

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854

Financial Statement for the year ended March 31, 2019

ECL Finance Limited

Financial Statement for the year ended March 31, 2019

Board of Directors

Mr. Rashesh Shah (appointed as Chairman w.e.f. March 5, 2019)	- Chairman & Managing Director
Mr. Venkatchalam Ramaswamy (appointed w.e.f. March 5, 2019)	- Vice Chairman & Non- Executive Director
Mr. Himanshu Kaji (resigned w.e.f. July 1, 2019)	- Executive Director
Mr. Deepak Mittal (appointed as Managing Director w.e.f. February 18, 2019)	- Managing Director & Chief Executive Officer
Ms. Vidya Shah	- Non- Executive Director
Mr. P. N. Venkatchalam	- Independent Director
Mr. Biswamohan Mahapatra	- Independent Director
Mr. Kunnasagaran Chinniah (appointed w.e.f. February 18, 2019)	- Independent Director
Mr. Lim Meng Ann (appointed w.e.f. May 7, 2019)	- Investor Nominee Director
Mr. Raviprakash R. Bubna (resigned w.e.f. March 31, 2019)	- Managing Director

Chief Financial Officer

Mr. Nilesh Sampat (resigned w.e.f. September 17, 2018)
Mr. Sarju Simaria (appointed w.e.f. March 5, 2019)

Company Secretary

Mr. Shekhar Prabhudesai (resigned w.e.f. August 7, 2018)
Mr. Jitendra Maheshwari (appointed w.e.f. August 8, 2018)

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP

Registered Office

Edelweiss House,
Off C.S.T. Road, Kalina,
Mumbai - 400098
Corporate Identity No.:U65990MH2005PLC154854
Tel: +91 4009 4400, Fax: +91 4086 3759
Email: CS.CBG@edelweissfin.com

Debenture Trustees

SBICAP Trustee Company Limited

202, Maker Tower - E, Cuffe Parade, Mumbai
400 005 and an office at Apeejay House, 6th
Floor, 3 Dinshaw Wachha Road, Churchgate,
Mumbai - 400020

Tel: +91 22 4302 5530 Fax: +91 22 4302 5500

E-mail: corporate@sbicaptrustee.com

Website: www.sbicaptrustee.com

Contact Person: Ms. Savitri Yadav

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No-604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai - 400 098

Tel: 022-49220555; Fax: 022-49220505

E-mail: brindha.venkatraman@ctltrustee.com

Website: www.catalysttrustee.com

Contact Person: Mrs. Brindha Venkatraman

Axis Trustee Services Limited

2nd Floor, E-Wing, Axis House, Bombay
Dyeing Mills Compound, Pandurang
Budhkar Marg, Worli, Mumbai - 400 025.

Tel:- 022 2425 5215 / 5216

E-mail: debenturetrustee@axistrustee.com

Website: www.axistrustee.com

Contact Person: Chief Operating Officer.

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

Registrar & Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED

C- 101 1st Floor 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083 Maharashtra, India

Tel: +91 22 4918 6200;

Fax: +91 22 4918 6195;

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,

Hyderabad - 500 032

Tel: +91 40 6716 2222

Fax: +91 40 2300 1153

NOTICE is hereby given that the 14th Annual General Meeting of the Members of ECL Finance Limited (“the Company”) will be held on Friday, September 27, 2019 at 12:30 p.m. at the Registered Office of the Company at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098 to transact the following business: -

ORDINARY BUSINESS

1. To consider and adopt:-

- i) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Board’s Report and the Auditors thereon; and
- ii) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Auditor’s Report thereon.

2. To appoint a Director in place of Ms. Vidya Shah (DIN: 00274831), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Kunnasagaran Chinniah as an Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, Mr. Kunnasagaran Chinniah (DIN: 01590108), who was appointed by the Board of Directors of the Company as an Additional Director (Independent Director) and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and being eligible, be and is hereby appointed as an Independent Director of the Company for a term of three years, from February 18, 2019 till February 18, 2022.

FURTHER RESOLVED THAT any of the Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

4. **Appointment of Mr. Venkatchalam Ramaswamy as a Non-Executive Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules

framed thereunder, Mr. Venkatchalam Ramaswamy (DIN 00008509), who was appointed by the Board of Directors of the Company as an Additional Director designated as Non-Executive Director, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Act, be and is hereby appointed as a Non-Executive Director of the Company.

FURTHER RESOLVED THAT any of the Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

For and on behalf of the Board of Directors
ECL Finance Limited

Sd/-
Jitendra Maheshwari
Company Secretary
Membership No: A19621
Place: Mumbai
Date: September 23, 2019

Registered Office:
Edelweiss House, Off. C.S.T. Road
Kalina, Mumbai - 400 098
CIN: U65990MH2015PLC154854

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office not less than forty-eight hours before the commencement of the AGM. Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the AGM. Proxy form is annexed to this Notice;
2. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed; and
3. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
4. Pursuant to Article 5.6 of the Articles of Association of the Company, CDPQ Asia Equity Pvt. Ltd. ("CDPQ") shall be entitled to voting rights on a Fully Diluted Basis in each Shareholders' Meeting of the Company. Until the conversion of the Investor CCDs, each Promoter shall vote in accordance with instructions of the Investor at the Shareholders' Meeting, in respect of such number of Equity Shares held by each of them such that the Investor's voting rights of a Fully Diluted Basis are given effect to.

To give effect to the above requirements, the voting at the AGM would be required to be conducted through Poll. The ballot papers in this respect would be circulated at the AGM venue.

In view of the above, Mr. Dilip Bharadia (FCS 7956 & COP No. 6740) of M/s. Dilip Bharadia & Associates, and failing him, Ms. Shivangini Joshi (ACS No. 25740 & COP No. 9205) of M/s. Shivangini Joshi & Associates, Practicing Company Secretaries, having their address at 434, 4th Floor, Neo Corporate Plaza, Opp. Gopal Bhawan, Kanchpada, Malad West, Mumbai - 400064, have been appointed as the Scrutinizer to conduct the Polling Process and submit their report to the Chairman for declaration of the result.

EXPLANATORY STATEMENT TO AGENDA ITEMS

Item No. 1:-

The Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 are laid before the Annual General Meeting (AGM) of the Company for consideration and adoption by the Members in accordance with the provisions of Section 129 of the Companies Act, 2013.

The Board recommends for approval by the Members the Resolution as set out at Item No. 1 of the Notice as Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No. 1 of the Notice.

Item No. 2:-

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Vidya Shah retires by rotation at the ensuing AGM and, being eligible, offers herself for re-appointment.

The Board recommends for approval by the Members the Resolution as set out at Item No. 2 of the Notice as Ordinary Resolution.

Except Ms. Vidya Shah and Mr. Rashesh Shah, being the spouse of Ms. Vidya Shah, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No. 2 of the Notice.

Item No. 3:-

Pursuant to recommendation of Nomination and Remuneration Committee (Committee), the Board at its Meeting held on January 23, 2019, appointed Mr. Kunnasagaran Chinniah (DIN: 01590108) as an (Additional) Independent Director of the Company for three years effective from February 18, 2019 till February 18, 2022 subject to the approval of the Members.

The Company had received a declaration from Mr. Kunnasagaran Chinniah confirming that he fulfills the criteria of independence stipulated under section 149(6) of the Act.

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Kunnasagaran Chinniah as Independent Director is now being placed before the Members for their approval.

The Board recommends the Resolution as set out at Item No. 3 of the Notice as Ordinary Resolution for approval of the Members.

None of the Directors, except Mr. Kunnasagaran Chinniah, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No. 3 of the Notice.

A brief profile of Mr. Kunnasagaran Chinniah is given below:

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.

Item No. 4:-

Pursuant to recommendation of Nomination and Remuneration Committee (Committee), the Board at its Meeting held on March 5, 2019 appointed Mr. Venkatchalam Ramaswamy (DIN 00008509) as an Additional (Non-Executive) Director of the Company with effect from March 5, 2019.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Venkatchalam Ramaswamy will hold office up to the date of this Meeting.

The Board recommends the Resolution as set out at Item No 4 of the Notice as Ordinary Resolution for approval of the Members.

None of the Directors, except Mr. Venkatchalam Ramaswamy, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No. 4 of the Notice.

A brief profile of Mr. Venkatchalam Ramaswamy is given below:

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.

Details of Directors seeking appointment/ re-appointment at AGM of the Company pursuant to Secretarial Standard on General Meetings (SS-2) are provided on next page.

Particulars	Ms. Vidya Shah	Mr. Kunnasagaran Chinniah	Mr. Venkatchalam Ramaswamy
Age	53 years	62 years	53 years
Date of first appointment	March 20, 2015	Feb 18, 2019	March 5, 2019
Experience in functional area	Over two and half decades of experience in the financial services	Three decade of experience in financial sector.	Has experience in venture capital, private equity advisory, fund raising and investment banking, Distress Asset & Reconstruction Business.
Qualifications	Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad	<ol style="list-style-type: none"> Chartered Financial Analyst; Bachelor's degree in Electrical Engineering from National University of Singapore; and MBA from University of California, Berkeley. 	<ol style="list-style-type: none"> Masters of Business Administration, University of Pittsburg, USA; and Bachelors in electronics and communication engineering from Karnataka University Dharwad
Terms and conditions of Appointment/ Re-appointment	Appointed as Non-Executive Director, liable to retire by rotation, with effect from March 20, 2015.	Appointed as an Independent Director for the period of three years from February 18, 2019 till February 18, 2022.	Appointed as an Additional Non-executive Director of the Company with effect from March 5, 2019 and shall be liable to retire by rotation.
Remuneration to be paid and Remuneration last drawn	N.A.	Sitting Fees of Rs. 20,000 per meeting attended of the Board and Committee(s).	N.A.
No. of Board Meetings attended during the year	6	1	N.A.

Relationship with other Directors and Key Managerial Personnel	Vidya Shah is spouse of Rashesh Shah, Chairman & Managing Director of the Company.	None	None
No of shares held in the Company	Nil	Nil	Nil
Directorship in other companies	<ol style="list-style-type: none"> 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; and 7. Rashesh & Vidya Shah Family Foundation. 	<ol style="list-style-type: none"> 1. Edelweiss Financial Services Limited; 2. Nirlon Limited; 3. Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities 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; 11. Greenko Energy Holdings; 12. Edelweiss Securities Limited; 13. Edelweiss Finvest Private Limited; and 14. Edelweiss Tokio Life Insurance Company Limited 	<ol style="list-style-type: none"> 1. Edelweiss Finance & Investments Limited; 2. Edelweiss Financial Services Limited; 3. Edelweiss Asset Reconstruction Company Limited; 4. Edelweiss Investment Advisors Private Limited; 5. Edelweiss Capital (Singapore) Pte. Ltd; and 6. Edelweiss Alternative Asset Advisors Pte. Ltd.
Membership/ Chairmanship of Committees of other public limited companies.	<ol style="list-style-type: none"> (i) Edelweiss Asset Reconstruction Company Limited- Corporate Social Responsibility Committee. (ii) Edelweiss Finance Limited- 	<ol style="list-style-type: none"> (i) Edelweiss Tokio Life Insurance Company Limited Audit Committee Member. (ii) Edelweiss Financial Services Limited - 	<ol style="list-style-type: none"> (i) Edelweiss Finance & Investment Limited - Corporate Social Responsibility Committee. (ii) Edelweiss Financial Services Limited -

	Nomination and Remuneration Committee; and Stakeholders Relationship Committee.	Audit Committee Member; Risk Management Committee; Nomination and Remuneration Committee; and Stakeholders Relationship Committee. (iii) Edelweiss Securities Limited Audit Committee; Nomination and Remuneration Committee; and Corporate Social Responsibility Committee. (iv) Edelweiss Finvest Private Limited. Audit Committee. (v) Edelweiss Rural & Corporate Services Limited Audit Committee; and Nomination and Remuneration Committee.	Corporate Social Responsibility Committee; and Stakeholders' Relationship Committee Member. (iii) Edelweiss Asset Reconstruction Company Limited - Audit Committee; and Nomination and Remuneration Committee.
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For and on behalf of the Board of Directors
 ECL Finance Limited

Sd/-
Jitendra Maheshwari
 Company Secretary
 Membership No: A19621
 Place: Mumbai
 Date: September 23, 2019
 Registered Office:
 Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098
 CIN: U65990MH2015PLC154854

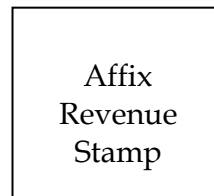
ECL FINANCE LIMITED
REGISTERED OFFICE: EDELWEISS HOUSE, OFF. C.S.T. ROAD,
KALINA, MUMBAI - 400 098

PROXY FORM

Registered Folio _____

I/We _____ s/o, w/o, d/o _____ residing at _____ being a Member(s) of the above named Company hereby appoint Mr. / Ms. _____ residing at _____ or failing him/her Mr./Ms. _____ residing at _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 27th day of September, 2019 at 2:30 p.m. at the registered office of the Company and at any adjournment thereof.

