40	175.56
	289.96	568.40	175.56
27. Provisions			
Provision for employee benefits			
Gratuity (Refer Note 39.A)	4.40	-	-
Compensated leave absences	24.89	13.88	12.97
Deferred bonus	-	133.59	275.45
	29.29	147.47	288.42
28. Other non-financial liabilities			
Statutory liabilities*	56.17	114.63	23.61
Others	156.32	59.18	77.62
	212.49	173.81	111.23

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



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Amounts in Indian rupees in million)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
29. Equity share capital						
Authorised :						
Equity shares of Rs.1 each	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00
Preference shares of Rs.10 each	40,00,000	40.00	40,00,000	40.00	40,00,000	40.00
	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00
Issued, subscribed and paid up:						
Equity shares of Rs.1 each	1,13,82,66,650	1,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85
	1,13,82,66,650	1,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85

A. Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85	1,89,18,48,462	1,891.85
Shares issued during the year	19,01,59,398	190.16	5,62,58,790	56.26	-	-
Outstanding at the end of the year	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85

Notes:

Financial year 2019

During the year the Company has issued 19,01,59,398 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 4,056.10 million to Edel Finance Company Limited and Edelweiss Financial Services Limited.

Financial year 2018

During the year the Company has issued 5,62,58,790 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 1,200.03 million to Edel Finance Company Limited.

B. Term rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	9,74,16,683	4.56%	9,74,16,683	5.00%	9,74,16,683	5.15%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	29,44,72,650	13.77%	29,44,72,650	15.12%	14,69,76,650	7.77%
Edel Finance Limited	8,43,88,134	3.95%	5,62,58,790	2.89%	-	-
Waverly Pte. Ltd	-	-	-	-	14,74,96,000	7.80%
	2,13,82,66,650	100.00%	1,94,81,07,252	100.00%	1,89,18,48,462	100.00%

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

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	-	-	9,74,16,683	5.00%	9,74,16,683	5.15%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	29,44,72,650	13.77%	29,44,72,650	15.12%	14,69,76,650	7.77%
Waverly Pte. Ltd	-	-	-	-	14,74,96,000	7.80%
	1,95,64,61,783	91.50%	1,89,18,48,462	97.11%	1,89,18,48,462	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

E. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / divestment.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

30. Other equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Securities premium reserve	11,879.93	7,983.01	6,839.25
Statutory reserve	5,024.31	3,392.54	2,968.44
Debenture redemption reserve	3,837.87	1,720.61	2,122.26
Retained earnings	15,474.12	13,327.50	9,539.19
Deemed capital contribution - equity	140.02	140.02	97.89
	36,356.25	27,063.68	21,567.03

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Statutory reserve

Reserve created under 45-4C(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

c. Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFCs has to maintain debenture redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

d. Retained earnings

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

e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.



ECI Finance LimitedNotes to the financial statement for the year ended **March 31, 2019**

(Currency Indian rupees in million)

30. Other equity**B. Movement in Other equity**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Securities premium reserve			
Opening balance	7,983.01	6,839.25	6,991.43
Add : Premium Received on issue of securities	3,896.92	1,163.35	-
Less: Provision for premium payable on redemption of debentures	-	(19.59)	(152.18)
	11,879.93	7,983.01	6,839.25
II. Statutory reserve			
Opening balance	3,892.54	2,968.44	2,187.83
Add : Reserve created for current year	1,131.77	924.10	780.61
	5,024.31	3,892.54	2,968.44
III. Debenture redemption reserve			
Opening balance	1,720.61	2,122.26	1,705.06
Add : Reserve created for current year	2,117.26	-	417.20
Less: Reserve utilised during the year	-	(401.65)	-
	3,837.87	1,720.61	2,122.26
IV. Retained earnings			
Opening balance	13,327.50	9,539.19	7,046.14
Add: Profit for the year	5,658.83	4,705.35	3,903.17
Add: Other comprehensive income	(3.30)	2.31	-
Less: Income tax effect of ESOP	(259.88)	(57.12)	317.01
Impact on first time adoption of Ind AS (Refer Note 32)	-	-	(529.32)
Add: Balance released from debenture redemption reserve	-	401.65	-
Amount available for appropriation	18,723.15	14,591.38	10,737.00
Appropriations:			
Transfer to debenture redemption reserve	(2,117.26)	-	(417.20)
Transfer to statutory reserve	(1,131.77)	(924.10)	(780.61)
Deemed distribution during the year	-	(339.78)	-
	(3,249.03)	(1,263.88)	(1,197.81)
	15,474.12	13,327.50	9,539.19
V. Deemed capital contribution - equity			
Opening balance	140.02	97.89	-
Add : ESOP charge for the year	-	42.13	97.89
	140.02	140.02	97.89
	36,356.25	27,063.68	21,557.03



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

31. Interest Income

On financial assets measured at amortised cost

Interest on loans

Loans

Interest income from investments

Collateralised borrowing and lending operations / TriParty REPO

Investment in preference Shares

Interest on deposits with bank

Fixed deposits

Other interest income

Margin with brokers

Others

On financial assets measured at FVTPL

Interest income from investments

Interest income - securities held for trading

32. Dividend Income

Dividend - Securities held for trading

Dividend - Units of AIF funds

33. Fee income

Processing and other fees

34. Net gain/ (loss) on financial instruments at FVTPL

Investments

Profit on trading - Securities held for trading (net)

Fair value - Securities held for trading (net)

Derivatives

Profit on trading - Interest rate swap (net)

Profit on trading - Equity derivative instruments (net)

Profit on trading - Currency derivative instruments (net)

Profit / (loss) on trading - Interest rate derivative instruments (net)

Fair value - Derivative financial instruments (net)

Others

Profit on sale/redemption - Securities receipts

Fair value - security receipts

Fair value changes

Realised

Unrealised

35. Other income

Interest income

	For the year ended March 31, 2019	For the year ended March 31, 2018
	35,233.31	26,627.64
	93.88	22.05
	58.05	101.40
	45.42	81.89
	33.39	16.68
	31.09	53.03
	35,495.14	26,902.69
	2,099.35	2,225.35
	2,099.35	2,225.35
	37,594.49	29,128.04
	1,902.68	457.89
	0.70	0.70
	1,903.38	458.59
	1,173.28	1,656.77
	1,173.28	1,656.77
	690.70	464.16
	(1,867.21)	(445.37)
	52.37	8.78
	14.43	500.61
	-	2.08
	28.29	(154.52)
	156.95	(122.72)
	561.44	677.57
	(282.13)	527.40
	(645.16)	1,387.99
	1,347.23	1,498.68
	(1,992.39)	(110.69)
	(645.16)	1,387.99
	148.59	92.08
	148.59	92.08



ECL Finance Limited**Notes to the financial statement for the year ended March 31, 2019**

(Currency: Indian rupees in million)

36. Finance costs*On financial liabilities measured at amortised cost*

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings other than debt securities	17,369.14	8,852.96
Interest on debt securities	10,191.50	8,144.23
Interest on subordinated liabilities	1,404.30	1,289.37
Other finance cost and bank charges	433.32	572.10
	24,398.26	18,858.66

37. Net loss on derecognition of financial instruments

Loss on sale of credit impaired assets (Refer note 53.D)	970.36	1,366.60
	970.36	1,366.60

38. Impairment on financial instruments**Expected credit loss**

Loans (including undrawn commitments)	1,502.30	2,213.02
Trade receivables	0.32	1.43
Investments	-	(128.31)
Provision for credit loss on securitisation	(4.21)	(3.34)
	1,498.41	2,082.80

39. Employee benefit expenses

Salaries wages and bonus	2,198.79	1,715.73
Contribution to provident and other funds	110.49	62.40
Expense on employee stock option scheme (ESOP) - refer note below	45.69	42.13
Staff welfare expenses	55.32	37.27
	2,410.29	1,857.53

Notes:

Edefweiss Financial Services Limited ("EFSL") the holding Company has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.



39.A Employee Benefits

a) Defined contribution plan – provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 83.21 million (March 31, 2018 : Rs 41.85 million) for provident fund and other contributions in the Statement of profit and loss.

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension Funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including any representations made by an industry association in this regard.

b) Defined benefit plan – gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

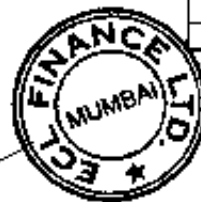
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of funded obligations (A)	93.02	58.74	46.95
Fair value of plan assets (B)	88.62	59.48	50.31
Present value of funded obligations (A - B)	4.40	(0.74)	(3.36)
Net deficit / (assets) are analysed as:			
Liabilities - (refer note 27)	4.40	-	-
Assets - (refer note 20)	-	0.74	3.36

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined benefit obligation (USD)		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening balance	58.74	46.95	59.48	50.31	(0.74)	(3.36)
Current service cost	21.16	12.00	-	-	21.16	12.00
Past service cost	-	6.95	-	-	-	6.95
Interest cost (income)	5.22	2.89	4.00	3.32	1.22	(0.43)
	85.12	68.79	63.48	53.63	21.64	15.16
Other comprehensive income						
Remeasurement loss (gain):	-	-	(0.02)	0.78	0.02	(0.78)
Actuarial loss (gain) arising from:						
Experience	3.54	(1.13)	-	-	3.54	(1.13)
Financial assumptions	1.52	(1.64)	-	-	1.52	(1.64)
	5.06	(2.77)	(0.02)	0.78	5.08	(3.55)
Others						
Transfer in/ (out)	12.68	(4.36)	-	-	12.68	(4.36)
Contributions by employer	-	-	35.00	1.99	(35.00)	(7.99)
Benefits paid	(9.84)	(2.93)	(9.84)	(2.92)	-	-
Closing balance	93.02	58.74	88.62	59.48	4.40	(0.74)
Represented by						
Net defined benefit asset					-	0.74
Net defined benefit liability					4.40	-
					4.40	0.74



39.A Employee Benefits

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Recognised in statement of profit or loss		
Current service cost	21.16	12.00
Interest cost / (income) (net)	1.22	(0.43)
Past service cost	-	6.95
Unrecognised past service cost - non vested benefits	-	-
Total	22.38	18.52
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	5.08	(3.55)
Return on plan assets excluding net interest	-	-
Total	5.08	(3.55)

Percentage break-down of total plan assets

	as at March 31, 2019	as at March 31, 2018	as at April 01, 2017
Investment funds with insurance company			
Of which, unit linked	88.62	59.48	50.16
Cash and cash equivalents	-	-	6.14
	88.62	59.48	56.30

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Discount rate	7.00%	7.30%	6.80%
Salary growth rate	7.00%	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	13% to 25%	13% to 25%	13% to 25%
Mortality rate	[A]LM 2012-14 (Ultimate)	[A]LM 2006-08 (Ultimate)	[A]LM 2006-08 (Ultimate)
Expected weighted average remaining working lives of employees	5 Years	5 Years	5 Years
Interest rate on net DBO (asset) (% p.a.)	7.30%	6.80%	7.40%

Notes:

- a) The discount rate are based on the benchmark yields available on Government Bonds at reporting date.
b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	5,361.00	(4,930.00)	3,330.00	(3,249.00)	2,370.00	(2,147.00)
Discount Rate (+/- 1%)	(4,886.00)	5,413.00	(3,221.00)	3,352.00	(2,329.00)	2,198.00
Interest Rate (+/- 1%)	800.00	(783.00)	369.00	(366.00)	437.00	(425.00)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.



39.A Employee Benefits**Description of asset liability matching (ALM) policy**

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 5 years (March 31, 2018: 5 years; March 31, 2017: 5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Expected future contributions

The Company expects to contribute Rs.5 million to the fund in the next financial year.

Asset liability comparisons

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Present value of DBO	93.02	58.74	46.95
Fair value of plan assets	88.62	59.45	50.31
Net (assets)/liability	4.40	(0.74)	(3.36)

Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

40. Other expenses

Advertisement and business promotion	61.46	14.75
Auditors' remuneration (refer note 40.A)	13.28	7.18
Commission and brokerage	458.48	314.38
Communication	27.28	16.07
Directors' sitting fees	0.76	0.48
Insurance	0.16	0.16
Legal and professional fees	729.13	344.23
Printing and stationery	13.38	3.59
Rates and taxes	14.17	4.06
Rent (refer note 40.C & 40.D)	194.54	134.27
Repairs and maintenance (refer note 40.D)	19.17	4.62
Electricity charges (refer note 40.D)	31.09	22.37
Computer expenses	26.31	21.59
Corporate social responsibility (refer note 40.B)	125.54	96.92
Clearing & custodian charges	0.86	0.44
Dematerialisation charges	2.17	1.18
Rating support fees	3.84	1.74
Loss on sale of property, plant and equipment	(1.29)	0.32
Membership and subscription	3.55	3.31
Office expenses	365.67	110.73
Securities transaction tax	41.19	11.28
Loan origination cost	333.29	50.02
Goods & service tax expenses	264.54	87.94
Stamp duty	56.12	25.76
Travelling and conveyance	103.76	67.57
Miscellaneous expenses	41.14	19.02
Housekeeping and security charges (refer note 40.D)	31.69	7.15

For the year ended
March 31, 2019

For the year ended
31 March 2018

2,961.28

1,371.13

40.A Auditors' remuneration:

As a Auditor

Statutory audit of the company	5.55	2.24
Limited review	1.80	1.88
Certification and others	5.53	2.64
Towards reimbursement of expenses	0.40	0.42

For the year ended
March 31, 2019

For the year ended
31 March 2018

13.28

7.18



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

40.B Details of CSR Expenditure:

	For the year ended March 31, 2019	For the year ended 31 March 2018
Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	121.54	96.69
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	125.54	96.92
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	125.54	96.92
Amount paid to EdelGive Foundation (refer note 48 related party disclosure)	122.24	96.72
Paid to external parties	3.30	0.20
	125.54	96.92

40.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2019 aggregated to Rs. 221.97 million (Previous year: Rs. 141.40 million) which has been included under the head other expenses – Rent in the Statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows :

	As at March 31, 2019	As at 31 March 2018
Minimum lease payments for non cancellable lease		
Not later than one year	26.98	24.59
Later than one year and not later than five years	32.79	13.97
Later than five years	-	-

40.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group medical claim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 39 and 40 include reimbursements paid and are net of reimbursements received based on the management's best estimate at Rs. 553.40 millions (previous year Rs. 263.29 millions)



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

41. Income tax**Component of income tax expenses**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	2,342.70	2,467.04
Adjustment in respect of current income tax of prior years	55.92	170.32
Deferred tax relating to temporary differences	(228.00)	(208.73)
Total tax charge for the year	2,170.62	2,428.63
Current tax (refer note 41.A)	2,398.62	2,637.36
Deferred tax (refer note 41.B)	(228.00)	(208.73)

41.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before taxes	7,829.45	7,133.98
Statutory income tax rate	34.94%	34.61%
Tax charge at statutory rate	2,735.92	2,468.93
Tax effect of:		
A) Adjustment in respect of current income tax of prior year	55.92	170.32
B) Income not subject to tax or chargeable to lower tax rate		
Dividend income	(666.45)	(158.78)
Long term capital gain on sale of shares		(22.28)
C) Non deductible expenses	44.34	10.68
D) Others		
Profit from EARC Trusts (taxed on realisation)	0.89	(40.24)
Total tax reported in statement of profit and loss	2,170.62	2,428.63
Effective income tax rate	27.71%	34.04%



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

41. Income Tax (contd.)

4) B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expense

For the year ended March 31, 2019	As at March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2019
Deferred tax assets					
Expected credit loss provision	1,450.39	402.86	-	-	1,853.25
Effective interest rate on financial assets	3316.86	(27.59)	-	-	309.27
Stage 3 Income recognition	(139.02)	165.40	-	-	26.38
Retirement benefits	45.47	(36.72)	1.78	-	10.53
Tax break on employee stock option scheme	259.88	-	-	(259.88)	-
Others	(2.85)	5.51	-	-	2.66
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(24.29)	(2.68)	-	-	(26.97)
Effective interest rate on financial liabilities	(131.36)	(280.12)	-	-	(411.48)
Fair valuation of assets and liabilities	(27.50)	(1.02)	-	-	(27.52)
Interest spread on assignment transactions	(5.26)	2.36	-	-	(2.90)
Deferred tax asset (net)	1,516.32	228.00	1.78	(259.88)	1,486.22
For the year ended March 31, 2018	As at April 01, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2018
Deferred tax assets					
Expected credit loss provision	1,169.07	281.32	-	-	1,450.39
Effective interest rate on financial assets	225.62	111.24	-	-	336.86
Retirement benefits	99.83	(54.35)	(1.24)	-	45.47
Tax break on employee stock option scheme	317.00	-	-	(57.12)	259.88
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(16.70)	(7.59)	-	-	(24.29)
Effective interest rate on financial liabilities	(160.17)	6.81	-	-	(153.36)
Stage 3 Income recognition	(128.50)	(10.52)	-	-	(139.02)
Fair valuation of assets and liabilities	(155.80)	(115.70)	-	-	(271.50)
Interest spread on assignment transactions	(5.63)	0.37	-	-	(5.26)
Others	-	(2.85)	-	-	(2.85)
Deferred tax asset (net)	1,364.72	208.73	(1.24)	(57.12)	1,516.32



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

42. Earnings per Share

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

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit attributable to Equity holders of the Company - A	5,658.83	4,705.35
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	1,948.11	1,891.85
- Number of equity shares issued during the year	190.16	56.26
Total number of equity shares outstanding at the end of the year	2,138.27	1,948.11
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,072.55	1,892.16
Basic and diluted earnings per share (in rupees) (A/B)	2.73	2.49

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

	For the year ended March 31, 2019	For the year ended March 31, 2018
Taxation matters of assessment year 2013-14, assessment year 2014-15 and assessment year 2015-16 in respect of which appeal is pending	Nil	Nil
Litigation pending against the Company	657.51	111.98

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

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

Commitment

	For the year ended March 31, 2019	For the year ended March 31, 2018
Disputed amount of contracts remaining to be executed on capital account (net of advances and not provided for)	33.00	33.25
Undrawn committed credit lines	91,481.63	45,446.60



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

44. Segment Reporting

Primary Segment (Business segment)

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

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

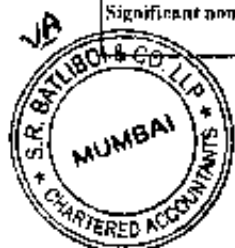
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

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

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	35,276.06	2,316.05	2.38	57,594.49
Other Operating income	1,460.02	1,064.20	55.87	2,580.09
Total Revenue from Operations	36,736.08	3,380.25	58.25	40,174.58
Interest Expenses	22,072.60	2,322.43	3.22	24,398.25
Other Expenses	7,366.49	434.17	146.22	7,946.88
Total Expenses	29,439.09	2,756.60	149.44	32,345.13
Segment profit/(loss) before taxation	7,296.99	623.65	(91.19)	7,829.45
Income Tax Expenses			2,170.62	2,170.62
Profit for the year				5,658.83
Other Comprehensive Income			(3.30)	(3.30)
Total comprehensive income				5,655.53
Segment Assets	2,41,472.53	30,910.51	2,263.85	2,74,646.89
Segment Liabilities	2,11,466.04	24,328.36	356.97	2,36,151.37
Capital expenditure	210.96	-	-	210.96
Depreciation and amortisation	106.53	-	-	106.53
Significant non-cash items	2,634.58	1.00	0.06	2,655.64



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

44. Segment Reporting

Segment information as at and for the year ended March 31, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	26,704.77	2,422.77	0.56	29,128.04
Other Operating income	1,995.08	1,509.46	-	3,504.54
Total Revenue from Operations	28,700.75	4,022.23	0.56	32,723.48
Interest Expenses	17,523.83	1,334.82	-	18,858.65
Other Expenses	6,318.62	300.49	111.74	6,730.85
Total Expenses	23,842.45	1,635.31	111.74	25,589.50
Segment profit/(loss) before taxation	4,858.30	2,386.92	(111.24)	7,133.98
Income Tax Expenses			2,428.63	2,428.63
Profit for the year				4,705.35
Other Comprehensive Income			2.31	2.31
Total comprehensive income				4,707.66
Segment Assets	2,23,762.10	37,847.11	2,094.67	2,63,703.88
Segment Liabilities	2,33,477.70	30,523.11	691.28	2,64,692.09
Capital expenditure	427.75	-	-	427.75
Depreciation and amortisation	52.78	-	-	52.78
Significant non-cash items	2,211.87	(128.16)	0.01	2,083.72

Segment information as at and for the year ended April 01, 2017

Particulars	Financing business	Capital based business	Unallocated	Total
Segment Assets	1,76,978.82	29,870.47	1,769.73	2,08,619.02
Segment Liabilities	1,56,145.85	28,802.93	211.36	1,85,160.14



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

45. Transfer of financial assets

45.A Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets (held as Collateral)	704.93	-
Carrying amount of associated liabilities	750.24	-
Fair value of assets	848.48	-
Fair value of associated liabilities	784.84	-
Net position at FV	63.64	-

45.B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46. Change in liabilities arising from financing activities

Particulars	As at April 01, 2018	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	71,833.44	22,000.69	-	1,037.72	94,871.85
Borrowings other than debt securities	1,38,208.56	(24,983.32)	-	62.21	1,13,287.45
Subordinated liabilities	19,579.76	-	-	414.83	19,994.59
	2,29,621.76	(2,982.63)	-	1,514.76	2,28,153.89

Particulars	As at April 01, 2017	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2018
Debt securities	94,827.31	(21,839.24)	-	(1,154.63)	71,833.44
Borrowings other than debt securities	76,518.36	61,707.12	-	(16.92)	1,38,208.56
Subordinated liabilities	11,270.58	7,984.10	-	325.08	19,579.76
	1,82,616.25	47,851.98	-	(846.47)	2,29,621.76

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

47. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified on mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	985.40	-	985.40	1,627.97	-	1,627.97	10,850.13	-	10,850.13
Bank balances other than cash and cash equivalents	311.16	159.06	470.24	927.68	57.64	985.32	856.20	80.31	936.51
Derivative financial instruments	177.63	5.07	182.70	38.93	86.42	125.35	807.74	175.48	983.22
Securities held for trading	18,379.37	-	18,379.37	24,944.75	-	24,944.75	12,734.40	-	12,734.40
Trade receivables	720.99	-	720.99	5,474.52	-	5,474.52	1,169.30	-	1,169.30
Loans	72,085.00	1,65,880.84	2,37,965.84	78,321.60	1,41,203.10	2,20,024.70	72,159.53	99,480.87	1,71,640.40
Investments	0.43	6,584.97	6,585.40	0.43	5,726.86	5,727.29	946.38	6,046.46	6,992.84
Other financial assets	1,964.72	4,165.40	6,130.12	485.78	1,492.81	1,978.59	928.04	-	928.04
Non-financial assets									
Current tax assets (net)	-	422.36	422.36	-	437.72	437.72	-	403.03	403.03
Deferred tax assets (net)	-	1,486.22	1,486.22	-	1,516.32	1,516.32	-	1,361.72	1,361.72
Property, plant and equipment	-	538.32	538.32	-	541.35	541.35	-	246.74	246.74
Capital work in progress	-	13.52	13.52	-	-	-	-	270.12	270.12
Intangible assets under development	-	54.00	54.00	-	43.21	43.21	-	16.40	16.40
Other intangible assets	-	78.50	78.50	-	41.92	41.92	-	10.02	10.02
Other non-financial assets	431.41	-	431.41	214.87	-	214.87	72.95	-	72.95
Total Assets	95,257.03	1,79,388.86	2,74,645.89	1,12,336.53	1,51,167.35	2,63,703.88	1,40,534.67	1,48,094.35	2,88,629.02
Financial Liabilities									
Derivative financial instruments	258.07	218.76	476.83	261.16	189.16	450.32	414.03	251.15	665.18
Trade payables	3,413.31	-	3,413.31	1,301.94	-	1,301.94	479.12	-	479.12
Debt securities	27,892.39	67,020.46	94,912.85	20,988.69	50,344.75	71,333.44	53,260.46	41,566.85	94,827.31
Borrowings (other than debt securities)	55,210.08	58,077.37	1,13,287.45	70,700.39	67,307.97	1,38,008.36	38,276.09	38,242.27	76,518.36
Subordinated liabilities	992.22	19,002.37	19,994.59	548.60	19,031.16	19,579.76	529.97	10,740.61	11,270.58
Other financial liabilities	3,575.60	-	3,575.60	2,428.39	-	2,428.39	822.38	-	822.38
Non-financial liabilities									
Deferred tax liabilities (net)	-	289.96	289.96	-	568.40	568.40	-	175.56	175.56
Other non-financial liabilities	212.49	25.29	237.78	173.81	147.47	321.28	111.23	286.42	397.65
Total Liabilities	41,544.16	1,44,687.21	1,86,231.37	96,403.18	1,34,284.91	2,30,688.09	93,893.28	91,266.86	1,85,160.14
Net Assets	3,752.87	34,741.65	38,494.52	16,133.35	12,878.44	29,011.79	6,631.39	16,827.49	23,458.88



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

48. Related Party Disclosure for the year April 1, 2018 to March 31, 2019

List of related parties and relationship:

<p>Name of related parties by whom control is exercised :</p> <p>Holding company</p> <p>Fellow subsidiaries (with whom transactions have taken place)</p>	<p>Edelweiss Financial Services Limited</p> <p>Edelweiss Housing Finance Limited</p> <p>Edelweiss Finvest Private Limited</p> <p>EC Commodity Limited</p> <p>ECap Equities Limited</p> <p>Edel Investments Limited</p> <p>Edelweiss General Insurance Company Limited</p> <p>EFSL Trading Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>EFSL Contrade Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edel Finance Company Limited</p> <p>Edelcap Securities Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Management Limited</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)</p> <p>Edelweiss Finance and Investments Limited</p> <p>Edelweiss Securities Limited</p> <p>Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p> <p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Investment Advisors Limited</p> <p>Edelweiss Insurance Brokers Limited</p> <p>Edelweiss Capital Markets Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edel Land Limited</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 263</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 283</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 348</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 298</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)</p>
<p>Key management personnel</p> <p>Relative of key management personnel (with whom transactions have taken place)</p> <p>Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place</p>	<p>Raviprakash R. Bubna (upto 31st March 2019)</p> <p>Rashesh Shah</p> <p>Himanshu Kaji</p> <p>Deepak Mittal (w.e.f 1st Dec 2018)</p> <p>Venkatchalam Ramaswamy (w.e.f. 5th March 2019)</p> <p>PN Venkatachalam</p> <p>Biswamohan Mahapatra (upto 2nd August 2017)</p> <p>Kunnasagan Chinniah (w.e.f. 18th February 2019)</p> <p>Pooja Mittal (w.e.f 1st Dec 2018)</p> <p>Aparna T. Chadrashekar (w.e.f. 5th March 2019)</p> <p>Ramavtar S Bubna (upto 31st March 2019)</p> <p>Sandhya R. Bubna (upto 31st March 2019)</p> <p>Sharda R. Bubna (upto 31st March 2019)</p> <p>Ravi R. Bubna HUF (upto 31st March 2019)</p> <p>Evyavan Global Private Limited (upto 31st March 2019)</p> <p>Evyavan Mercantile Private Limited (upto 31st March 2019)</p>