Signed this _____ day of _____, 2019



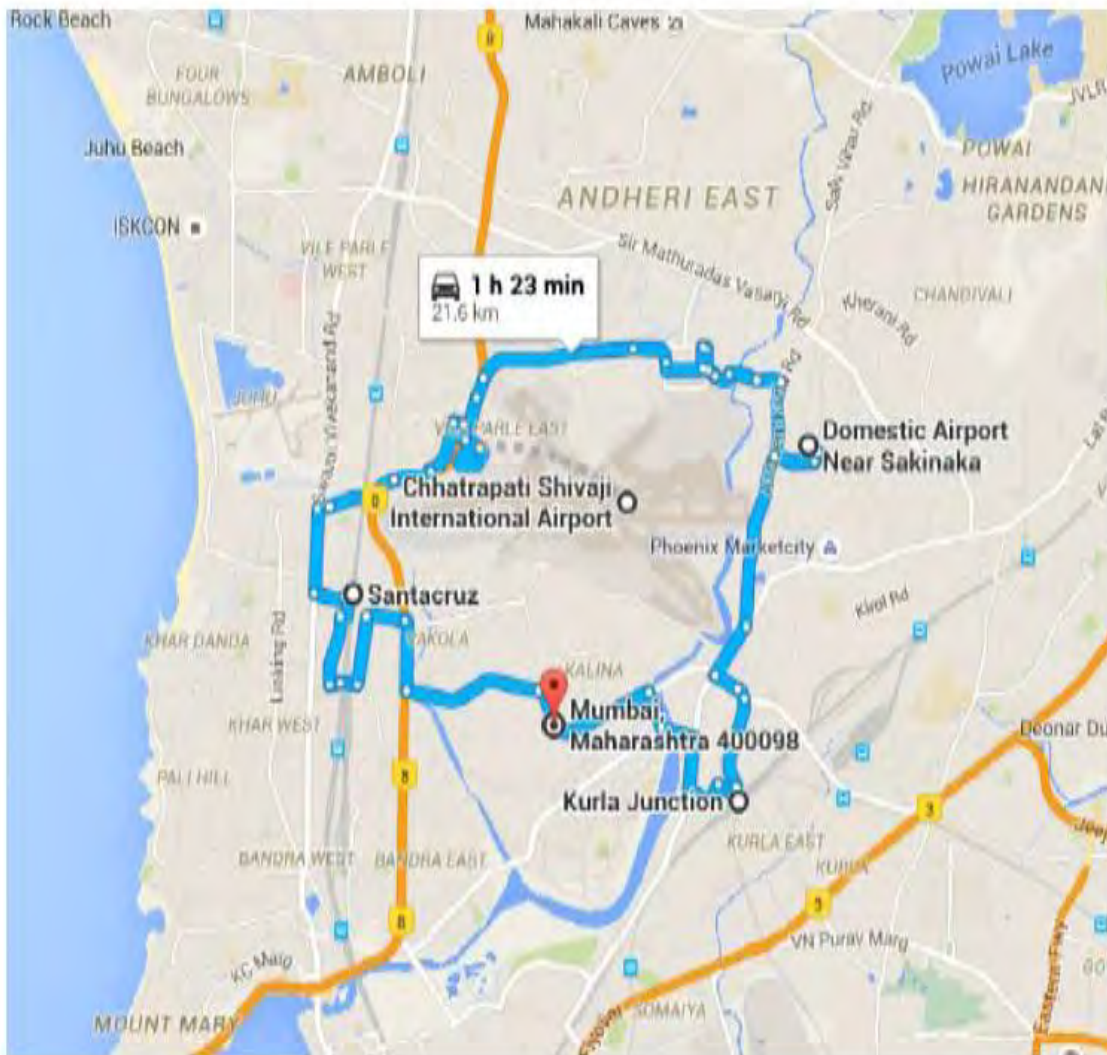
Signature
(Please sign across the Stamp)

Note: -This form in order to be valid should be duly stamped, completed and signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Route Map of the venue of 14th AGM of the Company- September 27, 2019

AGM Venue
Edelweiss House,
Off. C.S.T Road,
Kalina, Mumbai- 400 098
Prominent Land Mark: University of Mumbai, Kalina.

Route map for the venue of the meeting



BOARD'S REPORT

To the Members of ECL Finance Limited,

The Directors hereby present their 14th Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2019:

Financial Highlights

Standalone	(₹ in million)	
Particulars	2018-19	2017-18
Total Income	40,174.58	32,723.48
Total Expenditure	32,345.13	25,589.50
Profit before tax	7,829.45	7,133.98
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	2,170.62	2,428.63
Profit after tax	5,658.83	4,705.35
Other Comprehensive Income	(3.30)	2.31
Add: Profit and Loss account balance brought forward from previous year	13,327.50	9,539.19
Profit available for appropriation	18,983.03	14,246.85
Appropriations		
- Income Tax Impact on ESOP	259.88	57.12
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	1,131.77	924.10
- Transfer to Debenture Redemption Reserve	2,117.26	(401.65)
- Deemed distribution during the year	-	339.78
Surplus carried to Balance Sheet	15,474.12	13,327.50

(Figures for FY2017-18 have been revised as per Ind-AS)

Consolidated	(₹ in million)	
Particulars	2018-19	2017-18
Total Income	40,189.95	32,943.98
Total Expenditure	32,472.20	25,746.69
Profit before tax	7,717.75	7,197.29
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	2,170.62	2,428.63
Profit after tax before share of associate	5,547.13	4,768.66
Share of loss of associate	-	(12.07)
Profit after tax	5,547.13	4,756.59
Other Comprehensive Income	(3.30)	2.31
Add: Profit and Loss account balance brought forward from previous year	13,181.47	9,341.92

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel No.: +91 22 4009 4400

www.edelweissfin.com

Pre-acquisition reserves	(13.69)	-
Profit available for appropriation	18,711.61	14,100.82
Appropriations		
- Income Tax Impact on ESOP	259.88	57.12
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	1,131.77	924.10
- Transfer to Debenture Redemption Reserve	2,117.26	(401.65)
- Deemed distribution during the year	-	339.78
Surplus carried to Balance Sheet	15,202.70	13,181.47

(Figures for FY2017-18 have been revised as per Ind-AS)

Information on the state of affairs of the Company

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the provisions of the RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016.

Major events during the year

a. Investment by CDPQ Private Equity Asia Pte. Ltd.

Your Company entered into Securities Subscription Agreement and Shareholders Agreement with CDPQ Private Equity Asia Pte. Ltd. ("CDPQ"), in the month of March 2019, whereby CDPQ agreed to invest INR equivalent of US\$ 250,000,000 in the Company in various tranches. The Company received its first tranche investment of Rs. 1039.50 Crores (INR equivalent of US\$ 150,000,000) from CDPQ in May 2019.

b. Application for merger of Edelweiss Retail Finance Limited ("ERFL") with the Company

The Company had, in the month of March 2019, filed an application with the Hon'ble National Company Law Tribunal ("NCLT") for merger of ERFL (one of the Edelweiss Group entities) with the Company.

Share Capital:

During the year under review, the Company allotted 19,01,59,398 Equity Shares of face value of Re. 1/- each, at a premium of Rs. 20.33/- each aggregating approximately to Rs. 405.61 Crores.

The Company further allotted 1000 Equity Shares of face value of Re. 1/- each, at a premium of Rs. 31.00/- each aggregating to Rs. 32,000 to CDPQ Private Equity Asia Pte. Ltd (CDPQ) in May 2019.

Finance

Your Company continued to borrow funds in the form of Commercial Papers and Non-Convertible Debentures (NCDs) offered through public issue and on private placement basis.

During the year under review, the Company raised approximately Rs. 2011 Crores by way of Private Placement of NCDs and approximately Rs. 3,000 Crores by way of Public Issue of NCDs, in various tranches.

The Company allotted 103,949,680 Compulsorily Convertible Debentures (CCDs) of face value of Rs. 100/- each at a price of Rs. 100/- per CCD to CDPQ, aggregating to Rs. 1039.4968 Crores.

The Company enjoys credit rating from various Rating Agencies. The details of the credit ratings are furnished in the Notes to the Financial Statements.

Subsidiaries, Joint Ventures and Associate Company:

During the year under review, neither did your Company have any Subsidiary or Associate Company, nor did it enter into any Joint Venture Agreement.

The accounts of the Company include accounts of trusts as required to be consolidated in accordance with Indian Accounting Standard (Ind AS) 110.

Loans, Investments and Guarantees

The Company is engaged in the business of providing loans and making investments. During the year under review, the Company did not give any guarantee. Further, the provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees or providing security in connection with loan and acquisition of securities of any body-corporate are not applicable, as the Company is a Non-banking Finance Company.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. Particulars of contracts or arrangements with the related Parties as referred to in sub-section (1) of Section 188 and forming part of this report are provided in the financial statement. All the Related Party Transactions as required under Indian Accounting Standard ("Ind AS") -24 are reported in the Notes to the financial statement.

The Company has formulated Related Party Transactions Policy, which is uploaded on the website of the Company, at <https://eclfinance.edelweissfin.com/>

Directors and Key Managerial Personnel

i) Independent Directors

On the recommendation of Nomination & Remuneration Committee of the Company, the Board appointed Mr. Kunnasagaran Chinniah as an Independent Director (Additional Director) w.e.f. February 18, 2019 for a period of 3 (Three) years. He shall hold office up to the date of the ensuing Annual General Meeting (AGM). The enabling resolution for his confirmation as an Independent Director for a period of 3 (Three) years is being placed in the Notice of the forthcoming AGM for approval of the shareholders.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section.

ii) Retirement of Directors by rotation

Ms. Vidya Shah (DIN: 00274831) retires by rotation at the forthcoming Annual General Meeting (AGM) and, being eligible, offers herself for re-appointment.

iii) Key Managerial Personnel

During the year under review, there were following changes in the Key Managerial Personnel of the Company:

Sl. No.	Name of the KMP	Nature of Change	Effective Date
1.	Mr. Rashesh Shah	Designated as Chairman & Managing Director	March 5, 2019
2.	Mr. Deepak Mittal	Appointed as Chief Executive Officer	December 1, 2018
		Appointed as Managing Director & Chief Executive Officer	February 18, 2019
3.	Mr. Raviprakash R. Bubna	Resigned as Managing Director	March 31, 2019
4.	Mr. Shekhar Prabhudesai	Resigned as Company Secretary and Compliance Officer	August 7, 2018
5.	Mr. Jitendra Maheshwari	Appointed as Company Secretary and Compliance Officer	August 8, 2018
6.	Mr. Nilesh Sampat	Resigned as Chief Financial Officer	September 17, 2018

7.	Mr. Sarju Simaria	Appointed as Chief Financial Officer	March 5, 2019
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iv) **Non-executive Director**

On the recommendation of the Nomination & Remuneration Committee the Board appointed Mr. Venkatchalam Ramaswamy as Vice Chairman and Non-Executive Director (Additional Director) of the Company with effect from March 5, 2019. His term shall expire at the ensuing AGM. The enabling resolution for his confirmation is being placed in the Notice of the forthcoming AGM for approval of the shareholders. The office of Mr. Venkatchalam Ramaswamy shall be liable to determination by rotation.

Mr. Lim Meng Ann was appointed as Nominee Director, representing CDPQ Private Equity Asia Pte. Ltd., in the capacity of Non-Executive Director with effect from May 7, 2019. The office of Mr. Lim Meng Ann shall not be liable to determination by rotation. The shareholders of the Company confirmed his appointment as Nominee Director at their meeting held on May 7, 2019.

Number of Board Meetings held

During the year ended March 31, 2019, the Board met 7 times.

Remuneration Policy:

The Company has formulated a Remuneration Policy (“Policy”) as per the provisions of Section 178 of the Companies Act, 2013. The said Policy is provided as Annexure I to this Report and is also placed on the website of the Company viz. <https://eclfinance.edelweissfin.com/>

Evaluation of the performance of the Board

The Board has framed an Evaluation Policy (“the Policy”) for evaluating the performance of the Board, Chairman, Executive Directors, Independent Directors, Non-executive Directors and Committees of the Board. Based on the same, the performance was evaluated for the financial year ended March 31, 2019.

The Policy *inter-alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders’, contribution of the Committees to the Board in discharging in its functions, etc.

Internal Control Systems

The Company’s internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting

and compliance with laws and regulations. The internal control system is supported by an internal audit process. The internal audit process reviews the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the management team and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

Internal Financial Controls

The internal financial controls adopted by the Company are in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the management team believes that adequate internal financial controls exist in relation to its Financial Statements.

Risk Management

Risk management is an integral part of the Company's business strategy. The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel. The Company adopts a conservative and forward looking risk management practices while lending. The objective of the risk framework is to ensure that the Company underwrites to prudent risk standards, focuses on its target segment and delivers sustainable profitability. The senior management is responsible for ensuring that appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company.

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of the Company has constituted an Audit Committee. The Audit Committee of the Board of Directors of the Company comprises of the following Directors:

Mr. P. N. Venkatachalam	- Independent Director (Chairman of the Committee)
Mr. Biswamohan Mahapatra	- Independent Director
Mr. Lim Meng Ann	- Investor Nominee Director

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of the Company has constituted a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Board of Directors of the Company comprises of the following Directors:

Mr. P. N. Venkatachalam	- Independent Director
Mr. Biswamohan Mahapatra	- Independent Director
Ms. Vidya Shah	- Non-executive Non-Independent Director
Mr. Lim Meng Ann	- Investor Nominee Director

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board has constituted a Corporate Social Responsibility Committee (“the CSR Committee”) comprising the following Directors:

Mr. P. N. Venkatachalam	- Independent Director
Ms. Deepak Mittal	- Managing Director & CEO
Mr. Kunnasagan Chinniah	- Independent Director

The CSR Policy of the Company is available on the website of the Company i.e. <https://eclfinance.edelweissfin.com/>. The details with respect to the CSR Policy and expenditure made by the Company during the year under review are provided in Annexure II to this report.

Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. S. R. Batliboi & Co. LLP, has been appointed as the Auditors of the Company to hold office till the conclusion of 18th AGM of the Company.

Secretarial Audit

The Board had appointed M/s. Manish Ghia & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2019. A report issued by the Secretarial Auditors is attached herewith as Annexure III. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

Prevention of Sexual harassment of Women at Workplace

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There was one case reported during the year ended March 31, 2019 under the Policy, which was duly addressed and closed. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

A. Conservation of energy

- i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) the steps taken by the Company for utilising alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipment - Nil

B. Technology absorption

- (i) the efforts made towards technology absorption - The minimum technology required for the business has been established.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development - Not Applicable

C. Foreign exchange earnings and outgo

There were no foreign exchange earnings during the year under review. There was outgo of ₹ 10.83 million (previous year: ₹ 38.99 million).

Other Disclosures

No disclosure is required in respect of the details relating to the deposits covered under

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel No.: +91 22 4009 4400

www.edelweissfin.com

Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2019. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2019 and the date of the report affecting the financial position of your Company. The Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Deposits

The Company neither held any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

Extract of the Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in the prescribed Form MGT - 9 and the Annual Return are being made available on the website of the Company at <https://eclfinance.edelweissfin.com/>.

Whistle Blower Policy/Vigil Mechanism

The Company has established Vigil Mechanism (‘Whistle-blower Mechanism’) which envisages reporting by directors and employees about their genuine concerns or grievances. The policy is uploaded on www.edelweissfin.com. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism.

Particulars of Employees

In terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration and compensation of the employees are to be set out as an annexure to the Board’s Report. With respect to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the said information is being sent to the shareholders of the Company. Any shareholder interested in obtaining such particulars may write to the Company Secretary of the Company at its Corporate Office address.

Debenture Trustees

<p>SBICAP Trustee Company Limited 202, Maker Tower – E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400020</p>	<p>Axis Trustee Services Limited 2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.</p>
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<p>Tel: +91 22 4302 5530 Fax: +91 22 4302 5500 E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Ms. Savitri Yadav</p>	<p><u>Tel:- 022</u> 2425 5215 / 5216 E-mail: debenturetrustee@axitrustee.com Website: www.axitrustee.com Contact Person: Chief Operating Officer.</p>
<p>Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) Office: 'GDA House', Plot No 85, Bhusari Colony (Right), Kothrud, Pune - 411038 Tel: 022-49220555 Fax: 022-49220505 E-mail: brindha.venkatraman@ctltrustee.com Website: www.catalysttrustee.com Contact Person: Mrs. Brindha Venkatraman</p>	<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>

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (the Act), your Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the 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 fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgments

The Board of Directors wish to acknowledge the continued support extended and guidance given by Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Ministry of Corporate Affairs, Banks, other Government authorities and other stakeholders. The Board would like to acknowledge the support of its clients and members. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
ECL Finance Limited

Sd/-
Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 13, 2019

ECL Finance Limited MD&A for AR2019

ECL Finance Limited (ECLF) FY2018-19

Management Discussion & Analysis Report

MACRO ECONOMY: REVIEW AND OUTLOOK

Goldilocks 2017 gave way to a volatile 2018. Rise of trade tensions between the US and China impacted the business sentiments, while US Fed's monetary tightening contributed to the global liquidity tightening. This liquidity tightening amid relatively high levels of global debt worked to slowdown the growth momentum in the global economy in later part of 2018.

Against this backdrop of tightening global liquidity, and rising crude oil prices, India witnessed a reversal in capital flows and a balance of payments (BoP) squeeze, thus putting pressure on exchange rate. At the same time, default by a AAA rated entity in September 2018 further impacted the sentiments in the money markets, leading to a near-freeze at one point. Bond spreads shot up significantly and risk appetite among NBFCs weakened, with focus shifting to preserving liquidity rather than chasing growth. However, as BoP situation improved and INR stabilized towards end 2018, the RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January 2019 also supported flows to Emerging Markets. India received nearly USD7bn of FII equity flows in Q4FY19.

However, liquidity tightening of 2018 and slowdown in global economy impacted India's growth momentum. Exports slowed down in a broad-based manner in line with slowdown in global trade, while liquidity tightening and NBFCs risk aversion impacted pockets of leveraged consumption such as cars, two wheelers and commercial vehicles. However, there are segments of the economy which are holding up quite well. For example, infrastructure/construction growth is running at a healthy pace helped by government spending on construction-related

projects. Bank lending to infrastructure/construction has also been running strong and these trends are consistent with the robust cement demand.

On the monetary policy front, RBI has cut rates two times in 2019 so far, reversing the rate hikes undertaken in 2018. However, one area where more progress is needed is the transmission of the monetary policy, which is hampered by elevated credit-deposit ratio (CD) in the banking system. The latter is the result of the high growth in cash in circulation (CIC), which is acting as a drain on the banking system. The good news there is that CIC growth has started to subside and if that trend continues in the coming months, CD ratio may start to normalise, which in turn will facilitate the transmission of policy rate cuts.

On the fiscal front, central government revenues are running slower than projected growth rates both on direct as well as indirect taxes front although disinvestment receipts have marginally exceeded the budget estimates. In view of this, the central government started to slowdown the expenditure growth in a broad-based manner in 2HFY19. Overall central government fiscal deficit was maintained at 3.4% of the GDP.

Overall Outlook

While global growth has been moderating for last 6 months, there are early signs of stabilization. If this sustains and there is any rebound in global growth, India's exports are likely to benefit. On the domestic front, monetary policy transmission is the key monitorable. Also, the political rhetoric is shifting towards stimulating the rural economy which augurs well for the consumption pockets of the economy. Even banking sector NPA problems are largely behind us and government has made significant progress on PSU banks recapitalization.

ECL Finance Limited MD&A for AR2019

Hence, to that extent, economic activity should start to gain traction gradually during the course of FY20. The downside risk arises from the sharper than expected slowdown in the global economy, which may hurt not only exports but also capital flows.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

FY19 has seen some improvement in banking sector's non-food credit growth - ~13% versus ~9% in FY18. As a result of high capex spending by government, there is a reasonable uptick in lending to infrastructure/construction pockets of the economy, while lending to the manufacturing segment is yet to see an uptick.

The developments over past few months (credit event in AAA rated entity) led to risk averseness towards NBFCs/HFCs as incremental liquidity became expensive. As a result, the banks benefitted from softened competition and there was visible market share shift towards them.

FY19 also saw better asset quality performance by banks with incremental stress showing signs of moderation. Now that implementation of Insolvency & Bankruptcy Code is stabilizing and has already resolved some high profile non-performing assets, resolution and turnaround should gain speed and credit growth should also improve in FY20.

NBFC Industry

The past few months have been tumultuous for NBFCs with a couple of events triggering fears of a liquidity crisis. In this backdrop, funding became expensive (especially for players dependent on the debt market with relatively shorter duration). As a result, risk appetite waned impacting growth of the NBFC sector as they focused more on liquidity management rather than asset growth.

That said, recovery following that has also been relatively swift (aided by regulator's support) and the situation is improving. The growing relevance of the NBFCs also highlighted the emphasis of risk management in the sector and most of NBFCs emerged stronger with better balance sheet strength.

Going forward, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

Retail Finance

India has one of the lowest credit penetration among the larger economies and retail credit presents a large growth opportunity driven by the long term trends in democratisation of credit, rising household incomes and increased consumption. Mortgages including affordable housing and mid and small and medium enterprises in particular present large growth opportunities.

While commercial banks did again turn towards corporate credit growth, retail segment continues its momentum both for banks and NBFCs. Though the growth momentum suffered in case of NBFCs in the second half of FY19 on the back of liquidity concerns, it is gradually coming back to the prior levels.