ECL Finance Limited

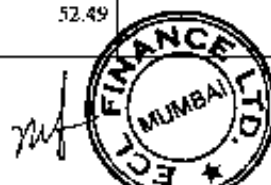
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Capital account transactions		
Issuance of equity share capital		
Edelweiss Financial Services Limited	3,456.10	-
Edel Finance Company Limited	600.00	1,200.00
Current account transactions		
Loans taken from		
Edelweiss Rural & Corporate Services Limited	30,447.56	47,426.59
Edelweiss Financial Services Limited	-	7,000.00
Loan repaid to		
Edelweiss Rural & Corporate Services Limited	41,561.53	49,382.44
Edelweiss Financial Services Limited	-	7,000.00
Loans given to		
Edelweiss Rural & Corporate Services Limited	4,573.30	6,453.41
Loans repaid by		
Edelweiss Rural & Corporate Services Limited	4,573.30	6,453.41
Loans given including interest accrual to key management personnel & relatives		
Ravi R. Bubna HUF	282.62	496.19
Evyavan Global Private Limited	15.34	161.18
Evyavan Mercantile Private Limited	94.31	1,132.99
Deepak Mittal	606.22	-
Pooja Mittal	580.31	-
Aparna T. Chadrashekar	221.11	-
Ramandar S. Bubna	-	1.02
Raviprakash R. Bubna	-	1.03
Sandhya R. Bubna	-	1.02
Sharda R. Bubna	-	1.02
Repayment of loans including interest by key management personnel & relatives		
Ravi R. Bubna HUF	318.27	653.35
Evyavan Global Private Limited	92.38	122.04
Evyavan Mercantile Private Limited	503.41	943.05
Deepak Mittal	264.04	-
Pooja Mittal	311.35	-
Aparna T. Chadrashekar	221.11	-
Ramandar S. Bubna	-	1.02
Raviprakash R. Bubna	-	1.03
Sandhya R. Bubna	0.01	1.02
Sharda R. Bubna	-	1.02
Issuance of benchmark linked debentures		
Edelweiss Rural & Corporate Services Limited	-	42.00
ECap Equities Limited	-	382.79
Redemption of benchmark linked debentures		
ECap Equities Limited	3,731.23	1,458.90
Edelweiss Rural & Corporate Services Limited	52.49	-



ECL Finance Limited

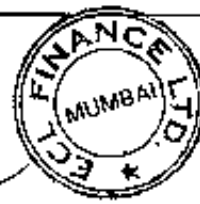
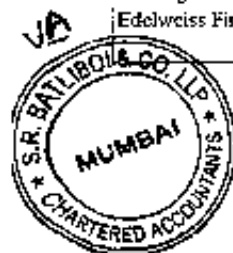
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Secondary market transactions		
Purchases of securities from		
ECap Equities Limited	1,365.64	2,145.71
Edelweiss Rural & Corporate Services Limited	20,531.67	19,267.21
Edelweiss Finance and Investments Limited	2,448.82	8,549.20
Edelweiss Broking Limited	53.47	-
Edelweiss Tokio Life Insurance Company Limited	1,309.09	-
Edelweiss Finvest Private Limited	3,592.75	64.31
Edelweiss General Insurance Company Limited	108.19	-
Edelcap Securities Limited	240.13	-
Sale / subscription* of securities		
ECap Equities Limited	782.51	2,741.55
Edelweiss Rural & Corporate Services Limited*	26,356.82	22,575.99
Edelweiss Finance and Investments Limited	2,625.54	5,915.17
Edelweiss Securities Limited	1,188.74	-
Edelweiss Broking Limited	400.54	-
Edelweiss Tokio Life Insurance Company Limited	477.46	1,046.27
Edelweiss Housing Finance Limited	1,622.95	-
Edelweiss General Insurance Company Limited	-	186.72
Edelweiss Finvest Private Limited	-	245.17
Margin placed with		
Edelweiss Securities Limited	6,737.27	0.43
Edelweiss Custodial Services Limited	3,259.46	236.07
Margin refund received from		
Edelweiss Securities Limited	6,736.50	1.25
Edelweiss Custodial Services Limited	1,883.67	747.43
Amount paid to broker for trading in cash segment		
Edelweiss Securities Limited	23,632.51	5,787.73
Amount received from broker for trading in cash segment		
Edelweiss Securities Limited	24,341.93	6,619.06
Assignment of loan book from		
Edelweiss Housing Finance Limited	4,481.59	1,614.34
Purchase of securities receipts from		
Edelweiss Finvest Private Limited	1,833.30	-
Sale of loans to		
Edelweiss Asset Reconstruction Company Limited - SC 253	-	1,600.00
Edelweiss Asset Reconstruction Company Limited - SC 283	-	1,000.00
Edelweiss Asset Reconstruction Company Limited - SC 348	1,700.00	-
Edelweiss Asset Reconstruction Company Limited - SC 298	3,850.00	-
Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)	278.60	-
Income		
Arranger fees received from		
Edelweiss Finvest Private Limited	17.36	45.29



ECL Finance Limited

Notes to financial statements

(Currency: Indian rupees in million)

45. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Cost reimbursement received from		
Edelweiss Financial Services Limited	0.09	0.12
Edelweiss General Insurance Company Limited	0.01	-
Edelweiss Retail Finance Limited	0.14	-
Edelweiss Housing Finance Limited	3.44	-
Edelcap Securities Limited	-	0.03
Edelweiss Custodial Services Limited	-	0.01
Edelweiss Tokio Life Insurance Company Limited	-	0.03
Edelweiss Global Wealth Management Limited	-	0.02
Edelweiss Comtrade Limited	-	0.41
Edelweiss Business Services Limited	-	0.08
Dividend received on investments		
Edelweiss Rural & Corporate Services Limited	0.70	0.70
Interest income on margin placed with brokers		
Edelweiss Custodial Services Limited	18.81	16.66
Edelweiss Securities Limited	14.58	0.02
Interest income on loans given to		
Ravi R. Bubna HUF	8.15	12.54
Evyavan Mercantile Private Limited	27.56	-
Evyavan Global Private Limited	4.96	-
Deepak Mittal	31.94	-
Pooja Mittal	28.74	-
Aparna T. Chadrashelkar	1.22	-
Edelweiss Rural & Corporate Services Limited	9.94	44.35
Ravi R. Bubna	-	0.01
Ramautar S. Bubna	-	0.01
Sardhys R. Bubna	-	0.01
Sharda R. Bubna	-	0.01
Interest received on securities		
Edelweiss Housing Finance Limited	6.95	1.47
Edelweiss Rural & Corporate Services Limited	15.37	9.22
Edelweiss Finance and Investments Limited	-	5.41
Edelweiss Retail Finance Limited	-	1.74
Rent received from		
Alternative Investment Market Advisors Private Limited	0.01	-
EC Commodity Limited	0.02	-
Edel Investments Limited	0.01	-
Edelcap Securities Limited	0.01	-
Edelweiss Alternative Asset Advisors Limited	3.41	-
Edelweiss Broking Limited	0.55	0.95
Edelweiss Business Services Limited	0.10	-
Edelweiss Rural & Corporate Services Limited	0.80	-
Edelweiss Custodial Services Limited	2.29	-
Edelweiss Finance and Investments Limited	0.03	-
Edelweiss Financial Services Limited	0.94	-
Edelweiss Finvest Private Limited	0.53	0.11
Edelweiss General Insurance Company Limited	14.35	-
Edelweiss Global Wealth Management Limited	1.34	-
Edelweiss Housing Finance Limited	11.54	0.53
Edelweiss Retail Finance Limited	0.53	0.15
Edelweiss Securities Limited	1.28	0.82
ECap Equities Limited	0.56	-
Edelweiss Tokio Life Insurance Company Limited	3.03	-



ECL Finance Limited

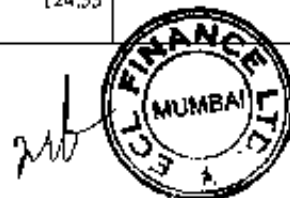
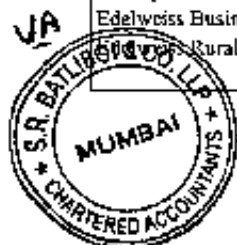
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	26.72	141.50
Edelweiss Housing Finance Limited	169.49	57.97
Corporate guarantee support fee paid to		
Edelweiss Financial Services Limited	3.21	9.92
Clearing charges paid to		
Edelweiss Custodial Services Limited	0.27	0.24
Edelweiss Securities Limited	18.12	-
Collateral management fees paid		
Edelweiss Agri Value Chain Limited	16.67	37.46
Commission and brokerage paid to		
Edelweiss Global Wealth Management Limited	334.74	307.19
Edelweiss Investment Advisors Limited	2.70	2.26
Edelweiss Securities Limited	155.47	11.45
Edel Investments Limited	0.02	-
Cost reimbursement paid to		
RCap Equities Limited	2.26	2.09
Edelweiss Agri Value Chain Limited	0.66	0.33
Edelweiss Asset Management Limited	0.99	0.08
Edelweiss Broking Limited	3.54	3.58
Edelweiss Business Services Limited	0.07	-
Edelweiss Rural & Corporate Services Limited	13.10	15.38
Edelweiss Financial Services Limited	33.66	5.17
Edelweiss Global Wealth Management Limited	0.11	-
Edelweiss Housing Finance Limited	6.51	4.17
Edelweiss Retail Finance Limited	25.02	0.91
Edelweiss Alternative Asset Advisors Limited	0.97	-
Edelweiss Securities Limited	1.43	1.31
EFSL Trading Limited	-	0.16
Edelweiss Finance and Investments Limited	-	0.01
Reimbursement paid to		
Edelweiss Retail Finance Limited	-	0.89
Edelweiss Financial Services Limited	-	0.01
Edelweiss Rural & Corporate Services Limited	-	16.77
Edelweiss Business Services Limited	-	27.20
Edelcap Securities Limited	-	1.05
Edelweiss Alternative Asset Advisors Limited	-	1.79
Edelweiss Housing Finance Limited	-	0.14
Corporate Social responsibility expenses paid to		
EdelGive Foundation	122.24	96.72
Enterprise Service charge paid to		
Edelweiss Business Services Limited	217.34	107.17
Edelweiss Rural & Corporate Services Limited	124.33	-



ECIL Finance Limited

Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest paid on loan		
Edelweiss Rural & Corporate Services Limited	1,539.93	1,304.69
Edelweiss Financial Services Limited	-	81.36
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	184.00	116.45
Rating support fees paid to		
Edelweiss Financial Services Limited	2.10	1.74
Rent paid to		
ECap Equities Limited	21.35	18.32
Edelweiss Agri Value Chain Limited	1.70	0.71
Edelweiss Asset Management Limited	4.44	0.85
Edelweiss Broking Limited	7.61	6.03
Edelweiss Business Services Limited	0.11	-
Edelweiss Rural & Corporate Services Limited	93.30	91.41
Edelweiss Global Wealth Management Limited	0.50	-
Edelweiss Retail Finance Limited	27.75	2.60
Edelweiss Housing Finance Limited	6.35	3.38
Edelweiss Securities Limited	4.81	2.50
Interest paid on bench mark linked debentures		
ECap Equities Limited	785.33	506.03
Edelweiss Rural & Corporate Services Limited	10.49	-
Interest paid on securities		
ECap Equities Limited	7.82	2.73
Edelweiss Finance and Investments Limited	0.37	29.53
Interest expenses on non convertible debentures		
Edelweiss Rural & Corporate Services Limited	5.79	23.56
Edelweiss Finance and Investments Limited	0.04	-
Edelweiss Finvest Private Limited	-	13.43
ECap Equities Limited	-	0.34
ESOP cost reimbursement		
Edelweiss Financial Services Limited	45.69	-
Remuneration paid to		
Raviprakash R. Bhusne	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalan	0.44	0.24
Hiswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kannasagarani Chinniah	0.02	-



ECL Finance Limited

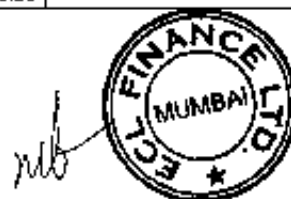
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Assets		
Interest accrued on loans given to Edelweiss Rural & Corporate Services Limited	0.49	-
Investments in preference shares Edelweiss Rural & Corporate Services Limited	711.13	653.09
Margin money balance with Edelweiss Custodial Services Limited	1,502.04	126.25
Edelweiss Securities Limited	-	5.06
Loan given outstanding		
Ravi R Bubna HUF	-	35.65
Evyavan Mercantile Private Limited	-	409.10
Evyavan Global Private Limited	-	77.05
Deepak Mittal	342.19	-
Pooja Mittal	268.96	-
Edelweiss Rural & Corporate Services Limited	-	-
Sandhya R. Bubna	-	0.01
Non convertible debentures (securities held for trading)		
Edelweiss Housing Finance Limited	-	56.74
Edelweiss Rural & Corporate Services Limited	-	928.35
Edelweiss Retail Finance Limited	-	1,235.89
Trade receivables		
EC Commodity Limited	-	0.01
ECap Equities Limited	0.60	0.01
Edecap Securities Limited	0.18	-
Edelweiss Alternative Asset Advisors Limited	0.93	0.92
Edelweiss Broking Limited	0.09	-
Edelweiss Business Services Limited	1.77	-
Edelweiss Custodial Services Limited	4.39	0.29
Edelweiss Financial Services Limited	-	0.13
Edelweiss Finvest Private Limited	25.94	50.02
Edelweiss General Insurance Company Limited	9.52	-
Edelweiss Global Wealth Management Limited	0.26	-
Edelweiss Insurance Brokers Limited	-	0.10
Edelweiss Retail Finance Limited	3.24	1.47
Edelweiss Tokio Life Insurance Company Limited	0.65	0.04
Edelweiss Rural & Corporate Services Limited	0.61	1.00
Edel Investments Limited	0.83	-
Edelweiss Agri Value Chain Limited	3.70	-
Edelweiss Asset Management Limited	0.45	-
Edelweiss Finance and Investments Limited	0.23	-
Edelweiss Housing Finance Limited	6.68	-