In addition to retail mortgages, the other scalable area being focused upon by all the banks and NBFCs is Mudra Finance or SME finance. Looking at Indian market, SMEs continue to be under-banked and NBFCs are increasingly making headway in this sector. Thus, the potential for NBFCs and HFCs to scale up their SME credit and mortgages business remains significant.

ECL Finance Limited MD&A for AR2019

ECL FINANCE OVERVIEW

A DIVERSIFIED NBFC

ECL Finance Limited (ECLF) was incorporated on July 18, 2005 as a wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL). It is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India. ECLF is primarily engaged in the business of financing, corporate lending, lending to individuals and investments.

Our Company has obtained a certificate of registration dated April 24, 2006 bearing Registration No. N- 13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of Non-Banking Financial Institution not accepting public deposits subject to the conditions mentioned in the Certificate of Registration.

At ECLF, we offer a wide range of products and services for Corporate as well as Retail Clients with a close focus on client requirements while designing our products.

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three **broad business groups – Credit businesses** including Retail Credit, Corporate Credit and Distressed Credit, **Franchise & Advisory businesses** including Wealth Management, Asset Management and Capital Markets, and **Insurance** including Life Insurance and General Insurance.

Today, ECLF is a Rs.274.65 billion asset base company with presence in all the significant areas of retail credit businesses including SME, Agri and LAP loans, ESOP & IPO funding and loans against securities, and corporate credit business including structured collateralised loans and real estate

developer finance etc. A broad range of products allows it to address a considerable part of the financial needs of a diverse set of customers.

As a result of our strategy of calibrated growth along with prudent risk management, ECLF has demonstrated a strong track record of growth over last several years with its 9 year CAGR for Revenue at 39.72 % and PAT at 24.59% till the end of FY19.

FINANCIAL PERFORMANCE HIGHLIGHTS

With the macro-economic indicators starting to improve and market sentiments turning positive, ECLF was in the right place at the right time to garner our share of growth.

FINANCIAL HIGHLIGHTS FOR FY19

A summary of our Standalone FY19 financial highlights is as under:

- **Total Revenue Rs.40,175 million** (Rs.32,723 million for FY18), up 22.77%
- **Profit after Tax Rs.5,659 million** (Rs.4,705 million for FY18), up 20.26%
- **Networth Rs.37,008 million** (Rs.27,495 million at the end of FY18)*
- **Return on Average Equity 16.77 %** (17.94% for FY18)
- **Return on Average Assets 2.10%** (1.99% for FY18)
- **EPS Rs.2.73** (Rs.2.49 for FY18) (FV Rs.1.00 per share)

*Excluding Deferred Tax Assets.

INCOME

Fund Based Revenue

Our fund-based businesses earned revenue of Rs.38,853 million for FY19 (Rs.30,975 million for FY18), a growth of 25.43%. Out of this, total interest income was Rs.37,594 million (Rs.29,128 million for FY18), up 29.07%.

ECL Finance Limited MD&A for AR2019

Agency Fee & Commission

Our agency fee & commission revenue was Rs.1,173 million for the year, compared to Rs.1,657 million in FY18, down 29.18%.

Net Revenue

For NBFCs, like banking industry, the concept of Net Revenue (net of interest cost) is another way of analyzing the performance. This is because interest cost, as with all Banks and large NBFCs, should reflect above the expenses line. On a net revenue basis, our Agency fee & commission for FY19 was Rs.1,173 million (Rs.1,657 million for FY18) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was Rs.14,454 million (Rs.12,116 million for FY18). Thus the total net revenue for FY19 was Rs. 15,628 million (Rs. 13,773 million for FY18), up 13.47%. In addition, the Other Income for FY19 was Rs.149 million, compared to Rs.92 million in FY18.

EXPENSES

Our total costs for FY19 was Rs.32,345 million (Rs.25,590 million in FY18), up by 26.40%. Within our total costs, operating expenses were Rs.7947 million compared to Rs.6,731 million in FY18.

Employee expenses grew by 29.76% in FY19 as we added about 892 employees taking our total headcount to 1529 at the end of FY19 resulting in growth in employee expenses.

Interest expense grew by 29.37% in FY19, despite our borrowings were marginally down by 0.6% at the end of FY19 to Rs.228.15 billion compared to Rs.229.62 billion at the end of FY18, supporting the scale up 8.15% in credit book. The scale up of our assets size via a higher 5.93 leverage resulted in this increase the interest cost.

PROFIT AFTER TAX

Our Profit after Tax for FY19 was Rs.5,659 million compared to Rs. 4,705 million for FY18, a growth of

20.26%. Our Profit before Tax margin for FY19 was 19.49% and Profit after Tax margin 14.09% compared to 21.80% and 14.38% respectively for FY18.

The company has not paid any dividend in FY19.

Analysis of Profitability

We have demonstrated consistent growth in profitability aided by the following factors:

- Our Credit book (net) growth has been 8.15% in FY19 as the total book grew to Rs.237.96 billion at the end of FY19 compared to Rs.220.02 billion at the end of FY18. This improved our interest income from loans.
- Our dividend income increased by 315.05% to Rs 1,903 million in FY 2019 from Rs 458 million in FY 2018.

Balance Sheet Gearing

For an NBFC like ECLF, financial capital is one of the most important resources. We believe that a strong balance sheet imparts unique ability to our company to be able to meet demands of our large clients, capture any episodic opportunities and be able to raise debt capital whenever required. ECLF has a total net worth of Rs.37.00 billion as at the end of FY19 compared to Rs.28.29 billion at the end of FY18. Amount of debt on the Balance Sheet as on March 31, 2019 was Rs.228.15 billion (Rs.229.62 billion as on March 31, 2018), a Gearing Ratio of 6.17 times. Excluding the asset specific borrowings against government securities, the Net Gearing Ratio is ~5.93 times. The gross Balance Sheet size at the end of FY19 was Rs.274.65 billion compared to Rs.263.70 billion a year ago.

AGREEMENT WITH CDPQ

Towards the end of FY19, we announced an agreement with CDPQ, one of North America's largest pension fund managers, in terms of which CDPQ will invest over Rs. 18 billion (~US\$250 million)

ECL Finance Limited MD&A for AR2019

in our company. CDPQ will partner us in the long term strategy to build a large and diversified credit platform in India. This investment also ensures that ECL Finance has the requisite resources for rapid growth – organic and inorganic to take advantage from expected industry consolidation.

BUSINESS SEGMENT-WISE PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY19 are as under:

CREDIT BUSINESS

Credit business of ECLF offers retail credit including SME, Agri and LAP loans, ESOP & IPO funding and loans against securities, and corporate credit including structured collateralised loans and real estate developer finance etc.

At Edelweiss, we have built a significant competitive position in the credit business that is spread across wholesale and retail finance segments. It has both robust size and scalability. Our growth aspiration is fueled by a deep understanding of customer needs and an innovative product suite aligned to meet their requirements. Our competitive edge will come from investments in direct technology platform and next generation data analytics as we scale across SME, agri-loans and rural finance etc.

Total gross credit book of ECLF stands at Rs.244.08 billion at the end of this year compared to Rs.224.78 billion at the end of previous year.

The composition of Credit Book as on March 31, 2019 is as under: (Rs. In million)

Product/Segment	Book size as on March 31, 2018	Book size as on March 31, 2019
Agri Commodities	8852	2626

Loan against Properties	9597	21658
Loan against Securities	46214	36348
SME & Others	22031	40376
Structured Collateralised Credit	57754	47932
Wholesale	80338	95145
Total Credit Book	224786	244085

Total Credit book has grown at 8.59% during FY19 and its CAGR for the last 10 years is 45.85%.

As a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, ECLF has managed to control its asset quality satisfactorily, though there has been some asset quality slippage during the year due to corporate cash flows coming under strain on the back of sluggish growth in the economy. Our Gross NPLs were at 1.87% and Net NPLs at 0.69% at the end of FY19 compared to 1.79% and 0.73% respectively at the end of FY18. We were pro-active in providing for such loans though we continued to be adequately collateralized on these loans. As a result, our Provision Coverage Ratio (PCR) was 63.46% at the end of FY19 compared to 59.44% at the end of FY18.

BALANCE SHEET MANAGEMENT

For any large NBFC like ours, its capital forms the most important resource, besides the human capital. From its earliest days, ECLF has recognised this and has always focused its energies in creating a strong and liquid balance sheet. A strong balance sheet also enables us easier access to market borrowings on the back of a strong credit rating. The Government Securities amounting to Rs.13,873.5 million that we hold in our Investment Portfolio help us in the liquidity management as we are able to borrow on an overnight basis from CBLO market against these

ECL Finance Limited MD&A for AR2019

securities. A liquid balance sheet simultaneously enables ECLF to redeploy capital efficiently towards business opportunities that appear at short notice.

With enhanced monitoring of liquidity cushion, we could successfully navigate the liquidity crunch in the second half of FY19 meeting our entire maturing obligation on time or even ahead of time in some cases.

Changing Liabilities Profile in Sync with Asset Profile

ECLF has not only continued to maintain a liquid balance sheet, but over the last six years has embarked on a strategy of reducing dependence on market borrowings and increasing liabilities in the six months to five years bucket thereby bringing down dependence on short term borrowings significantly.

Towards this end, FY19 witnessed ECLF contracting over Rs.49.02 billion of medium to long term debt (NCDs) with Mutual Funds, Insurance Companies, Banks, and Pension & Provident Funds. In addition, gross issuance of Market Linked Debentures (Structured Products) by ECLF amounted to Rs.3.02 billion during FY19. The outstanding amount of Market Linked Debentures as at the end of FY19 was Rs.11.81 billion which also provides us medium term resources. In addition, our sanctioned lines of credit from a consortium of banks were Rs.158.35 billion at the end of FY19 compared to Rs.149.35 billion at the end of FY18. The consortium of banks extending credit facilities to ECLF is led by the Union Bank of India.

Diversification of Sources of Funding

We have also diversified the sources of borrowings by tapping newer lenders from among Banks, Life

Insurance companies, Pension and Provident Funds, and International Investors etc. during FY19. ECLF continued to diversify its sources of funding by tapping new investors who invest in long term dated securities.

As a result of conscious efforts, we have reduced the dependence on short term money market borrowings and diversified our sources of borrowings over the last six years.

As a result of the pro-active steps taken by us, we just not have only a comfortably matched ALM profile, we have even improved it

Capital Adequacy Ratio

As per the Non Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15%. Our CRAR over the period of last three years is as under:

Particulars as on	March 31, 2017	March 31, 2018	March 31, 2019
C R A R prescribed by	15	15	15
Total CRAR	16.14%	17.09%	19.27%
Out of which:			
Tier I	11.35%	11.82%	14.27%
Tier II	4.79%	5.27%	5%

OPPORTUNITIES

The macro economic developments in India as well as the rest of the world detailed earlier augur well for growth of financial services in India for firms like Edelweiss and offer immense opportunities in FY20 and beyond as under:

- The financialisation of Indian household savings, low credit penetration and increasing consumption are already presenting newer opportunities for financial services like retail credit which is one of our major businesses and is ready to capture a fair share of growth.
- The projected growth in the Indian economy at around 7% in FY20 would continue to throw up vast opportunities for us to grow our various diversified credit businesses.
- Democratisation of credit, increased availability of credit for MSME sector and the Government's push for affordable housing and "Housing for all by 2022" augur well for companies like ours which have already secured a strong foothold in retail credit segment.
- Emerging trends in technology and move towards formal and cashless economy has also opened up new client segments which firms like ours can tap for future growth

THREATS

While the opportunities landscape is promising, the following threats could dampen the growth of financial services sector in India:

- Slower than expected recovery of macro-economy, domestically as well as globally, increase in oil prices on the back of US sanctions against Iran or delay in revival of capex cycle can impede growth.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon can hinder the recovery in rural economy.

OUTLOOK & STRATEGY

The coming year is an important one in India's 2025 journey to a GDP of USD 5 trillion. The economy has started regaining its old vigour. While global factors will always have a role to play as long as we are over-dependent on oil, our belief in the long-term India story continues to remain the same and we are confident that there will be growth opportunities all across in the India of the future.

In our markets, the liquidity situation is improving and with inflation coming down, the outlook for interest rates for the coming year remains positive. We expect growth to come back in a more calibrated manner. The new normal will also need a tweak in the way NBFC industry does business. There will be an enhanced focus on the liability side of the balance sheet – something which was on the backburner in the last 3-4 years of growth. Not only will the industry focus on more stable borrowing, improving the cost of this borrowing will be a key vector in value creation going forward.

We should expect a volatile and turbulent first half in FY20 with a relatively quieter 2nd half. Given the massive FII selling in 2018 and the underlying economy continuing to do well and with global factors like oil price and interest rates more benign, we hope 2019 will be calmer and a boost to the confidence and growth in India.

As we look ahead at the next year for us, we see lot of promise and opportunity. But we also see the need to be careful, calibrated and efficient. At Edelweiss, we have done fairly well in managing risks till now while balancing this with the growth vector. A great organization should be able to combine scale and efficiency. Part of this efficiency will come from constant focus on productivity and technology. Scale will come with the massive opportunity that India is providing. We expect to not only capture this opportunity but to do so in the most efficient manner possible.

ENTERPRISE GROUPS

The business group of ECLF is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigor to key process functions. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.

RISK MANAGEMENT

The business activities of ECLF are exposed to various risks that are either inherent to the business or have their genesis in changes to external environment.

Risk management has been core to Edelweiss since we began our journey. By embedding risk management into the DNA of the organisation, we ensure that the first line of defence starts from each individual.

Financial Services Industry has seen significant shifts in business practices in last one year with the digital revolution making the environment dynamic. The structural trends that are driving many of these significant shifts stem from multiple sources and risk management will have to cope with many new risks in addition to the conventional risks.

Respect for Risk is central to every business decision at Edelweiss. Simple questions are necessary to be answered before every decision i.e. **"Is it worth it?"** and **"Can we afford it?"**. To support the risk strategy and effective risk management, we have built an in-house **"Eleven-risk framework"** coupled with **"Four-tiered risk governance structure"** at the parent level which protects Edelweiss and ensure that there are enough defences available to control all types of risk events.

It is the constant endeavour of Edelweiss to heighten risk awareness and effectiveness of risk management. We share the same ethos in regard to Risk as our parent group.

We have the business risk team within our company which ensures implementation of risk philosophy and practices at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

Key Risks

ECLF deals in multiple asset classes and client segments and is thus exposed to various major risks as under:

Credit Risk

The credit risk framework of ECLF ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client limit. Adequate collateral cover acts as a hedge against default by the borrower keeping the asset quality under check. Effective credit risk management has enabled us to grow our business despite environmental stress without any major impact.

Market Risk

ECLF deals in multiple asset classes in its credit business. Some of these asset classes, such as credit substitutes by way of NCDs or Government securities may move in diverse directions due to a multitude of macroeconomic or external factors.

The asset liability mismatch, interest rate risk and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets

profile to ensure that we do not carry any material asset liability mismatch.

Operational Risk

Operational risk framework of ECLF is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

Our paranoia about risk management has helped us to steer through environmental stress in recent times without a major impact.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

As per the Companies Act, 2013, the companies need to ensure that they have laid down internal financial controls and that such controls are adequate and were operating effectively. Towards this end, we at ECL Finance have always adopted a risk balancing approach. ECLF has an Internal Control System, well commensurate with the size, scale, nature and complexity of our operations. The Company conducts its internal audit within the parameters of regulatory framework including preparation and execution of annual internal audit plan.

Internal Audit

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures etc. and ensures compliance with Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

Internal Control

Our Internal Control Procedures include monitoring compliance with relevant matters covered under Section 134(1) (e) of the Companies Act 2013.

Internal Control Policies

Edelweiss Group has institutionalized a strong compliance culture across all the Business Group recognising that transparency and trust amongst all

its stakeholders can be achieved only through this. We share the common resources of Compliance Group of Edelweiss that ensures compliance with all the applicable laws or policies.

HUMAN RESOURCES

Edelweiss group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across businesses. Our diversity makes us a stronger organization by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. The sense of ownership each one of us has displayed over the years is a testament to the culture of entrepreneurship we have tried to foster in Edelweiss. We share the Edelweiss group HR philosophy.

Highlights of our HR initiatives in FY19 are as under:

- We ended FY19 with a total headcount of 1529, up from 698 as of March 31, 2018, as we significantly scaled up our hiring to grow our retail credit business.
- As growth comes back gradually, we have added people at all levels. We also added number of employees for our enterprise groups to meet the challenges of increasing scale and complexity of our business.

Amongst our much strength, we must count our performance appraisal system, which has helped to instil fairness and development orientation in the organisation. The process of Performance Appraisal is based on evaluations against pre-set and clearly documented goals and has stood the test of time.

CUSTOMER EXPERIENCE

At Edelweiss, customers are at the heart of everything we do and Customer Experience (CX) is not just restricted to service delivery, but regarded as a key pillar of business success.

Over the past 12-18 months, we have evolved our CX framework across Edelweiss from a problem-solving based approach to a more proactive stance, by



aligning efforts across business units to a shared set of values:

- Accessible – Making it easier for customers to get in touch
- Same Side – Aligning our actions to customer needs
- Upfront – Being transparent in sharing relevant information
- Remove Limitations – Striving to remove obstacles for our customers
- Easy to Deal With – Simplifying processes that impact customers

- Dependable – Taking ownership of the solutions we deliver

We call this the ASSURED framework which is now an integral part of our CX strategy across Edelweiss. We have adopted the same strategy in our company in toto.

Armed with these tools, CX resources across the group continue to help transform the organization from a product-centric one to a culture of customer-centricity, so that our customers can truly #BeUnlimited in the realization of *their* goals.

Cautionary Statement

Statements made in this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the ECLF and Edelweiss Group's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. ECLF has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The presentation relating to business wise financial performance, balance sheet, asset books of ECLF and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding.

Annexure I

Remuneration Policy

Objective

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, the Nomination and Remuneration Committee, considers qualification, positive attributes, areas of expertise and number of Directorships in other companies and such other factors as it may deem fit. The Board considers the Committee's recommendation, and takes appropriate action.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other senior level employees of the Company.

The objective of this Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors & Non- executive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

Remuneration of the Managing Director & Executive Directors

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

Remuneration of the KMP (other than Executive Directors) and Senior level employees

- The key components of remuneration package of the KMP (other than Executive Directors) and senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for stock options.

Policy Review

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures etc. as it may deem fit.



Annexure - II

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

The CSR Policy of the Company is uploaded on the website <https://eclfinance.edelweissfin.com/>

2. The Composition of the CSR Committee is as under:-

Mr. P. N. Venkatachalam - Independent Director

Mr. Deepak Mittal - Managing Director & CEO

Mr. Kunnasagaran Chinniah - Independent Director

3. Average net profit of the Company for last three financial years: Rs. 6077.10 million.
-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 121.54 million.
-

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: Rs. 122.24 million.

(b) Amount unspent, if any: N.A.

(c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent : Direct or through Implementing agency*
			(1) Local area or other		Sub - heads:			
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads :		
1	Adharshila	Education	Madhya Pradesh	13,00,000	13,00,000	-	13,00,000	Implementing agency
2	Agastya International Foundation	Education	Maharashtra, Madhya Pradesh	77,20,954	77,20,954	-	77,20,954	Implementing agency
3	Centre for Civil Society	Education	Delhi	37,94,048	37,94,048	-	37,94,048	Implementing agency
4	CULP	Education	Tonk, Rajasthan	44,33,067	42,89,450	1,43,617	44,33,067	Implementing agency
5	Gyan Prakash Foundation	Education	Maharashtra	81,78,974	76,70,751	5,08,223	81,78,974	Implementing agency
6	Kaivalya Education Foundation	Education	Maharashtra	1,35,88,777	1,35,88,777	-	1,35,88,777	Implementing agency
7	LeapForWord	Education	Maharashtra	44,36,590	41,66,975	2,69,615	44,36,590	Implementing agency
8	Learning Space Foundation	Education	Maharashtra	36,56,716	33,20,159	3,36,557	36,56,716	Implementing agency
9	Raza	Education	Karnataka	32,59,931	29,98,933	2,60,998	32,59,931	Implementing agency
	Samaritan Help Mission	Education	West Bengal					Implementing

10				1,24,47,100	1,24,34,620	12,480	1,24,47,100	agency
11	AFPRO	Livelihood	Chhattisgarh	30,40,420	30,40,420	-	30,40,420	Implementing agency
12	AROEHAN	Livelihood	Maharashtra	14,88,944	14,82,790	6,154	14,88,944	Implementing agency
13	BHS	Livelihood	Rajasthan	23,98,949	22,87,638	1,11,311	23,98,949	Implementing agency
14	Gramin Vikas Evam Chetna Sansthan (GVCS)	Livelihood	Rajasthan	19,44,719	19,44,719	-	19,44,719	Implementing agency
15	Gramin Vikas Vigyam Samiti (GRAVIS)	Livelihood	Rajasthan	11,71,000	11,26,000	45,000	11,71,000	Implementing agency
16	Manuvikasa	Livelihood	Karnataka	29,81,740	28,65,740	1,16,000	29,81,740	Implementing agency
17	Medha	Livelihood	Uttar Pradesh	17,28,521	16,28,521	1,00,000	17,28,521	Implementing agency
18	Pragati	Livelihood	Odisha	80,81,881	74,28,781	6,53,100	80,81,881	Implementing agency
19	RSSA	Livelihood	Rajasthan	8,94,061	8,94,061	-	8,94,061	Implementing agency
20	Sambandh	Livelihood	Odisha	30,49,310	30,49,310	-	30,49,310	Implementing agency
21	Torpa Rural Development Society for Women	Livelihood	Jharkhand	14,76,535	14,40,772	35,763	14,76,535	Implementing agency
22	Utthan	Livelihood	Gujarat	62,29,500	61,09,500	1,20,000	62,29,500	Implementing agency
23	Vikas Shayog Pratishtan	Livelihood	Maharashtra	17,04,368	17,04,368	-	17,04,368	Implementing agency
24	Vrutti	Livelihood	Tamil Nadu and Madhya Pradesh	65,27,005	62,49,905	2,77,100	65,27,005	Implementing agency
25	Yuva Rural Association	Livelihood	Maharashtra	43,52,500	40,36,000	3,16,500	43,52,500	Implementing agency
26	AALI	Women	Lucknow, Uttar					Implementing

		Empowerment	Pradesh , Ranchi	20,00,346	18,30,485	1,69,861	20,00,346	agency
27	Anandi	Women Empowerment	Gujarat	40,66,770	37,62,639	3,04,131	40,66,770	Implementing agency
28	Breakthrough	Women Empowerment	Haryana	62,87,274	55,05,686	7,81,588	62,87,274	Implementing agency
	Amount received (ECLF)			12,22,40,000				