ECL Finance Limited

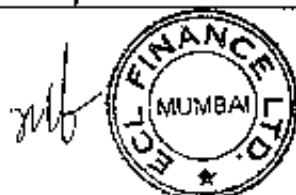
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Edelweiss Investment Advisors Limited	0.33	-
Edelweiss Securities Limited	3.13	-
EFSL Trading Limited	0.02	-
Edelweiss Comtrade Limited	0.24	1.00
Purchase of property, plant and equipment		
Edelweiss Securities Limited	2.19	1.46
Edelweiss Finance and Investments Limited	-	0.11
Edelweiss Retail Finance Limited	1.16	0.02
Edelweiss Housing Finance Limited	0.26	0.44
ECap Equities Limited	0.00	-
Edelcap Securities Limited	0.01	-
Edelweiss Agri Value Chain Limited	0.03	-
Edelweiss Asset Management Limited	0.01	-
Edelweiss Broking Limited	0.44	-
Edelweiss Capital Markets Limited	0.03	-
Edelweiss Custodial Services Limited	0.10	-
Edelweiss Financial Services Limited	0.00	-
Edelweiss Global Wealth Management Limited	0.02	-
Edelweiss Insurance Brokers Limited	0.01	-
Edelweiss Investment Advisors Limited	0.04	-
Edelweiss Rural & Corporate Services Limited	0.20	-
EFSL Comtrade Limited	0.02	-
Sale of property, plant and equipment		
ECap Equities Limited	0.01	-
Edel Land Limited	0.00	-
Edelweiss Alternative Asset Advisors Limited	0.04	-
Edelweiss Asset Management Limited	0.00	-
Edelweiss Asset Reconstruction Company Limited	0.02	-
Edelweiss Broking Limited	0.80	-
Edelweiss Custodial Services Limited	0.11	-
Edelweiss Financial Services Limited	0.05	-
Edelweiss Finvest Private Limited	0.19	-
Edelweiss General Insurance Company Limited	0.05	-
Edelweiss Housing Finance Limited	0.15	-
Edelweiss Rural & Corporate Services Limited	0.30	-
Edelweiss Securities Limited	0.13	-
EFSL Comtrade Limited	0.00	-
Evyavan Global Private Limited	1.71	-
Liabilities		
Non convertible debentures held by		
Edelweiss Rural & Corporate Services Limited	475.52	42.00
Edelweiss Finance and Investments Limited	2.44	4.45
Edelweiss Tokio Life Insurance Company Limited	0.17	-
Edelweiss Finvest Private Limited	-	63.51
Interest accrued and due on borrowings		
Edelweiss Rural & Corporate Services Limited	3.40	-



ECL Finance Limited

Notes to financial statements

(Currency: Indian rupees in millions)

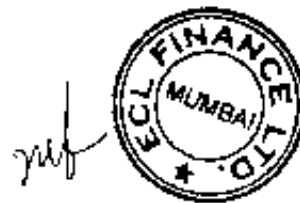
48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on non convertible debentures		
Edelweiss Finvest Private Limited	-	34.49
Edelweiss Finance and Investments Limited	0.04	0.14
Edelweiss Rural & Corporate Services Limited	42.38	-
Market linked debentures held by		
ECap Equities Limited	111.84	-
Interest accrued but not due on market linked debentures held by		
ECap Equities Limited	1.90	-
Short term borrowings		
Edelweiss Rural & Corporate Services Limited	1,010.91	12,124.87
Trade payables		
ECap Equities Limited	5.32	12.27
Edelweiss Agri Value Chain Limited	-	0.40
Edelweiss Alternative Asset Advisors Limited	204.50	141.62
Edelweiss Asset Management Limited	2.62	1.01
Edelweiss Rural & Corporate Services Limited	171.98	45.54
Edelweiss Finvest Private Limited	17.35	-
Edelweiss Global Wealth Management Limited	76.59	104.22
Edelweiss Housing Finance Limited	6.25	63.32
Edelweiss Retail Finance Limited	14.69	5.24
Edelweiss Securities Limited	355.61	2.62
Edelweiss Custodial Services Limited	0.58	-
Edelweiss Asset Reconstruction Company Limited	0.31	31.27
Edelweiss Financial Services Limited	53.33	13.14
Edelweiss Broking Limited	1.68	2.94
Edelweiss Investment Advisors Limited	1.05	0.07
Edelweiss Business Services Limited	-	58.15
EFSL Trading Limited	-	0.05
Corporate guarantee taken from		
Edelweiss Financial Services Limited	54.00	54.00

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.
- The intra group Company loans are generally in the nature of revolving demand loans. Loans given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.



RCL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

Regulatory capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 068/03.10.19/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Funds			
Net owned funds (Tier I capital)	39,738.10	30,334.33	21,993.24
Tier II capital	13,931.88	14,972.36	10,814.28
Total capital funds	53,669.98	45,306.69	32,807.52
Total risk weighted assets/ exposures	2,78,471.27	2,64,188.14	1,99,408.62
% of capital funds to risk weighted assets/exposures:			
Tier I capital	14.27%	11.48%	11.03%
Tier II capital	5.00%	5.67%	5.42%
Total capital Funds	19.27%	17.15%	16.45%

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

A. Valuation principles

Fair value 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 a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market prices: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.11 for more details on fair value hierarchy

B. Valuation governance framework

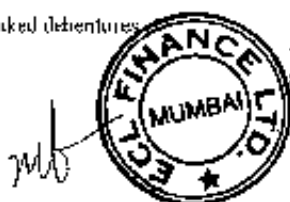
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

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

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	218.36	-	-	218.36
OTC derivatives	-	136.59	-	136.59
Embedded derivatives in market-linked debentures	-	-	28.77	28.77
Total derivative financial instruments - A	218.36	136.59	28.77	383.72
Financial Assets held for trading				
Government debt securities	13,873.50	-	-	13,873.50
Other debt securities	-	298.18	-	298.18
Mutual fund units	3,483.09	-	-	3,483.09
Equity instruments	724.60	-	-	724.60
Total Financial assets held for trading - B	18,081.19	298.18	-	18,379.37
Investments				
Security receipts	-	-	5,734.43	5,734.43
Units of AIF	-	-	139.84	139.84
Total Investments measured at fair value - C	-	-	5,874.27	5,874.27
Total (A+B+C)	18,299.55	434.77	5,903.04	24,637.36
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	35.12	-	-	35.12
OTC derivatives	-	183.22	-	183.22
Embedded derivatives in market-linked debentures	-	-	279.25	279.25
	35.12	183.22	279.25	497.59



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	6.23	-	-	6.23
OTC derivatives	-	27.50	-	27.50
Embedded derivatives in market-linked debentures	-	-	93.94	93.94
Total derivative financial instruments - A	6.23	27.50	93.94	127.67
Financial assets held for trading				
Government debt securities	16,662.92	-	-	16,662.92
Other debt securities	-	4,354.13	-	4,354.13
Mutual fund units	3,603.51	-	-	3,603.51
Equity instruments	121.01	-	-	121.01
Preference Shares	203.18	-	-	203.18
Total financial assets held for trading - B	20,590.62	4,354.13	-	24,944.75
Investments				
Equity instruments	-	-	-	-
Security receipts	-	-	4,878.84	4,878.84
Units of AIF	-	-	195.36	195.36
Total investments measured at fair value - C	-	-	5,074.20	5,074.20
Total (A+B+C)	20,596.85	4,351.63	5,168.14	30,116.62
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	191.39	-	-	191.39
OTC derivatives	-	35.06	-	35.06
Embedded derivatives in market-linked debentures	-	-	223.89	223.89
	191.39	35.06	223.89	450.34
As at April 01, 2017	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	775.20	-	-	775.20
OTC derivatives	-	33.64	-	33.64
Embedded derivatives in market-linked debentures	-	-	226.24	226.24
Total derivative financial instruments - A	775.20	33.64	226.24	1,035.08
Financial assets held for trading				
Government debt securities	6,888.64	-	-	6,888.64
Other debt securities	-	145.37	-	145.37
Mutual fund units	4,811.62	-	-	4,811.62
Equity instruments	888.77	-	-	888.77
Total financial assets held for trading - B	12,589.03	145.37	-	12,734.40
Investments				
Equity instruments	66.80	-	-	66.80
Security receipts	-	-	5,383.83	5,383.83
Units of AIF	-	-	210.02	210.02
Total investments measured at fair value - C	66.80	-	5,593.85	5,660.65
Total (A+B+C)	13,431.03	179.01	5,820.09	19,430.13
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	75.96	-	-	75.96
OTC derivatives	-	41.15	-	41.15
Embedded derivatives in market-linked debentures	-	-	555.53	555.53
	75.96	41.15	555.53	672.64



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

Equity Instruments and units of mutual fund:

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

Units of AIF Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. company classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 2 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1

There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2019	Security receipts	Units of ALF	Total
Investments - at April 1, 2018	4,878.84	195.36	5,074.20
Purchase	10,510.89	-	10,510.89
Sale/Redemption proceeds	(10,090.84)	(61.60)	(10,152.44)
Profit for the year recognised in profit or loss	435.54	6.68	441.62
Investments - at March 31, 2019	5,734.43	139.84	5,874.27
Unrealised gain/(Loss) related to balances held at the end of the year	206.66	(5.36)	201.30
Financial year ended March 2018	Security receipts	Units of ALF	Total
Investments - at April 1, 2017	5,383.83	210.02	5,593.85
Purchase	2,033.61	-	2,033.61
Sale/Redemption proceeds	(3,142.27)	(7.88)	(3,150.15)
Profit for the year recognised in profit or loss	603.67	(6.78)	596.89
Investments - at March 31, 2018	4,878.84	195.36	5,074.20
Unrealised gain/(Loss) related to balances held at the end of the year	332.56	(11.44)	321.12

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements

Financial year ended March 2019	Embedded Options		
	Assets	Liabilities	Net Balance
at April 1, 2018	93.94	223.89	(129.95)
Issuances	-	-	-
Settlements	(19.73)	(37.59)	17.86
Changes in fair value recognised in profit or loss	(45.44)	92.95	(138.39)
Investments - at March 31, 2019	28.77	279.25	(250.48)
Financial year ended March 2018	Embedded Options		
	Assets	Liabilities	Net Balance
at April 1, 2017	226.24	555.52	(329.28)
Issuances	0.17	122.15	(121.98)
Settlements	(74.96)	(452.77)	377.81
Changes in fair value recognised in profit or loss	(57.51)	(1.02)	(56.49)
at March 31, 2018	93.94	223.89	(129.95)



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Notes to the financial statement for the year ended March 31, 2019

(Currency Indian rupees in million)

50. Fair Value measurement:

C. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarizes the valuation techniques (together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 instruments i.e. Securities receipts and Units of AIF Fund). The range of values indicates the highest and lowest level inputs used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary:

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,734.43	Discounted Cash flow: The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	16,294.60	5% increase in Expected future Cash flow	181.92	5% Decrease in Expected future Cash flow	-111.82
			Risk-adjusted discount rate	12.00%	0.2% increase in Risk-adjusted discount rate	(18.67)	0.5% Decrease in Risk-adjusted discount rate	18.98
Units of AIF	139.84	Net Asset approach	Fair value of underlying investments	1,861.54	5% Increase in Fair value of Underlying Investment	6.21	5% Increase in Fair value of Underlying Investment	(6.21)
Embedded derivatives (net)	250.48	Discounted Cash flows: The present value of expected future cash flows estimated based on fully forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(11.27)	5% Decrease in Nifty Index curve	11.27
			Risk-adjusted discount rate	10.21%	0.5% increase in Risk-adjusted discount rate	1.05	0.5% Decrease in Risk-adjusted discount rate	(1.33)

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	4,378.84	Discounted Cash flow: The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	27,592.16	5% increase in Expected future Cash flow	235.12	5% Decrease in Expected future Cash flow	-235.12
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	-35.92	0.5% Decrease in Risk-adjusted discount rate	57.02
Units of AIF	195.35	Net Asset approach	Fair value of underlying investments	1,603.87	5% Increase in Fair value of Underlying Investment	9.42	5% Increase in Fair value of Underlying Investment	(9.42)
Embedded derivatives (net)	120.95	Discounted Cash flow: The present value of expected future cash flows estimated based on fully forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(6.30)	5% Decrease in Nifty Index curve	6.30
			Risk-adjusted discount rate	10.21%	0.5% increase in Risk-adjusted discount rate	0.65	0.5% Decrease in Risk-adjusted discount rate	(0.65)



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

H. Fair value of financial instruments not measured at fair value:

the table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2019	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	985.40	985.40			985.40
Bank balances other than cash and cash equivalents	470.24	470.24			470.24
Trade Receivables	720.99		720.99		720.99
Loans	2,37,966.74			2,34,774.97	2,34,774.97
Investments	711.13		711.13		711.13
Other financial assets	6,130.12		1,964.72	4,165.40	6,130.12
Total Financial Assets	2,46,984.62	1,455.64	3,396.84	2,38,940.37	2,43,792.85
Financial Liabilities					
Trade payables	3,413.31		3,413.31		3,413.31
Debt securities	94,871.85		98,521.28		98,521.28
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45		1,13,287.45
Subordinated Liabilities	19,094.50		19,136.62		19,136.62
Other financial liabilities	3,575.60		3,575.60		3,575.60
Total Financial Liabilities	2,35,142.80	-	2,37,934.26	-	2,37,934.26
Off balance-sheet items					
Undrawn commitments	31,481.64			31,259.82	31,259.82
Total Off balance-sheet items	31,481.64	-	-	31,259.82	31,259.82