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - N.A.
7. A responsibility statement of the CSR Committee -
The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors
ECL Finance Limited

Sd/-
Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Sd/-
Vidya Shah
Director
DIN: 00274831

August 13, 2019

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ECL Finance Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECL Finance Limited (CIN:U65990MH2005PLC154854) and having its registered office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400098 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the company during the audit period);
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-convertible debentures of the company listed at stock exchanges;
- (vi) The Reserve Bank of India Act, 1934 and Credit Information Companies (Regulation) Act, 2005 and the directions, regulations issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Companies, being laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Reserve Bank of India.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists



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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We further report that during the audit period the company has:

1. allotted 49723 Secured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.23,12,63,00,000/
2. allotted 16,20,30,004 Equity shares of Re. 1/- each issued at a premium of Rs.20.33/- per share to Edelweiss Financial Services Limited;
3. allotted 2,81,29,394 Equity shares of Re. 1/- each issued at a premium of Rs.20.33/- per share to Edel Finance Company Limited;
4. redeemed 53798 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.18,32,63,00,000 which was issued by private placement; – (Including extinguishment)
5. redeemed 1420 Secured Unlisted Redeemable Non-Convertible Debentures aggregating to Rs. 142000000/- which was issued by private placement; –
6. redeemed 1,425,845 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.1,425,845,000/- which was issued through prospectus;
7. in the Board Meeting dated October 25, 2018 passed a resolution for raising funds through public offerings of Secured Redeemable Non-Convertible Debentures of the face value of Rs.1,000/- each for an aggregate amount not exceeding Rs.2,000 crores in one or more tranches;
8. obtained the approval of members under Section 42 of the Act by Special Resolution passed at the Extraordinary General Meeting held on February 19, 2019 for issue of Non-convertible Debentures aggregating to Rs.20,000 crores on private placement basis in one or more tranches;
9. entered into Shareholders Agreement ("SHA") by and amongst the Company, its Shareholders and CDPQ Private Equity Asia Pte. Ltd. ("Investor"), and a Securities Subscription Agreement ("SSA") by and amongst, the Company, Edelweiss Financial Services Limited and the Investor on March 5, 2019, for investment of an amount of approximately Rs.1,800 crores in the Company;
10. approved the Scheme of Amalgamation of Edelweiss Retail Finance Limited (ERFL) (one of the Edelweiss group entities) with the Company vide resolution of the Board of Directors dated March 5, 2019, and has filed an Application with the National Company Law Tribunal on March 26, 2019 for sanction of the said Scheme ;
11. approved (vide resolution of Board of Directors dated March 5, 2019) the acquisition of entire Equity Share capital of Edelweiss Housing Finance Limited (EHFL), from the



existing shareholders (other Edelweiss group companies), for making EHFL a wholly-owned subsidiary of the Company, subject to necessary regulatory approvals; and

12. approved purchase of the identified pool/portfolio of assets of Edelweiss Finvest Private Limited (EFPL) (one of the fellow subsidiaries), vide resolution of Board of Directors dated March 5, 2019.

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries



A handwritten signature in blue ink, appearing to read "Manish L. Ghia".

Manish L. Ghia
Partner

Place : Mumbai
Date: May 13, 2019

To,
The Members,
ECL Finance Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries



A handwritten signature in blue ink, appearing to read 'Manish L. Ghia'.

Manish L. Ghia
Partner

M.No. FCS 6252 C.P. No. 3531

Place : Mumbai
Date: May 13, 2019

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto:

(Currency: Indian rupees in millions)

Details of contracts or arrangements or transactions not at arm’s length basis: Not Applicable

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

II. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rupees in Millions)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
1	Edelweiss Financial Services Limited	Issuance of Equity share capital	One Year	3456.10	January 22, 2018	Nil
2	Edel Finance Company Limited	Issuance of Equity share capital	One Year	600.00	January 22, 2018	Nil
3	Edelweiss Commodities Services Limited	Loans taken from	One Year	30447.56	January 22, 2018	Nil
4	Edelweiss Commodities Services Limited	Loan repaid to	One Year	41561.53	January 22, 2018	Nil
5	Edelweiss Commodities Services Limited	Loans given to	One Year	4573.30	January 22, 2018	Nil
6	Edelweiss Commodities Services Limited	Loans repaid by	One Year	4573.30	January 22, 2018	Nil
7	Ravi R Bubna HUF	Loans given to Key Management Personnel	One Year	282.62	January 22, 2018	Nil
8	Evyavan Global Private Limited	Loans given to Key Management Personnel	One Year	15.34	January 22, 2018	Nil

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel No.: +91 22 4009 4400 www.edelweissfin.com

9	Evyavan Mercantile Private Limited	Loans given to Key Management Personnel	One Year	94.31	January 22, 2018	Nil
10	Deepak Mittal	Loans given to Key Management Personnel	One Year	606.22	January 22, 2018	Nil
11	Pooja Mittal	Loans given to Key Management Personnel	One Year	580.31	January 22, 2018	Nil
12	Aparna T. Chadrashekhar	Loans given to Key Management Personnel	One Year	221.11	January 22, 2018	Nil
13	Ravi R Bubna HUF	Repayment of loans by Key Management Personnel	One Year	318.27	January 22, 2018	Nil
14	Evyavan Global Private Limited	Repayment of loans by Key Management Personnel	One Year	92.38	January 22, 2018	Nil
15	Evyavan Mercantile Private Limited	Repayment of loans by Key Management Personnel	One Year	503.41	January 22, 2018	Nil
16	Deepak Mittal	Repayment of loans by Key Management Personnel	One Year	264.04	January 22, 2018	Nil
17	Pooja Mittal	Repayment of loans by Key Management Personnel	One Year	311.35	January 22, 2018	Nil
18	Aparna T. Chadrashekhar	Repayment of loans by Key Management Personnel	One Year	221.11	January 22, 2018	Nil
19	Sandhya R. Bubna	Repayment of loans by Key Management Personnel	One Year	0.01	January 22, 2018	Nil
20	ECap Equities Limited	Redemption - benchmark linked debentures	One Year	3731.23	January 22, 2018	Nil
21	Edelweiss Commodities Services Limited	Redemption - benchmark linked debentures	One Year	52.49	January 22, 2018	Nil
22	ECap Equities Limited	Purchases of securities from	One Year	1365.64	January 22, 2018	Nil

23	Edelweiss Commodities Services Limited	Purchases of securities from	One Year	20531.67	January 22, 2018	Nil
24	Edelweiss Finance and Investments Limited	Purchases of securities from	One Year	2448.82	January 22, 2018	Nil
25	Edelweiss Broking Limited	Purchases of securities from	One Year	53.47	January 22, 2018	Nil
26	Edelweiss Tokio Life Insurance Company Limited	Purchases of securities from	One Year	1309.09	January 22, 2018	Nil
27	Edelweiss Finvest Private Limited	Purchases of securities from	One Year	3592.75	January 22, 2018	Nil
28	Edelweiss General Insurance Company Limited	Purchases of securities from	One Year	108.19	January 22, 2018	Nil
29	Edelcap Securities Limited	Purchases of securities from	One Year	240.13	January 22, 2018	Nil
30	ECap Equities Limited	Sale of securities	One Year	782.51	January 22, 2018	Nil
31	Edelweiss Commodities Services Limited	Sale of securities	One Year	26356.82	January 22, 2018	Nil
32	Edelweiss Finance and Investments Limited	Sale of securities	One Year	2625.64	January 22, 2018	Nil
33	Edelweiss Securities Limited	Sale of securities	One Year	1188.74	January 22, 2018	Nil
34	Edelweiss Broking Limited	Sale of securities	One Year	400.54	January 22, 2018	Nil
35	Edelweiss Tokio Life Insurance Company Limited	Sale of securities	One Year	477.46	January 22, 2018	Nil
36	Edelweiss Housing Finance Limited	Sale of securities	One Year	1622.95	January 22, 2018	Nil

37	Edelweiss Securities Limited	Margin placed with	One Year	6737.27	January 22, 2018	Nil
38	Edelweiss Custodial Services Limited	Margin placed with	One Year	3259.46	January 22, 2018	Nil
39	Edelweiss Securities Limited	Margin refund received from	One Year	6736.50	January 22, 2018	Nil
40	Edelweiss Custodial Services Limited	Margin refund received from	One Year	1883.67	January 22, 2018	Nil
41	Edelweiss Securities Limited	Amount paid to Broker for trading in cash segment	One Year	23632.51	January 22, 2018	Nil
42	Edelweiss Securities Limited	Amount received from Broker for trading in cash segment	One Year	24341.93	January 22, 2018	Nil
43	Edelweiss Housing Finance Limited	Assignment of Loan book from	One Year	4481.62	January 22, 2018	Nil
44	Edelweiss Finvest Private Limited	Purchase of Securities receipts from	One Year	1833.30	January 22, 2018	Nil
45	Edelweiss Asset Reconstruction Company Limited - SC 348	Sale of Loans to	One Year	1700.00	January 22, 2018	Nil
46	Edelweiss Asset Reconstruction Company Limited - SC 298	Sale of Loans to	One Year	3850.00	January 22, 2018	Nil
47	Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)	Sale of Loans to	One Year	278.60	January 22, 2018	Nil
48	Edelweiss Finvest Private Limited	Arranger fees received from	One Year	17.36	January 22, 2018	Nil
49	Edelweiss Financial Services Limited	Cost reimbursement received from	One Year	0.09	January 22, 2018	Nil
50	Edelweiss General Insurance Company Limited	Cost reimbursement received from	One Year	0.03	January 22, 2018	Nil

51	Edelweiss Retail Finance Limited	Cost reimbursement received from	One Year	0.14	January 22, 2018	Nil
52	Edelweiss Housing Finance Limited	Cost reimbursement received from	One Year	3.44	January 22, 2018	Nil
53	Edelweiss Commodities Services Limited	Dividend received on investments	One Year	0.70	January 22, 2018	Nil
54	Edelweiss Custodial Services Limited	Interest income on margin placed with brokers	One Year	18.81	January 22, 2018	Nil
55	Edelweiss Securities Limited	Interest income on margin placed with brokers	One Year	14.58	January 22, 2018	Nil
56	Ravi R Bubna HUF	Interest income on Loans given to	One Year	8.15	January 22, 2018	Nil
57	Evyavan Mercantile Private Limited	Interest income on Loans given to	One Year	27.56	January 22, 2018	Nil
58	Evyavan Global Private Limited	Interest income on Loans given to	One Year	4.96	January 22, 2018	Nil
59	Deepak Mittal	Interest income on Loans given to	One Year	31.94	January 22, 2018	Nil
60	Pooja Mittal	Interest income on Loans given to	One Year	28.74	January 22, 2018	Nil
61	Aparna T. Chadrashekhar	Interest income on Loans given to	One Year	1.22	January 22, 2018	Nil
62	Edelweiss Commodities Services Limited	Interest income on Loans given to	One Year	9.94	January 22, 2018	Nil
63	Edelweiss Housing Finance Limited	Interest received on Securities	One Year	6.95	January 22, 2018	Nil
64	Edelweiss Commodities Services Limited	Interest received on Securities	One Year	15.37	January 22, 2018	Nil

65	Alternative Investment Market Advisors Private Limited	Rent received from	One Year	0.01	January 22, 2018	Nil
66	EC Commodity Limited	Rent received from	One Year	0.02	January 22, 2018	Nil
67	Edel Investments Limited	Rent received from	One Year	0.01	January 22, 2018	Nil
68	Edelcap Securities Limited	Rent received from	One Year	0.01	January 22, 2018	Nil
69	Edelweiss Alternative Asset Advisors Limited	Rent received from	One Year	3.41	January 22, 2018	Nil
70	Edelweiss Broking Limited	Rent received from	One Year	0.55	January 22, 2018	Nil
71	Edelweiss Business Services Limited	Rent received from	One Year	0.10	January 22, 2018	Nil
72	Edelweiss Commodities Services Limited	Rent received from	One Year	0.80	January 22, 2018	Nil
73	Edelweiss Custodial Services Limited	Rent received from	One Year	2.29	January 22, 2018	Nil
74	Edelweiss Finance and Investments Limited	Rent received from	One Year	0.03	January 22, 2018	Nil
75	Edelweiss Financial Services Limited	Rent received from	One Year	0.94	January 22, 2018	Nil
76	Edelweiss Finvest Private Limited	Rent received from	One Year	0.53	January 22, 2018	Nil
77	Edelweiss General Insurance Company Limited	Rent received from	One Year	14.35	January 22, 2018	Nil
78	Edelweiss Global Wealth Management Limited	Rent received from	One Year	1.34	January 22, 2018	Nil

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79	Edelweiss Housing Finance Limited	Rent received from	One Year	11.54	January 22, 2018	Nil
80	Edelweiss Retail Finance Limited	Rent received from	One Year	0.53	January 22, 2018	Nil
81	Edelweiss Securities Limited	Rent received from	One Year	1.28	January 22, 2018	Nil
82	ECap Equities Limited	Rent received from	One Year	0.56	January 22, 2018	Nil
83	Edelweiss Tokio Life Insurance Company Limited	Rent received from	One Year	3.03	January 22, 2018	Nil
84	Edelweiss Asset Reconstruction Company Limited	Advisory fees paid to	One Year	26.72	January 22, 2018	Nil
85	Edelweiss Housing Finance Limited	Advisory fees paid to	One Year	169.49	January 22, 2018	Nil
86	Edelweiss Financial Services Limited	Corporate Guarantee support fee paid to	One Year	3.21	January 22, 2018	Nil
87	Edelweiss Custodial Services Limited	Clearing charges paid to	One Year	0.27	January 22, 2018	Nil
88	Edelweiss Securities Limited	Clearing charges paid to	One Year	18.12	January 22, 2018	Nil
89	Edelweiss Agri Value Chain Limited	Collateral management fees paid	One Year	16.67	January 22, 2018	Nil
90	Edelweiss Global Wealth Management Limited	Commission and brokerage paid to	One Year	334.74	January 22, 2018	Nil
91	Edelweiss Investment Advisors Limited	Commission and brokerage paid to	One Year	2.70	January 22, 2018	Nil
92	Edelweiss Securities Limited	Commission and brokerage paid to	One Year	155.47	January 22, 2018	Nil

93	Edel Investments Limited	Commission and brokerage paid to	One Year	0.02	January 22, 2018	Nil
94	ECap Equities Limited	Cost reimbursement paid to	One Year	2.26	January 22, 2018	Nil
95	Edelweiss Agri Value Chain Limited	Cost reimbursement paid to	One Year	0.66	January 22, 2018	Nil
96	Edelweiss Asset Management Limited	Cost reimbursement paid to	One Year	0.99	January 22, 2018	Nil
97	Edelweiss Broking Limited	Cost reimbursement paid to	One Year	3.54	January 22, 2018	Nil
98	Edelweiss Business Services Limited	Cost reimbursement paid to	One Year	0.07	January 22, 2018	Nil
99	Edelweiss Commodities Services Limited	Cost reimbursement paid to	One Year	13.10	January 22, 2018	Nil
100	Edelweiss Financial Services Limited	Cost reimbursement paid to	One Year	33.66	January 22, 2018	Nil
101	Edelweiss Global Wealth Management Limited	Cost reimbursement paid to	One Year	0.11	January 22, 2018	Nil
102	Edelweiss Housing Finance Limited	Cost reimbursement paid to	One Year	6.51	January 22, 2018	Nil
103	Edelweiss Retail Finance Limited	Cost reimbursement paid to	One Year	25.02	January 22, 2018	Nil
104	Edelweiss Alternative Asset Advisors Limited	Cost reimbursement paid to	One Year	0.97	January 22, 2018	Nil
105	Edelweiss Securities Limited	Cost reimbursement paid to	One Year	1.43	January 22, 2018	Nil
106	EdelGive Foundation	Corporate Social responsibility expenses paid to	One Year	122.24	January 22, 2018	Nil

107	Edelweiss Business Services Limited	Enterprise Service charge paid to	One Year	217.34	January 22, 2018	Nil
108	Edelweiss Commodities Services Limited	Enterprise Service charge paid to	One Year	124.33	January 22, 2018	Nil
109	Edelweiss Commodities Services Limited	Interest paid on loan	One Year	1539.93	January 22, 2018	Nil
110	Edelweiss Alternative Asset Advisors Limited	Management Fees Paid to	One Year	184.00	January 22, 2018	Nil
111	Edelweiss Financial Services Limited	Rating support fees paid to	One Year	2.10	January 22, 2018	Nil
112	ECap Equities Limited	Rent paid to	One Year	21.35	January 22, 2018	Nil
113	Edelweiss Agri Value Chain Limited	Rent paid to	One Year	1.70	January 22, 2018	Nil
114	Edelweiss Asset Management Limited	Rent paid to	One Year	4.44	January 22, 2018	Nil
115	Edelweiss Broking Limited	Rent paid to	One Year	7.61	January 22, 2018	Nil
116	Edelweiss Business Services Limited	Rent paid to	One Year	0.11	January 22, 2018	Nil
117	Edelweiss Commodities Services Limited	Rent paid to	One Year	93.30	January 22, 2018	Nil
118	Edelweiss Global Wealth Management Limited	Rent paid to	One Year	0.50	January 22, 2018	Nil
119	Edelweiss Retail Finance Limited	Rent paid to	One Year	27.76	January 22, 2018	Nil
120	Edelweiss Housing Finance Limited	Rent paid to	One Year	6.86	January 22, 2018	Nil

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121	Edelweiss Securities Limited	Rent paid to	One Year	4.81	January 22, 2018	Nil
122	ECap Equities Limited	Interest paid on Bench mark linked debentures	One Year	785.33	January 22, 2018	Nil
123	Edelweiss Commodities Services Limited	Interest paid on Bench mark linked debentures	One Year	10.49	January 22, 2018	Nil
124	ECap Equities Limited	Interest paid on Securities	One Year	7.82	January 22, 2018	Nil
125	Edelweiss Finance and Investments Limited	Interest paid on Securities	One Year	0.37	January 22, 2018	Nil
126	Edelweiss Commodities Services Limited	Interest expenses on Non-Convertible Debentures	One Year	5.79	January 22, 2018	Nil
127	Edelweiss Finance and Investments Limited	Interest expenses on Non-Convertible Debentures	One Year	0.04	January 22, 2018	Nil
128	Edelweiss Financial Services Limited	ESOP Cost reimbursement	One Year	45.69	January 22, 2018	Nil
129	Raviprakash R. Bubna	Remuneration paid to	One Year	33.04	January 22, 2018	Nil
130	Himanshu Kaji	Remuneration paid to	One Year	50.00	January 22, 2018	Nil
131	Rashesh Shah	Remuneration paid to	One Year	68.00	January 22, 2018	Nil
132	Deepak Mittal	Remuneration paid to	One Year	9.85	January 22, 2018	Nil
133	PN Venkatachalam	Sitting Fees paid	One Year	0.44	January 22, 2018	Nil
134	Biswamohan Mahapatra	Sitting Fees paid	One Year	0.30	January 22, 2018	Nil

135	Kunnasagaran Chinniah	Sitting Fees paid	One Year	0.02	January 22, 2018	Nil
136	Edelweiss Commodities Services Limited	Interest accrued on Loans given to	One Year	0.49	January 22, 2018	Nil
137	Edelweiss Commodities Services Limited	Investments in preference shares	One Year	711.13	January 22, 2018	Nil
138	Edelweiss Custodial Services Limited	Margin money balance with	One Year	1502.04	January 22, 2018	Nil
139	Deepak Mittal	Loan given outstanding	One Year	342.19	January 22, 2018	Nil
140	Pooja Mittal	Loan given outstanding	One Year	268.96	January 22, 2018	Nil
141	ECap Equities Limited	Trade receivables	One Year	0.60	January 22, 2018	Nil
142	Edelcap Securities Limited	Trade receivables	One Year	0.18	January 22, 2018	Nil
143	Edelweiss Alternative Asset Advisors Limited	Trade receivables	One Year	0.93	January 22, 2018	Nil
144	Edelweiss Broking Limited	Trade receivables	One Year	0.09	January 22, 2018	Nil
145	Edelweiss Business Services Limited	Trade receivables	One Year	1.77	January 22, 2018	Nil
146	Edelweiss Custodial Services Limited	Trade receivables	One Year	4.39	January 22, 2018	Nil
147	Edelweiss Finvest Private Limited	Trade receivables	One Year	23.94	January 22, 2018	Nil
148	Edelweiss General Insurance Company Limited	Trade receivables	One Year	9.52	January 22, 2018	Nil

149	Edelweiss Global Wealth Management Limited	Trade receivables	One Year	0.26	January 22, 2018	Nil
150	Edelweiss Retail Finance Limited	Trade receivables	One Year	3.24	January 22, 2018	Nil
151	Edelweiss Tokio Life Insurance Company Limited	Trade receivables	One Year	6.65	January 22, 2018	Nil
152	Edelweiss Commodities Services Limited	Trade receivables	One Year	0.61	January 22, 2018	Nil
153	Edel Investments Limited	Trade receivables	One Year	0.83	January 22, 2018	Nil
154	Edelweiss Agri Value Chain Limited	Trade receivables	One Year	3.70	January 22, 2018	Nil
155	Edelweiss Asset Management Limited	Trade receivables	One Year	0.45	January 22, 2018	Nil
156	Edelweiss Finance and Investments Limited	Trade receivables	One Year	0.23	January 22, 2018	Nil
157	Edelweiss Housing Finance Limited	Trade receivables	One Year	6.68	January 22, 2018	Nil
158	Edelweiss Investment Advisors Limited	Trade receivables	One Year	0.33	January 22, 2018	Nil
159	Edelweiss Securities Limited	Trade receivables	One Year	3.13	January 22, 2018	Nil
160	EFSL Trading Limited (Formerly EFSL Commodities Limited)	Trade receivables	One Year	0.02	January 22, 2018	Nil
161	Edelweiss Comtrade Limited	Trade receivables	One Year	0.24	January 22, 2018	Nil
162	Edelweiss Securities Limited	Purchase of fixed assets	One Year	0.19	January 22, 2018	Nil

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163	Edelweiss Retail Finance Limited	Purchase of fixed assets	One Year	1.16	January 22, 2018	Nil
164	Edelweiss Housing Finance Limited	Purchase of fixed assets	One Year	0.26	January 22, 2018	Nil
165	Edelcap Securities Limited	Purchase of fixed assets	One Year	0.01	January 22, 2018	Nil
166	Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)	Purchase of fixed assets	One Year	0.03	January 22, 2018	Nil
167	Edelweiss Asset Management Limited	Purchase of fixed assets	One Year	0.01	January 22, 2018	Nil
168	Edelweiss Broking Limited	Purchase of fixed assets	One Year	0.44	January 22, 2018	Nil
169	Edelweiss Capital Markets Limited	Purchase of fixed assets	One Year	0.03	January 22, 2018	Nil
170	Edelweiss Custodial Services Limited	Purchase of fixed assets	One Year	0.10	January 22, 2018	Nil
171	Edelweiss Global Wealth Management Limited	Purchase of fixed assets	One Year	0.02	January 22, 2018	Nil
172	Edelweiss Insurance Brokers Limited	Purchase of fixed assets	One Year	0.01	January 22, 2018	Nil
173	Edelweiss Investment Advisors Limited	Purchase of fixed assets	One Year	0.04	January 22, 2018	Nil
174	Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	Purchase of fixed assets	One Year	0.20	January 22, 2018	Nil
175	EFSL Comtrade Limited	Purchase of fixed assets	One Year	0.02	January 22, 2018	Nil