As at March 31, 2018	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	1,627.97	1,627.97			1,627.97
Bank balances other than cash and cash equivalents	985.32	985.32			985.32
Trade Receivables	5,474.52		5,474.52		5,474.52
Loans	2,20,024.70			2,25,813.84	2,25,813.84
Investments	653.09		653.09		653.09
Other financial assets	3,575.60		2,082.79	1,492.81	3,575.60
Total Financial Assets	2,32,341.20	2,613.29	8,210.40	2,27,306.65	2,38,130.34
Financial Liabilities					
Trade payables	1,301.94		1,301.94		1,301.94
Debt securities	71,833.44		69,513.13		69,513.13
Borrowings (other than debt securities)	1,38,208.56		1,38,208.56		1,38,208.56
Subordinated Liabilities	19,579.76		18,270.51		18,270.51
Other financial liabilities	2,428.39		2,428.39		2,428.39
Total Financial Liabilities	2,33,352.09	-	2,29,722.53	-	2,29,722.53
Off balance-sheet items					
Undrawn commitments	45,446.60			45,265.43	45,265.43
Total Off balance-sheet items	45,446.60	-	-	45,265.43	45,265.43



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

As at April 01, 2017	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	10,850.13	10,850.13			10,850.13
Bank balances other than cash and cash equivalents	936.71	936.71			936.71
Trade Receivables	1,169.30		1,169.30		1,169.30
Loans	1,71,640.40			1,74,791.18	1,74,791.18
Investments	1,332.19		1,332.19		1,332.19
Other financial assets	928.04		928.04		928.04
Total Financial Assets	1,86,856.77	11,786.84	3,429.53	1,74,791.18	1,90,007.55
Financial Liabilities					
Trade payables	479.12		479.12		479.12
Debt securities	96,427.31		96,427.24		96,427.24
Borrowings (other than debt securities)	76,518.36		76,518.36		76,518.36
Subordinated Liabilities	11,270.58		12,212.26		12,212.26
Other financial liabilities	822.38		822.38		822.38
Total Financial Liabilities	1,83,917.75	-	1,86,459.36	-	1,86,459.36
Off balance-sheet items					
Undrawn commitments	20,354.20			20,169.53	20,169.53
Total Off balance-sheet items	20,354.20	-	-	20,169.53	20,169.53

1. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51. Risk Management

51.A Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

51.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

51.C Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

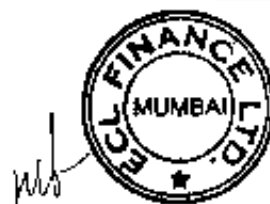
(Currency: Indian rupees in million)

51. Risk Management

51.D Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.1	Credit risk Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
51.D.2	Liquidity risk Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio, Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company
51.D.3	Market risk Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

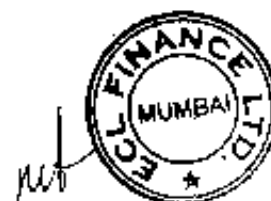
The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:-

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.1 Credit Risk

Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/Portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe in the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line. While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using 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."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.1 Credit Risk

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortised costs of financial assets modified during the year	1,116.03	-
Net modification loss	(4.55)	-

there were no/ previously modified financial assets for which loss allowance has changed to 12mECL measurement during the year.

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or social conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on, maintain diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.0.1 Credit Risk

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2019

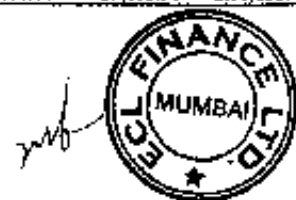
Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	985.40	-	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	470.24	-	-	-	-	-	470.24
Derivative financial instruments	-	383.30	-	-	-	-	-	383.30
Securities held for trading	13,873.48	4,496.66	-	9.23	-	-	-	18,379.37
Trade receivables	-	720.99	-	-	-	-	-	720.99
Loans	-	9,918.96	5,247.50	18,321.95	1,06,644.51	14,545.18	83,188.63	2,37,966.74
Investments	-	5,874.27	711.13	-	-	-	-	6,585.40
Other financial assets	-	5,882.25	-	-	-	247.87	-	6,130.12
	13,873.48	24,732.07	5,958.63	18,331.19	1,06,644.51	14,893.05	83,188.63	2,71,621.56

As at March 31, 2018

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	1,627.97	-	-	-	-	-	1,627.97
Bank balances other than cash and cash equivalents	-	985.32	-	-	-	-	-	985.32
Derivative financial instruments	-	125.35	-	-	-	-	-	125.35
Securities held for trading	16,662.95	7,697.08	-	405.10	-	179.62	-	24,844.75
Trade receivables	-	5,474.52	-	-	-	-	-	5,474.52
Loans	-	3,174.22	11,994.27	19,163.24	85,179.96	22,051.04	72,461.97	2,20,024.70
Investments	-	5,074.20	653.09	-	-	-	-	5,727.29
Other financial assets	-	1,762.46	-	-	-	216.13	-	1,978.59
	16,662.95	31,921.12	12,647.36	19,568.34	85,179.96	22,446.79	72,461.97	2,61,888.49

As at April 01, 2017

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	10,850.13	-	-	-	-	-	10,850.13
Bank balances other than cash and cash equivalents	-	936.71	-	-	-	-	-	936.71
Derivative financial instruments	-	983.22	-	-	-	-	-	983.22
Securities held for trading	6,888.63	4,926.42	-	919.35	-	-	-	12,734.40
Trade receivables	-	1,169.30	-	-	-	-	-	1,169.30
Loans	-	6,716.80	7,675.40	23,936.55	57,301.81	16,375.83	59,633.96	1,71,640.40
Investments	-	5,980.09	945.95	66.80	-	-	-	6,992.84
Other financial assets	-	833.06	-	-	-	94.98	-	928.04
	6,888.63	32,395.73	8,621.35	24,922.70	57,301.81	16,470.86	59,633.96	2,06,235.04



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

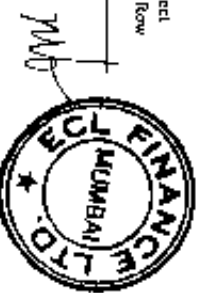
51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

The amount and type of collateral acquired depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

Financial Assets	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Financial Assets				
Cash and cash equivalents	595.40	1,027.97	10,830.13	
Trade balances other than cash and cash equivalents	470.34	585.32	936.71	
Derivative financial instruments	383.30	125.35	983.22	
Securities held for trading	18,379.37	24,064.75	12,734.40	The Company invest in Highly liquid Central/Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	720.99	5,474.52	3,169.30	These are receivables mainly from Clearing houses, (group carrying minimum risk).
Loans				
Corporate credit	1,49,405.54	1,38,890.78	1,11,930.05	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit:				
Investments	94,679.89	83,895.70	63,634.44	Property: Office Space, Plots, Bungalow, Rent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Other financial assets	6,585.40	5,731.20	6,092.84	
	6,130.12	1,978.59	978.04	
	2,77,749.25	2,85,649.77	2,10,179.15	
Commitments	31,481.64	45,446.60	20,354.20	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Plots, Bungalow, Row house, Commodities.



ECU Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2019

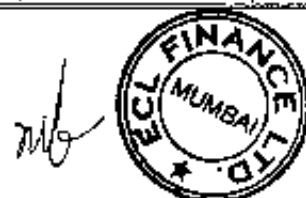
	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	5,201.43	3,252.45	1,948.98	2,352.68
Retail Credit	486.12	105.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.36	3,363.53	2,328.83	2,845.50

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	4,532.08	2,646.85	1,905.33	3,208.68
Retail Credit	147.12	25.58	121.54	222.30
Trade Receivables	4.75	4.75	-	-
	4,703.95	2,677.18	2,026.77	3,430.98

Maximum exposure to credit risk as at April 01, 2017

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	3,649.79	2,323.18	1,326.61	4,722.98
Retail Credit	143.21	31.08	122.13	279.96
Trade Receivables	4.62	4.62	-	-
	3,797.62	2,348.88	1,448.74	5,002.94



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6.9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Government Debt Securities	13,873.50	16,662.92	6,888.64
Mutual Fund Investments	3,483.09	3,603.51	4,811.62
Total Liquidity cushion	17,356.59	20,266.43	11,700.26

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	1,732.63	3,194.64	15,063.64



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	985.40	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	110.56	196.69	206.24	-	513.49
Derivative financial instruments	-	383.29	-	-	-	383.29
Securities held for trading	2,093.45	-	16,285.90	-	-	18,379.35
Trade receivables	-	721.02	-	-	-	721.02
Loans	-	25,180.86	41,111.33	2,18,043.39	44,272.64	3,28,608.22
Investments	-	-	-	6,874.25	-	6,874.25
Other financial assets	1,625.80	-	-	4,313.44	190.88	6,130.12
Total undiscounted financial assets	4,704.65	26,395.73	57,593.92	2,29,437.32	44,463.52	3,62,595.14
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	-	476.84
Trade payables	-	2,961.80	451.50	-	-	3,413.30
Debt securities	-	8,673.86	22,485.11	56,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	56,392.80	1,182.49	1,28,988.49
Subordinated Liabilities	-	376.02	907.25	12,000.82	12,167.50	25,451.59
Other financial liabilities	673.67	2,151.71	-	750.24	-	3,575.62
Total undiscounted financial liabilities	2,767.12	24,956.25	72,847.59	1,45,593.97	37,825.47	2,83,990.40
Total net financial assets / (liabilities)	1,937.53	1,439.48	(15,253.67)	83,843.35	6,638.05	78,604.74

Notes:

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities.

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million.

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures (CCDs (Refer Note 8.1)), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,627.97	-	-	-	-	1,627.97
Bank balances other than cash and cash equivalents	-	13.35	271.75	821.00	-	1,106.10
Derivative financial instruments	-	125.35	-	-	-	125.35
Securities held for trading	15,325.41	-	9,619.35	-	-	24,944.76
Trade receivables	-	5,474.53	-	-	-	5,474.53
Loans	-	27,760.61	44,769.61	2,10,537.25	21,499.61	3,04,567.08
Investments	-	-	-	6,074.19	-	6,074.19
Other financial assets	198.60	-	-	1,593.51	186.48	1,978.59
Total undiscounted financial assets	17,151.98	33,373.84	54,660.71	2,19,025.95	21,686.09	3,45,898.57
Financial Liabilities						
Derivative financial instruments	-	450.32	-	-	-	450.32
Trade payables	-	1,001.89	300.04	-	-	1,301.93
Debt securities	-	7,115.60	12,317.14	45,736.73	19,765.22	84,934.69
Borrowings (other than debt securities)	15,325.41	18,597.77	38,994.35	83,495.21	-	1,56,412.74
Subordinated Liabilities	-	-	-	7,012.74	19,694.56	26,707.30
Other financial liabilities	-	2,428.39	-	-	-	2,428.39
Total undiscounted financial liabilities	15,325.41	29,593.97	51,611.53	1,36,244.68	39,459.78	2,72,235.37
Total net financial assets / (liabilities)	1,826.57	3,779.87	3,049.18	82,781.27	(17,773.69)	73,663.20

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	10,850.13	-	-	-	-	10,850.13
Bank balances other than cash and cash equivalents	-	714.24	132.49	144.91	-	991.64
Derivative financial instruments	-	983.22	-	-	-	983.22
Securities held for trading	6,536.84	6,197.54	-	-	-	12,734.38
Trade receivables	-	1,169.30	-	-	-	1,169.30
Loans	-	36,661.93	35,834.11	1,35,718.98	18,224.54	2,27,438.66
Investments	-	-	1,227.50	5,880.65	-	7,108.15
Other financial assets	742.02	-	-	95.00	91.03	928.05
Total undiscounted financial assets	18,128.99	45,726.23	37,194.10	1,42,838.64	18,315.57	2,62,203.53
Financial Liabilities						
Derivative financial instruments	-	667.18	-	-	-	667.18
Trade payables	-	316.00	163.12	-	-	479.12
Debt securities	-	33,097.63	19,716.06	39,946.04	14,490.77	1,07,250.50
Borrowings (other than debt securities)	6,536.84	20,011.27	14,841.15	43,658.47	101.31	85,151.04
Subordinated Liabilities	-	376.71	796.31	8,935.21	8,677.23	18,785.46
Other financial liabilities	-	325.66	496.66	-	-	822.32
Total undiscounted financial liabilities	6,536.84	54,794.45	36,015.30	92,539.72	23,269.31	2,13,155.62
Total net financial assets / (liabilities)	11,592.15	(9,068.22)	1,178.80	50,298.92	(4,953.74)	49,047.91



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			31,481.63			31,481.63
Estimated amount of contracts capital account	-	-	33.00	-	-	33.00
	-	-	31,514.63	-	-	31,514.63

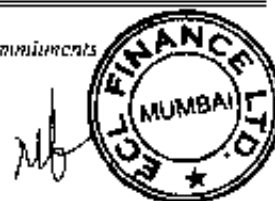
As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			45,446.60			45,446.60
Estimated amount of contracts capital account	-	-	33.25	-	-	33.25
	-	-	45,479.85	-	-	45,479.85

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			20,354.19			20,354.19
Estimated amount of contracts capital account	-	-	54.55	-	-	54.55
	-	-	20,408.74	-	-	20,408.74

VA The company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total Market risk exposure

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	Total	Traded risk	Non traded risk	
Financial Assets										
Cash and cash equivalents	985.40		985.40	1,627.97		1,627.97	10,850.13		10,850.13	Interest rate risk
Bank balances other than cash and cash equivalents	470.24		470.24	985.32		985.32	936.71		936.71	Interest rate risk
Derivative financial instruments	183.30	754.41	28.77	125.35	31.41	93.94	983.22	756.98	226.24	Price risk, Interest rate risk
Securities held for trading	18,379.37	18,379.37		24,944.75	24,944.75		12,734.40	12,734.40		Price risk, Interest rate risk
Trade receivables	720.99		720.99	5,474.52		5,474.52	5,169.30		5,169.30	Interest rate risk
Loans	2,37,966.74		2,37,966.74	2,20,024.70		2,20,024.70	1,71,640.40		1,71,640.40	Interest rate risk
Investments	6,585.40	-	6,585.40	5,727.29	-	5,727.29	6,992.84	-	6,992.84	Interest rate risk
Other financial assets	6,150.12		6,150.12	1,978.59	-	1,978.59	928.04	-	928.04	Interest rate risk
Total Assets	2,77,621.56	18,733.90	2,52,887.66	2,60,888.49	24,976.16	2,35,912.33	2,06,236.04	13,491.38	1,92,744.66	
Financial Liabilities										
Derivative financial instruments	476.83	197.58	279.25	450.32	226.41	223.89	667.18	111.65	555.53	Price risk, Interest rate
Trade payables	3,413.31		3,413.31	1,301.94		1,301.94	479.12		479.12	
Debt securities	94,871.85		94,871.85	71,833.44		71,833.44	94,827.31		94,827.31	Interest rate risk
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45	1,38,208.56		1,38,208.56	76,518.36		76,518.36	Interest rate risk
Subordinated liabilities	19,994.59		19,994.59	19,579.76		19,579.76	11,270.58		11,270.58	Interest rate risk
Other financial liabilities	3,575.60	675.72	2,901.88	2,428.39		2,428.39	822.38		822.38	Price risk
Total Liabilities	2,35,619.63	871.30	2,34,748.33	2,33,802.41	226.43	2,33,575.98	1,84,584.93	111.65	1,84,473.28	



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk (Contd.)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2019 and at 31 March 2018

Interest rate sensitivity

As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(267.97)	-	25	267.97	-
Interest Rate Swaps	25	21.88	-	25	(21.88)	-
Floating rate loans	25	70.39	-	25	(70.39)	-
Government securities	25	(34.68)	-	25	34.58	-
Corporate debt securities	25	(0.75)	-	25	0.75	-

As at March 31, 2018

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(265.90)	-	25	265.90	-
Interest Rate Swaps	25	(8.13)	-	25	8.13	-
Floating rate loans	25	38.44	-	25	(38.44)	-
Government securities	25	(41.65)	-	25	41.66	-
Corporate debt securities	25	(10.89)	-	25	10.89	-

Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk (Contd.)

As at March 31, 2019

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(55.47)	-	5	55.47	-
Equity instruments	5	2.50	-	5	(2.50)	-
Interest rate futures	5	(34.10)	-	5	34.10	-
Mutual fund units	5	174.15	-	5	(174.15)	-

As at March 31, 2018

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(26.27)	-	5	26.27	-
Equity instruments	5	6.05	-	5	(6.05)	-
Interest rate futures	5	(19.38)	-	5	19.38	-
Mutual fund units	5	180.17	-	5	(180.17)	-

51.D.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by INR 650.92 million (previous year INR 450.39 million)



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency) Indian rupees in million)

52. First Time adoption

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

De-recognition of financial assets and liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Share based Payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are awarded as of the transition to Ind AS (1 April 2017).

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52. First Time adoption

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity as at:

Particulars	As at March 31, 2018	As at April 01, 2017
Net Worth as reported under Indian GAAP	29,393.79	23,573.30
Ind AS adjustments increasing / (decreasing) equity as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net)	(584.18)	(252.51)
Expected credit loss provision	(1,221.34)	(1,005.02)
Fair valuation of assets and liabilities	594.91	271.21
Interest spread on assignment transactions	15.06	16.27
Interest income recognition on Stage 3 Loans	401.41	371.31
Tax effect on above adjustments	412.14	484.32
Total effect of transition to Ind AS	(382.00)	(114.42)
Equity as per Ind AS	29,011.79	23,458.88

Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	for the year ended March, 31, 2018
Net profit after tax as reported under Indian GAAP	4,620.47
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Effective interest rate on financial assets and liabilities (net)	(331.67)
Expected credit loss provision	(216.33)
Fair valuation of assets and liabilities	663.46
Fair valuation of employee stock options	(42.12)
Interest spread on assignment transactions	(1.21)
Interest income recognition on Stage 3 Loans	28.86
Tax Impact on above Transactions	(13.80)
Total effect of transition to Ind AS	87.19
Total Comprehensive Income as per Ind AS	4,707.66

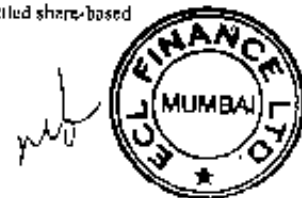
Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 65 Million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Share Based Payment

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52. First Time adoption

Trade receivables / Loans:

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

Effective Interest Rate (EIR)

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Valuation of Investments/Securities held for trading

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

Reclassification of provision of standard / non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to INR 2,664.20 million and INR 3,253.87 million as on 1 April 2017 and 31 March 2018 respectively.



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.A Capital to risk assets ratio (CRAR)

	As at March 31, 2019	As at March 31, 2018
CRAR (%)	19.27%	17.15%
CRAR - Tier I capital (%)	14.27%	11.48%
CRAR - Tier II Capital (%)	5.00%	5.67%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

53.B Investments

	As at March 31, 2019	As at March 31, 2018
I) Value of Investment		
Gross value of investments		
In India	6,722.40	5,753.07
Outside India	-	-
Provisions for depreciation / appreciation		
In India	(137.00)	(25.78)
Outside India	-	-
Net value of investments		
In India	6,585.40	5,727.29
Outside India	-	-

II) Movement of provisions held towards depreciation/appreciation on investments.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	25.78	(226.99)
Add : Provisions made during the year	175.35	287.87
Less : Write-off / write-back of excess provisions during the year	(64.13)	(35.10)
Closing balance	137.00	25.78

53.C Derivatives

	As at March 31, 2019	As at March 31, 2018
I) Forward rate agreement / interest rate swap		
The notional principal of swap agreements	16,250.00	29,750.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	136.59	27.50
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	100.00%	100.00%
% of value of the swap book	(46.63)	(7.56)
% of concentration of credit risk arising from swaps with banks	-	-



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR, PD, 008/03.10.119/2016-17 dated September 01, 2016 as amended.

	As at March 31, 2019	As at March 31, 2018
II) Exchange traded interest rate (IR) derivatives		
Notional principal amount of exchange traded IR derivatives undertaken during the year	99,666.60	55,940.60
Notional principal amount of exchange traded IR derivatives outstanding	695.40	408.00
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

III) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

Quantitative disclosure

	As at March 31, 2019		As at March 31, 2018	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For hedging	-	16,945.40	-	30,158.00
Marked to market positions				
Assets (+)	-	136.59	-	27.50
Liability (-)	-	(183.22)	-	(35.06)
Credit exposure		291.25	-	332.50
Unhedged exposures		-	-	-



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

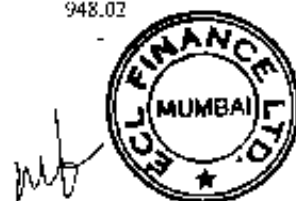
53.0 Disclosures relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	As at March 31, 2019	As at March 31, 2018
a) No. of SPVs sponsored by the NBFC for securitisation transactions	3.00	2.00
b) Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	868.48	181.03
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	86.85	18.10
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	86.85	18.10
- Others	-	-
d) Amount of exposures to securitisation transactions other than MRR	201.43	120.06
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	201.43	120.06
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

	As at March 31, 2019	As at March 31, 2018
No. of accounts	12.00	7.00
Aggregate value (net of provisions) of accounts sold to SC / RC	6,798.94	1,651.98
Aggregate consideration	5,828.60	2,600.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	(970.34)	948.02
Loss on sale to SC/RC during the year	(970.34)	948.02
Amount received in respect of accounts transferred in prior year	-	-



53. Regulatory disclosures - RBI

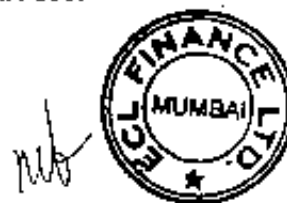
The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

	As at March 31, 2019	As at March 31, 2018
a) No. of transactions assigned by the NBFC	5.00	5.00
b) Total amount outstanding	247.95	353.07
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	27.55	39.23
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	-	-
- Others	27.55	39.23
d) Amount of exposures in securitisation transactions other than MRR	-	-
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Details of non-performing financial assets purchased from / sold to other NBFCs

During the year, the Company has neither purchased nor sold any non-performing financial assets to other NBFCs



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNER, PD, 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.E Asset liability management**Maturity pattern of certain items of assets and liabilities as at March 31, 2019**

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	11,842.19	18,379.37	1,684.76	8,229.45
Over One months to 2 months	5,204.51	-	225.00	1,314.32
Over 2 months up to 3 months	4,481.72	-	6,290.42	1,465.36
Over 3 months to 6 months	8,182.28	-	5,528.90	6,318.13
Over 6 months to 1 year	19,800.63	-	36,802.55	16,185.80
Over 1 year to 3 years	1,15,658.80	-	42,455.48	45,520.75
Over 3 years to 5 years	56,322.95	6,585.40	10,300.66	16,632.84
Over 5 years	22,592.35	-	-	29,149.47
	2,44,085.43	24,964.77	1,03,287.77	1,24,866.12

*Investments also include securities held for trading

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

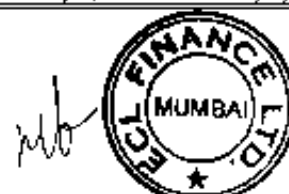
Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures (CCDs (Refer Note 8 I), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

Maturity pattern of certain items of assets and liabilities as at March 31, 2018

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	10,443.76	24,944.75	23,052.58	28,697.78
Over One months to 2 months	10,004.60	-	187.50	3,553.49
Over 2 months up to 3 months	4,937.68	-	4,232.07	3,451.39
Over 3 months to 6 months	8,997.43	-	5,173.82	6,941.95
Over 6 months to 1 year	16,815.83	-	9,712.22	7,235.08
Over 1 year to 3 years	1,03,705.83	-	44,090.86	34,571.77
Over 3 years to 5 years	51,477.00	5,727.29	20,434.47	14,230.63
Over 5 years	18,403.85	-	-	24,056.15
	2,24,785.98	30,672.04	1,06,883.52	1,22,738.24

*Investments also include securities held for trading



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.F Exposures**Exposure to real estate sector****a) Direct exposure****Residential mortgages -**

Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to Rs. 15 lakhs may be shown separately)

As at
March 31, 2019 11,597.71

Commercial real estate -

Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.

As at
March 31, 2019 71,205.53

Investments in mortgage backed securities (MBS) and other securitised exposures -

- Residential
- Commercial Real Estate

b) Indirect exposure

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)

c) Others**Exposure to capital market**

a) 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

As at
March 31, 2019 121.01

b) 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

As at
March 31, 2019 36,122.99

c) 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.

As at
March 31, 2019 50,572.67

d) 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.

As at
March 31, 2019 4,065.75

e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.

As at
March 31, 2019 84.69

f) 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

g) bridge loans to companies against expected equity flows / issues

h) all other loans to Venture Capital Funds (both registered and unregistered)

i) others (not covered above)



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.G Details of financing of parent company products:

Details of financing of parent company products: Nil (Previous year : Nil)

53.H Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended 31 March 2019 and 31 March 2018, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

53.I Registration obtained from other financial sector regulators - None**53.J Disclosure of penalties imposed by RBI and other regulators - Rs. Nil million in respect of penalty for securities pay in shortage (Previous year - Rs. Nil million)****53.K Related party transactions**

All Material transactions with related parties are reflected in Note 48

53.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended: March 31, 2019	For the year ended March 31, 2018
PN Venkatasachari	Sitting Fees	0.44	0.24
Biswamohan Mahapatra	Sitting Fees	0.30	0.12
Kunhasagar Chinnab (w.e.f. February 18, 2019.)	Sitting Fees	0.02	-
Sunil Mitra (upto August 2, 2017)	Sitting Fees	-	0.12

53.M Provisions and contingencies

	As at March 31, 2019	As at March 31, 2018
Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss		
Provisions for depreciation on Investment	125.55	370.91
Provision towards Stage 3	510.42	312.21
Provision made towards Income tax	2,398.62	2,637.36
Provision for Stage 1/Stage 2 Assets including restructured and others	673.90	491.71
Other Provision and Contingencies	-	-
Provision for doubtful debts	-	-
Provision for credit loss on securitisation	(4.21)	(3.34)
Provision on Stage 3 Income recognition	183.80	15.96

53.N Draw down from reserves

During the year ended 31 March 2019 and 31 March 2018, the Company has not drawn any reserve



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.O Concentration of deposits, advances, exposures and stage 3 assets

	As at March 31, 2019	As at March 31, 2018
Concentration of advances		
Total Advances to twenty largest borrowers	55,099.91	53,860.05
% of Advances to twenty largest borrowers to Total Advances	22.57%	23.96%
Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	57,695.20	56,990.15
% of Exposures to twenty largest borrowers / Customers to Total Advances	23.64%	25.35%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	4,619.37	4,309.56

Sector-wise Stage 3 Assets

Sectors	% of Stage 3 assets to Total Advances in that sector	
	March 31, 2019	March 31, 2018
Agriculture & allied activities	2.35%	0.37%
MSME	0.53%	0.07%
Corporate borrowers	7.53%	6.43%
Services	0.07%	0.00%
Unsecured loans	0.00%	0.01%
Auto loans	0.00%	0.00%
Other loans	0.29%	0.23%

53.P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2019	As at March 31, 2018
Stage 3 assets net of stage 3 provision to net advances (%)	0.69%	0.75%
Movement of Stage 3 assets		
Opening balance	4,015.82	3,155.11
Additions during the year	9,426.36	11,754.41
Reductions during the year*	(8,872.71)	(10,893.70)
Closing balance	4,569.47	4,015.82
Movement of Stage 3 net of stage 3 provisions		
Opening balance	1,626.22	1,077.73
Additions during the year	7,612.26	8,598.39
Reductions during the year	(7,569.02)	(8,046.90)
Closing balance	1,669.46	1,626.22
Movement of stage 3 provisions		
<i>(excluding provision on Stage 1/Stage 2)</i>		
Opening Balance	2,389.60	2,077.38
Additions during the year	1,814.10	3,156.02
Reductions during the year	(1,303.69)	(2,843.80)
Closing balance	2,900.01	2,389.60

*Includes Stage 3 assets written off during the year Rs. 984.77 million (Previous year: Rs 1405.44 million)

Note: Movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per RBI/C norms prescribed by the Reserve Bank of India



53. Regulatory disclosures - RBI

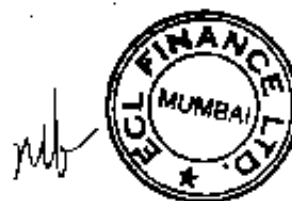
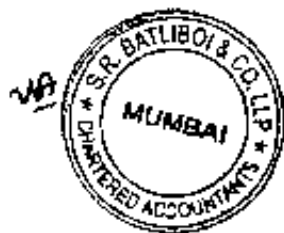
The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.Q Overseas assets - Nil (Previous year - nil)

53.R Off-balance sheet SPV sponsored - none (previous year - none)

53.S Customer complaints

	For the year ended March 31, 2019	For the year ended March 31, 2018
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	148.00	72.00
No. of complaints redressed during the year	148.00	72.00
No. of complaints pending at the end of the year	-	-



ECIL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

SAT Rating assigned by credit rating agencies

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR, PD, RES/03, 10, 11/9/2016-17 dated September 01, 2016 as amended.

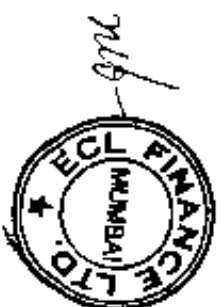
as at March 31, 2019	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA+	2,50,300.00	ICRA AA	3,12,862.50	CARE AA	1,73,465.20	BWR AA+, RWR AA	18,000.00	ACUTE AA+	4,500.00
Short term instruments	CRISIL A+	1,50,000.00	ICRA A1+	1,55,000.00	CARE A+	1,00,000.00				
Market linked debentures										
Short term	CRISIL PP- MLD A+/-	12,000.00	PT-MILD ICRA A1+	5,000.00						
Long Term	CRISIL PP- MLD AA+	25,250.00	PT-MILD ICRA AA	24,116.30	CARE PP-MILD AA	5,286.20	RWR PP-MILD AA+	1,500.00		

as at March 31, 2018	CRISIL		ICRA		CARE		Brickworks		SNIERA	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA+	1,37,600.00	ICRA AA+	1,95,000.00	CARE AA+	1,76,252.50	BWR AA+, RWR AA+	15,000.00	SMIERA AA+	1,500.00
Short term instruments	CRISIL A+	90,000.00	ICRA A1+	76,000.00	CARE A+	36,000.00		3,000.00	SNIERA AA+	3,000.00
Market linked debentures										
Short term	CRISIL PP- MLD A1+/+	12,000.00	ICRA PP-MILD A1+	9,000.00						
Long Term	CRISIL PP- MLD AA+	22,250.00	ICRA PP-MILD AA+	26,500.00	CARE PP-MILD AA	2,875.40	RWR PP-MILD AA+	1,500.00		

53. U Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions,

2016

AP



53.V Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBs: CO, PD, No. 607/03, 10/1/2003-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2019

Sl.No	Type of Restructuring Asset Classification Details	Under FDR Mechanism				Under SBCI Debt Restructuring Mechanism				Others				Total		
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2019 (Opening figures)															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Break restructuring during the year															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Liquidation of restructured accounts to Standard category*															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisions and/or adjustment weight at the end of the financial year and hence used not to shown as restructured standard advances at the beginning of the next financial year*															
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Derecognition of restructured accounts during the year															
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-off of restructured accounts during the year															
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts on 1st May, 2019 (Closing figures)															
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

* Includes recovery made during the year from the Sub-standard restructure accounts

** Includes recovery made during the year from the standard restructure accounts.



53.Y Disclosure of Restructured Accounts

As required by RBI guidelines under reference DWS, CO, P.D. No. 107/03.10.01 / 2013-14 dated January 23, 2014

Disclosure of Restructured Accounts for the year ended March 31, 2018

Type of Restructuring		Under CDR Mechanism				Under SAFE-Tech Restructuring Mechanism				Others				Total			
Sl No	Assets Classification	Shareholders' approval	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss		
1	Items reclassified as non-performing accounts as on 1st April, 2017 (Opening figures)	-	-	-	-	-	-	5,000	-	-	5,000	-	5,000	-	5,000		
		-	-	-	-	-	-	438.19	-	-	438.19	-	438.19	-	438.19		
		-	-	-	-	-	-	164.43	-	-	164.43	-	164.43	-	164.43		
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	0.01	-	-	0.01	-	0.01	-	0.01		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Upgradation of restructured accounts to Standard category*	-	-	-	-	-	-	71,063	-	-	71,063	-	71,063	-	71,063		
		-	-	-	-	-	-	1414,900	-	-	1414,900	-	1414,900	-	1414,900		
		-	-	-	-	-	-	161,497	-	-	161,497	-	161,497	-	161,497		
4	Restructured advances which ceased to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need can be shown as restructured standard advances at the beginning of the next financial year**	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	13,540	-	-	13,540	-	13,540	-	13,540		
		-	-	-	-	-	-	1,023	-	-	1,023	-	1,023	-	1,023		
		-	-	-	-	-	-	1,023	-	-	1,023	-	1,023	-	1,023		
5	Designation of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	1,021	-	-	1,021	-	1,021	-	1,021		
		-	-	-	-	-	-	1,021	-	-	1,021	-	1,021	-	1,021		
6	Write-offs of restructured accounts during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	10,577	-	-	10,577	-	10,577	-	10,577		
		-	-	-	-	-	-	3,000	-	-	3,000	-	3,000	-	3,000		
		-	-	-	-	-	-	1,931	-	-	1,931	-	1,931	-	1,931		
7	Restructured accounts as on 1st Mar, 2018 (Closing figures)	-	-	-	-	-	-	1,641	-	-	1,641	-	1,641	-	1,641		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Note:

*includes recovery made during the year from the Sub-standard restructure accounts

**includes recovery made during the year from the standard restructure accounts.



ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

54. Other Disclosures

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

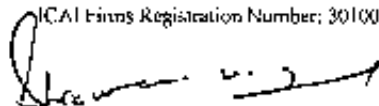
54.B There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

The accompanying notes are an integral part of the financial statements
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

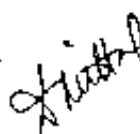
Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors



Deepak Mittal

Managing Director & CEO

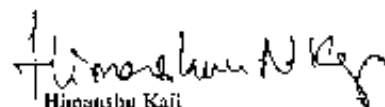
UDIN : 00010537



Surju Simaria

Chief Financial officer

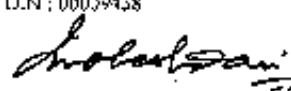
Mumbai May 13, 2019



Himanshu Kaji

Executive Director

UDIN : 00039438



Jitendra Maheshwari

Company Secretary



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECL Finance Limited

Report on the Standalone Financial Statements

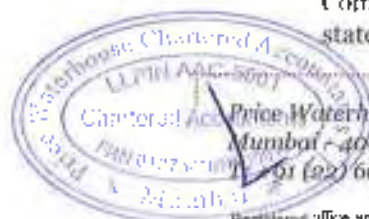
1. We have audited the accompanying standalone financial statements of **ECL Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028
Tel: (91) (22) 66691500, F: (91) (22) 66547804 / 07

Registered office and Head office: Sucheta Shewan, 11A Vohra Dignam Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP number no: LLPIN AAC 5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 312754N455016 (ICAI registration number before conversion was 012754N).

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of ECL Finance Limited
Report on the Standalone Financial Statements
Page 2 of 3

7. 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The standalone financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of ECL Finance Limited

Report on the Standalone Financial Statements

Page 3 of 3

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

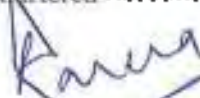
i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements – Refer Note 2.39;

ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.5, 2.9 and 2.75;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Russell J Parera
Partner
Membership Number 42190

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of ECL Finance Limited ("the Company") as of March 31, 2018 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

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

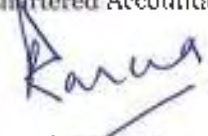
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Mumbai
May 02, 2018

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants


Russell L Parera
Partner
Membership Number 42190

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants, account statement of Mutual Fund and clearing corporation holding statement at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not provided any guarantee or security in connection with any loan taken by parties covered under section 185. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company.

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 in respect of loan made and 186 (1) of the Companies Act, 2013 in respect of investment made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess-goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is Pending
Income Tax Act, 1961	Income tax	259.91	A.Y. 2013-14	The Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	119.27	A.Y. 2014-15	The Commissioner of Income Tax (Appeal)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

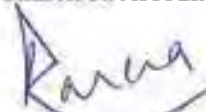
Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 3 of 3

- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Russell I Patra
Partner
Membership Number 42190

Mumbai
May 02, 2018

ECL Finance Limited

Balance Sheet

(Currency : Indian rupees in million)

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,948.11	1,891.85
Reserves and surplus	2.2	27,445.68	21,681.45
		<u>29,393.79</u>	<u>23,573.30</u>
Non-current liabilities			
Long-term borrowings	2.3	134,263.66	51,933.54
Other long-term liabilities	2.4	3,972.59	964.81
Long-term provisions	2.5	1,503.21	1,155.56
Current liabilities			
Short-term borrowings	2.6	58,117.29	58,812.99
Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues other than micro enterprises and small enterprises	2.7	1,301.93	479.12
Other current liabilities	2.8	36,526.43	32,739.62
Short-term provisions	2.9	2,471.55	1,980.98
TOTAL		<u><u>267,550.45</u></u>	<u><u>211,639.92</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	2.10	541.35	246.74
Intangible assets	2.10	41.92	10.02
Capital work in progress		-	270.12
Intangible under development		43.21	16.90
Non-current investments	2.11	6,668.56	6,663.53
Deferred tax assets (net)	2.12	1,104.19	880.39
Long-term loans and advances	2.13	101,281.45	69,656.33
Other non-current assets	2.14	2,157.62	1,907.18
		<u>111,838.30</u>	<u>79,680.71</u>
Current assets			
Current investments	2.15	0.43	67.23
Stock in trade	2.16	97,135.72	58,975.94
Trade receivables	2.17	5,476.32	1,169.67
Cash and bank balances	2.18	2,508.49	11,677.78
Short-term loans and advances	2.19	44,186.90	54,178.41
Other current assets	2.20	6,404.29	5,890.18
		<u>155,712.15</u>	<u>131,959.21</u>
TOTAL		<u><u>267,550.45</u></u>	<u><u>211,639.92</u></u>

The accompanying notes are an integral part of the financial statements

I & 2

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

For Price Waterhouse Chartered Accountants LLP

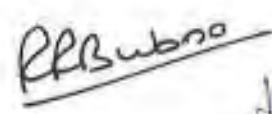
Chartered Accountants

Firm's Registration No. 612754N / N500016


Ruaseel J Parera
Partner
Membership No: 42190

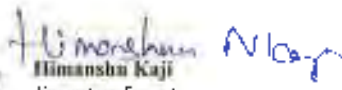
Mumbai
May 2, 2018


For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN: 00090160


Nilesh Sanjay
Chief Financial Officer

Mumbai
May 2, 2018


Himanshu Kaji
Executive Director
DIN: 00099438


Shekhar Prabhudesai
Company Secretary

ECL Finance Limited**Statement of Profit and Loss**

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations			
Fee income	2.21	1,904.35	1,223.95
Income from treasury	2.22	(377.95)	574.50
Interest income	2.23	28,981.79	23,117.08
Other income	2.24	92.08	34.86
Total Revenue		30,600.27	24,950.39
Expenses			
Employee benefits expense	2.25	1,811.85	1,657.41
Finance costs	2.26	17,112.09	13,689.69
Depreciation and amortisation	2.10	52.78	42.59
Other expenses	2.27	4,588.26	3,630.99
Total expenses		23,564.98	19,020.68
Profit before tax		7,035.29	5,929.71
Tax expenses			
(1) Current tax [not of excess provision of earlier years(s) of Rs. 11.67 million (Previous year : 78.28 million)]		2,638.60	1,989.92
(2) Deferred tax (net)		(223.78)	36.61
Profit for the year		4,620.47	3,903.18
Basic and diluted earnings per equity share in Rupees (Face value Re. 1 each)	2.30	2.44	2.06

The accompanying notes are an integral part of the financial statements

1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016

Russell I Parera

Partner

Membership No: 42190

Mumbai
May 2, 2018

For and on behalf of the Board of Directors

Raviprakash R. Bubna

Managing Director & CEO

DIN : 00090160

Nilesh Sampat

Chief Financial Officer

Mumbai
May 2, 2018

Himanshu Kaji

Executive Director

DIN : 00009438

Shekhar Prabhudesai

Company Secretary

ECL Finance Limited

Cash Flow Statement

(Currency : Indian rupees in million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	7,035.29	5,929.71
<i>Adjustments for</i>		
Depreciation and amortisation	52.78	42.39
Provision for compensated absences	0.91	(0.34)
Provision for standard assets	277.45	228.56
Diminution in value of current investments	(128.31)	35.10
Provision for restructured advance	(0.20)	(38.75)
Provision for non performing assets	312.42	378.96
Provision for credit loss on securitisation	(3.34)	(7.47)
Bad-debts and advances written off	1,392.50	431.13
Profit on sale of investments	(677.57)	(33.72)
Dividend on investments	(458.59)	(72.64)
Profit on sale of fixed assets	-	(0.10)
Amortised loan processing fees	(51.08)	(31.07)
Amortised loan origination cost	50.02	35.62
Write-off of fixed assets	(0.32)	-
Operating cash flow before working capital changes	7,801.96	6,897.58
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in trade receivables	(4,306.65)	(568.97)
Decrease in stock in trade	6,466.40	18,181.28
Increase in receivables from financing business including Credit substitute	(69,070.36)	(49,544.75)
Increase in loans and advances	(249.11)	(49.21)
Decrease / (Increase) in other assets	864.43	(1,228.07)
Increase / (Decrease) in liabilities and provisions	4,628.05	(2,287.91)
Cash used in operations	(53,865.28)	(28,598.05)
Income taxes paid	(2,300.45)	(2,109.87)
Net cash used in operating activities - A	(56,165.73)	(30,707.92)
B Cash flow from investing activities		
Purchase of fixed assets	(384.46)	(28.93)
Decrease/ (Increase) in Capital Work-in-progress and Intangibles under development	243.63	(285.68)
Proceeds from Sale of fixed assets	5.17	1.28
Purchase of investments	(2,240.00)	(5,530.55)
Proceeds from Sale of investments	3,107.65	7,292.01
Dividend on investments	458.59	72.64
Net cash generated from / (used in) investing activities - B	1,190.58	1,520.77
C Cash flow from financing activities		
Proceeds from issue of non convertible debentures	72,548.93	28,271.90
Proceeds from issuance of Share capital	1,200.00	-
Increase in short term borrowing (refer note I)	(695.70)	11,479.08
Proceeds from banks / financial institutions term loan	54,250.00	31,951.46
Repayment of non convertible debentures	(66,562.12)	(20,811.76)
Repayment of banks / financial institutions term loan	(15,008.12)	(12,647.44)
Net cash generated from financing activities - C	45,732.99	38,243.24



ECL Finance Limited**Cash Flow Statement (Continued)**For the year ended
March 31, 2018For the year ended
March 31, 2017

(Currency : Indian rupees)

Net increase / (Decrease) in cash and cash equivalents (A+B+C)**(9,242.16)****9,056.09**

Cash and cash equivalent as at the beginning of the year

10,870.13**1,814.04**

Cash and cash equivalent as at the end of the year (refer note 2.18)

1,627.97**10,870.13**

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.


The accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date


For Price Waterhouse Chartered Accountants LLP**For and on behalf of the Board of Directors**


Chartered Accountants


Firm's Registration No. 012754N / N500016


Russell I Parera
 Partner

Membership No: 42190


Raviprakash R. Rubna
 Managing Director & CEO
 DIN : 00090160


Nilesh Sampat
 Chief Financial Officer


Himanshu Kaji
 Executive Director
 DIN : 00009438


Shekhar Prabhudesai
 Company Secretary
Mumbai
May 2, 2018Mumbai
May 2, 2018

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of ECL Finance Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ECL Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the "Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



Independent Auditor's Report (Continued)

ECL Finance Limited

Auditor's responsibility (Continued)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profits and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.38 to the standalone financial statements;



Independent Auditor's Report (Continued)

ECL Finance Limited

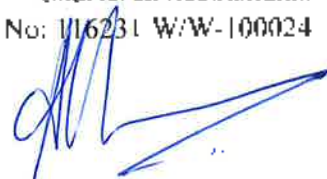
Report on other legal and regulatory requirements (Continued)

- ii. the Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 2.72 to the standalone financial statements; and
- iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 2.65 to the standalone financial statements.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited

The Annexure referred to in Independent Auditors' Report to the members of ECL Finance Limited ("the Company") on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. 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 are held in the name of the Company.
- ii. (a) The Company has conducted a physical verification of equity shares and other securities relating to Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals. In our opinion, the frequency of such verification is reasonable in relation to the size of the Company and the nature of its business.
- (b) The company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock-in-trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, sales tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, customs duty, excise duty and cess.

ECL Finance Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited (*Continued*)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable except the following sales tax dues outstanding for more than six months:

Name of the Statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra VAT	Sales Tax	0.25	Mar-13	30-Apr-13	16-May-17

- (b) According to the information and explanations given to us, there are no provident fund, income tax, service tax, sales tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

ECL Finance Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited (*Continued*)

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231/W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

16 May 2017

ECL Finance Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of ECL Finance 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 ECL Finance Limited (the "Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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.



ECL Finance Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of ECL Finance Limited (Continued)

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

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

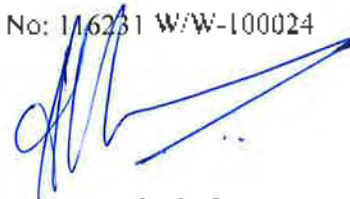
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

16 May 2017

ECL Finance Limited

Balance Sheet

(Currency : Indian rupees in million)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,891.85	1,891.85
Reserves and surplus	2.2	21,681.45	17,930.45
		<u>23,573.30</u>	<u>19,822.30</u>
Non-current liabilities			
Long-term borrowings	2.3	91,933.54	65,632.49
Other long-term liabilities	2.4	964.81	1,100.41
Long-term provisions	2.5	1,155.56	313.87
Current liabilities			
Short-term borrowings	2.6	58,812.99	47,333.91
Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues other than micro enterprises and small enterprises	2.7	479.12	1,576.57
Other current liabilities	2.8	32,739.62	33,224.36
Short-term provisions	2.9	1,980.98	2,171.27
TOTAL		<u>211,639.92</u>	<u>171,175.18</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	2.10	246.74	259.68
Intangible assets	2.10	10.02	11.42
Capital work in progress		270.12	-
Intangible under development		16.40	1.04
Non-current investments	2.11	6,663.53	8,391.21
Deferred tax assets (net)	2.12	880.39	917.01
Long-term loans and advances	2.13	69,686.33	41,744.73
Other non-current assets	2.14	1,907.18	2,059.41
		<u>79,680.71</u>	<u>53,385.06</u>
Current assets			
Current investments	2.15	67.23	102.32
Stock in trade	2.16	58,975.94	58,745.76
Trade receivables	2.17	1,169.67	600.70
Cash and bank balances	2.18	11,677.78	2,606.69
Short-term loans and advances	2.19	54,178.41	50,627.65
Other current assets	2.20	5,890.18	5,107.00
		<u>131,959.21</u>	<u>117,790.12</u>
TOTAL		<u>211,639.92</u>	<u>171,175.18</u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W/W-100024

Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors

Raviprakash R. Bubna

Managing Director & CEO

DIN : 00090160

Himanshu Kaji

Executive Director

DIN : 00009438

Nilesh Sampat

Chief Financial Officer

Mumbai

16 May 2017

Taran Khurana

Company Secretary

Mumbai

16 May 2017

ECL Finance Limited

Statement of Profit and Loss

(Currency : Indian rupees in million)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee income	2.21	1,223.95	424.00
Income from treasury	2.22	574.50	(1,783.89)
Interest income	2.23	23,117.08	20,205.30
Other income	2.24	34.86	20.42
Total Revenue		24,950.39	18,865.83
Expenses			
Employee benefits expense	2.25	1,657.41	1,499.06
Finance costs	2.26	13,689.69	11,653.57
Depreciation and amortisation	2.10	42.59	40.85
Other expenses	2.27	3,630.99	1,883.53
Total expenses		19,020.68	15,077.01
Profit before tax		5,929.71	3,788.82
(1) Current tax [net of excess provisions of earlier years(s) of Rs 78.28 million (Previous year : Rs 3.08 million)]		1,989.92	1,567.79
(2) Deferred tax (net)		36.61	(279.60)
Profit for the year		3,903.18	2,500.63
Basic and diluted earnings per equity share in Rupees (Face value Rs. 1 each)	2.30	2.06	1.32
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

For **BSR & Associates LLP**

Chartered Accountants


Firm's Registration No. 116231W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090160


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesh Sampat
Chief Financial Officer


Tarun Khorana
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Cash Flow Statement

(Currency : Indian rupees in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before tax	5,929.71	3,788.82
<i>Adjustments for</i>		
Depreciation and amortisation	42.59	40.85
Provision for compensated absences	(0.34)	4.54
Provision for standard assets	228.56	102.04
Diminution in value of current investments	35.10	65.66
Provision for restructured advance	(38.75)	(54.49)
Provision for non performing assets	378.96	351.81
Provision for credit loss on securitisation	(7.47)	(1.67)
Bad debts and advances written off	431.13	759.13
Profit on sale of investments	(33.72)	-
Dividend on investments	(72.64)	(0.70)
Profit on sale of fixed assets	(0.10)	(0.49)
Amortised loan processing fees	(31.07)	(43.42)
Amortised loan origination cost	35.62	40.23
Operating cash flow before working capital changes	6,897.58	5,052.31
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in trade receivables	(568.97)	(394.91)
Decrease / (Increase) in stock in trade	18,183.28	(35,271.82)
Increase in receivables from financing business (net) (refer note 1)	(49,544.75)	(2,694.85)
Increase in loans and advances	(49.21)	(45.90)
Increase in other assets	(1,228.07)	(3,821.69)
(Decrease) / Increase in liabilities and provisions	(2,287.91)	6,117.01
Cash used in operations	(28,598.05)	(31,059.85)
Income taxes paid	(2,109.87)	(1,612.60)
Net cash used in operating activities - A	(30,707.92)	(32,672.45)
B Cash flow from investing activities		
Purchase of fixed assets	(28.93)	(33.05)
Increase in Capital Work-in-progress and Intangible under development	(285.68)	(1.04)
Sale of fixed assets	1.28	2.01
Purchase of investments	(5,530.55)	(1,519.91)
Sale of investments	7,292.01	122.00
Dividend on investments	72.64	0.70
Net cash generated from / (used in) investing activities - B	1,520.77	(1,429.29)



ECL Finance Limited**Cash Flow Statement (Continued)**

(Currency - Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
C Cash flow from financing activities		
Proceeds from issue of long term debenture (refer note 1)	4,960.90	11,171.44
Increase in short term borrowing	11,479.08	19,927.73
Proceeds from banks / financial institutions term loan (refer note 1)	19,303.26	2,443.93
Proceeds from issue of non convertible subordinated debt	2,500.00	280.00
Net cash generated from financing activities - C	38,243.24	33,743.10
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	9,056.09	(358.64)
Cash and cash equivalent as at the beginning of the year	1,814.04	2,172.68
Cash and cash equivalent as at the end of the year (refer note 2.18)	10,870.13	1,814.04

Notes:

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

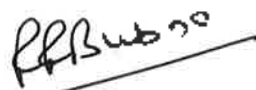

As per our report of even date attached.

For BSR & Associates LLP*Chartered Accountants*

Firm's Registration No. 116231W/W-100024


Ashwin Suvarna*Partner*

Membership No: 109503

For and on behalf of the Board of Directors
Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090160
Himanshu Kaji
Executive Director
DIN : 00009438
Nilesh Sampat
Chief Financial Officer
Tarun Khurana
*Company Secretary*Mumbai
16 May 2017Mumbai
16 May 2017

CONFIDENTIAL

ECLFL/247950/NCD/05262020/7

June 22, 2020

Mr. Nilesh Sampat**ECL Finance Limited**

Edelweiss House, 11th Floor,

Off C.S.T. Road, Kalina,

Mumbai 400 098

Board: 22 4342 8000 / Fax: 22 4342 8500

Dear Mr. Nilesh Sampat,

Re: CRISIL Rating on the Rs.2000 Crore Non-Convertible Debentures@ of ECL Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letters dated May 26, 2020 bearing Ref. no.: ECLFL/247950/NCD/05262020/1

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	2000	CRISIL AA-/Negative

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subha Sri Narayanan
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings

*@proposed public issue of retail NCDs*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

No. CARE/HO/RL/2020-21/1688

Mr. Deepak Mittal

CEO & MD,

ECL Finance Ltd,

Edelweiss House, Off CST Road,

Kalina, Mumbai – 400 098

June 17,2020

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed non-convertible debenture (NCD) issue aggregating to Rs. 1104 crore of your company. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Non-Convertible Debenture issue	1104 (Rs. One thousand one hundred and four crore only)	CARE AA-; Negative (Double A Minus; Outlook: Negative)	Assigned

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is June 16,2020)
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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- Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

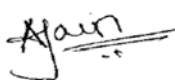
CARE Ratings Ltd.

7. The rationale for the rating will be communicated to you separately.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
12. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

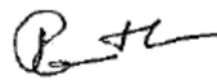
Thanking you,

Yours faithfully,



Akansha Jain
[Analyst]

akansha.jain@careratings.com



Ravi Kumar Dasari
[Associate Director]

ravi.kumar@careratings.com

CARE Ratings Ltd.

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Ltd.



ICRA Limited

CONFIDENTIAL

Ref: MUM/20-21/0714

Date: June 03, 2020

Mr. S. Ranganathan
M/s. ECL Finance Limited
Edelweiss House, 14th Floor,
Off C.S.T. Road, Kalina,
Mumbai 400 098

Dear Sir,

Re: ICRA rating for Rs. 4,136.25 crore Non Convertible Debenture Programme of ECL Finance Limited

Please refer to your request dated May 28, 2020 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]A+ (pronounced as ICRA A plus) rating with a Negative outlook assigned to your captioned programme and last communicated to you vide our letter dated May 04, 2020 stands. Instruments with [ICRA]A+ rating indicate adequate degree of safety regarding timely servicing of financial obligations.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref No. 2020-21/MUM/0421 dated May 04, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

Digitally signed by KARTHIK
SRINIVASAN

Date: 2020.06.03 10:19:49 +05'30'

Authorised Signatory

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

9852/CL/MUM/20-21/DEB/1

Date: Apr 04, 2020

ECL Finance Limited

Edelweiss House,
Off C.S.T. Road, Kalina,
Mumbai, Maharashtra – 400098

Kind Attn: Mr. Amit Pandey

Sub: Consent to act as Debenture Trustee for Secured Listed Non-Convertible Debentures aggregating to Rs. 2000.00 Crores

Dear Maam,

This is with reference to our conversation regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Secured Listed Non-Convertible Debentures aggregating to Rs. 2000.00 Crores

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully,

For Beacon Trusteeship Limited

A handwritten signature in black ink, appearing to be "Amit Pandey".

Authorised Signatory

Accepted

For ECL Finance Limited

Authorised Signatory

BEACON TRUSTEESHIP LIMITED

Regd & Corporate Office : 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai - 400051

CIN: U74999MH2015PLC271288

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