176	ECap Equities Limited	Sale of fixed assets	One Year	0.01	January 22, 2018	Nil
177	Edelweiss Alternative Asset Advisors Limited	Sale of fixed assets	One Year	0.04	January 22, 2018	Nil
178	Edelweiss Asset Reconstruction Company Limited	Sale of fixed assets	One Year	0.02	January 22, 2018	Nil
179	Edelweiss Broking Limited	Sale of fixed assets	One Year	0.80	January 22, 2018	Nil
180	Edelweiss Custodial Services Limited	Sale of fixed assets	One Year	0.11	January 22, 2018	Nil
181	Edelweiss Financial Services Limited	Sale of fixed assets	One Year	0.05	January 22, 2018	Nil
182	Edelweiss Finvest Private Limited	Sale of fixed assets	One Year	0.19	January 22, 2018	Nil
183	Edelweiss General Insurance Company Limited	Sale of fixed assets	One Year	0.05	January 22, 2018	Nil
184	Edelweiss Housing Finance Limited	Sale of fixed assets	One Year	0.15	January 22, 2018	Nil
185	Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	Sale of fixed assets	One Year	0.30	January 22, 2018	Nil
186	Edelweiss Securities Limited	Sale of fixed assets	One Year	0.13	January 22, 2018	Nil
187	Edelweiss Commodities Services Limited	Non Convertible Debentures subscribed by	One Year	475.52	January 22, 2018	Nil
188	Edelweiss Finance and Investments Limited	Non Convertible Debentures subscribed by	One Year	2.44	January 22, 2018	Nil
189	Edelweiss Tokio Life Insurance Company	Non Convertible Debentures	One Year	0.17	January	Nil

	Limited	subscribed by			22, 2018	
190	Edelweiss Commodities Services Limited	Interest accrued and due on borrowings	One Year	3.40	January 22, 2018	Nil
191	Edelweiss Finance and Investments Limited	Interest accrued but not due on Non convertible debentures	One Year	0.04	January 22, 2018	Nil
192	Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	Interest accrued but not due on Non convertible debentures	One Year	42.38	January 22, 2018	Nil
193	ECap Equities Limited	Nifty linkde Debentured held by	One Year	111.84	January 22, 2018	Nil
194	ECap Equities Limited	Interest accrued but not due on Nifty linked debentures held by	One Year	1.90	January 22, 2018	Nil
195	Edelweiss Commodities Services Limited	Short term borrowings	One Year	1010.91	January 22, 2018	Nil
196	ECap Equities Limited	Trade payables	One Year	5.32	January 22, 2018	Nil
197	Edelweiss Alternative Asset Advisors Limited	Trade payables	One Year	204.59	January 22, 2018	Nil
198	Edelweiss Asset Management Limited	Trade payables	One Year	2.62	January 22, 2018	Nil
199	Edelweiss Commodities Services Limited	Trade payables	One Year	171.98	January 22, 2018	Nil
200	Edelweiss Finvest Private Limited	Trade payables	One Year	17.35	January 22, 2018	Nil
201	Edelweiss Global Wealth Management Limited	Trade payables	One Year	76.59	January 22, 2018	Nil
202	Edelweiss Housing Finance Limited	Trade payables	One Year	6.25	January 22, 2018	Nil

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203	Edelweiss Retail Finance Limited	Trade payables	One Year	14.69	January 22, 2018	Nil
204	Edelweiss Securities Limited	Trade payables	One Year	355.61	January 22, 2018	Nil
205	Edelweiss Custodial Services Limited	Trade payables	One Year	0.58	January 22, 2018	Nil
206	Edelweiss Asset Reconstruction Company Limited	Trade payables	One Year	0.31	January 22, 2018	Nil
207	Edelweiss Financial Services Limited	Trade payables	One Year	53.33	January 22, 2018	Nil
208	Edelweiss Broking Limited	Trade payables	One Year	1.68	January 22, 2018	Nil
209	Edelweiss Investment Advisors Limited	Trade payables	One Year	1.05	January 22, 2018	Nil
210	Edelweiss Financial Services Limited	Corporate guarantee taken from	One Year	54.00	January 22, 2018	Nil

For and on behalf of the Board of Directors

ECL Finance Limited

Sd/-

Rashesh Shah
Chairman & Managing Director
 DIN: 00008322

August 13, 2019

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854

Registered Office: Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel No.: +91 22 4009 4400 www.edelweissfin.com

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.

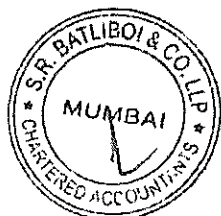
Basis for Opinion

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.

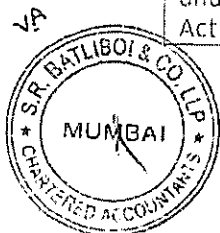
Key Audit Matters

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.

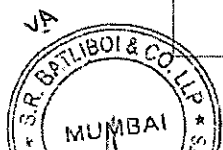
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these 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.
<p>IT systems</p> <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.

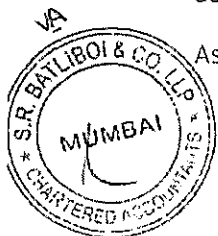
In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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.

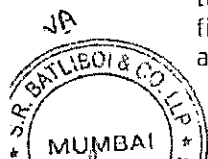
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

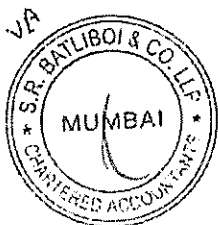
The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance 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;



S.R. BATLIBOI & CO. LLP

Chartered Accountants

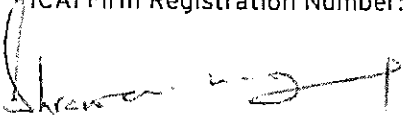
ECL Finance Limited
Independent Auditor's Report for the year ended March 31, 2019

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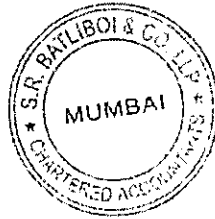
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

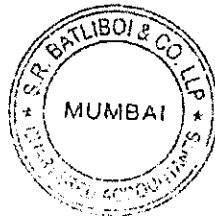
placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (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

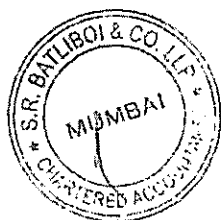
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.



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	983.22
(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	2,60,888.49	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		13.52	-	270.12
(e) Intangible assets under development		54.00	43.21	16.40
(f) Other intangible assets	19	78.50	41.92	10.02
(g) Other non- financial assets	20	431.41	214.87	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	19,994.59	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/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

1 to 54

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Sarjn Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

ECL Finance Limited

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(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/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai May 13, 2019

1 to 54

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Sarju Simaria

Chief Financial officer

Mumbai May 13, 2019

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Jitendra Maheshwari

Company Secretary

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	458.59
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 (OCI)		(5.08)	3.55
Income Tax - OCI - 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.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

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Partner

Membership No: 102102

1 to 54

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DIN : 00009438

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019

ECL Finance Limited

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

(Currency: Indian rupees in million)

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 Re.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	Debenture redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2017	6,839.25	9,539.19	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	26,274.69
Securities premium on shares issued during the year	1,163.35	-	-	-	-	1,163.35
Premium paid on redemption of debentures	(19.59)	-	-	-	-	(19.59)
Income tax impact on ESOPs	-	(57.12)	-	-	-	(57.12)
Transfer to statutory reserve	-	(924.10)	924.10	-	-	-
Balance released from debenture redemption reserve	-	401.65	-	(401.65)	-	-
ESOPs charged during the year	-	-	-	-	42.13	42.13
Deemed distribution during the year	-	(339.78)	-	-	-	(339.78)
Balance as at March 31, 2018	7,983.01	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	7,983.01	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 debenture redemption reserve	-	(2,117.26)	-	2,117.26	-	-
Balance as at March 31, 2019	11,879.93	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

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

For and on behalf of the Board of Directors

SD/-
Deepak Mittal
Managing Director & CEO
DIN : 00010337

SD/-
Himanshu Kaji
Executive Director
DIN : 00009438

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019

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
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

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

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019

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.

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

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

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

- 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 categories 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 exercisable price quotes available on the balance sheet date.

Level 2 financial instruments:

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

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.

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

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

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 sheet 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.

ECL Finance Limited

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)

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

As at March 31, 2019								
Particulars	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)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(i)				136.59				183.22
(ii) Equity linked derivatives								
Stock futures				-	No of Shares		20,88,034	2.18
Less: amounts offset								(2.18)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				-				-
(iii) Index linked derivatives								
Index futures				-	Index Units		87,300.0	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)
<i>(Refer Note 11.A & 50)</i>								
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

As at March 31, 2018								
Particulars	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 future	G-Sec Units		40,80,000	0.10			-	-
Less: amounts offset				(0.10)				
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				27.50				35.06
(iii) Equity linked derivatives								
Stock futures	No of Shares		91,966	1.83	No of Shares		29,800	0.02
Less: amounts offset			-	(1.83)			-	(0.02)
<i>(Refer Note 11.A & 50)</i>								
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)				-
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iv)				3.91				191.33
(v) Embedded derivatives*								
In market linked debentures				93.94				223.89
Subtotal(v)				93.94				223.89
Total derivative financial instruments			Total	125.35			Total	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

As at April 01, 2017								
Particulars	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)
<i>(Refer Note 11.A & 50)</i>								
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)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				32.17				41.15
(iii) Equity linked derivatives								
Stock futures	No of Shares		30,51,900	4.15				-
Less: amounts offset				(4.15)				
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		2,49,150	47.71				-
Options purchased	Index Units		10,79,175	723.34				-
Options sold				-	Index Units		11,91,000	70.50
Less: amounts offset				(47.71)				
<i>(Refer Note 11.A & 50)</i>								
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 held 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 (TREPS)	3,700.11	(3,700.11)	-	-	-	-	-	-	-
Margin placed with broker*	1,646.14	(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	203.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
TriParty REPO (TREPS)	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 Lending	3,500.00	(3,500.00)	-	-	-	-	-	-	-
Margin placed with broker*	196.30	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: As 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.

ECL Finance Limited

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

(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 03.06.2019 Bonds
 6.90% Government Stock 13.07.2019 Bonds
 10.03% Government Stock 09.08.2019 Bonds
 6.35% Government Stock 02.01.2020 Bonds
 7.80% Government Stock 03.05.2020 Bonds
 8.27% Government Stock 09.06.2020 Bonds
 8.12% Government Stock 10.12.2020 Bonds
 7.80% Government Stock 11.04.2021 Bonds
 7.94% Government Stock 24.05.2021 Bonds
 8.79% Government Stock 08.11.2021 Bonds
 8.20% Government Stock 15.02.2022 Bonds
 8.13% Government Stock 21.09.2022 Bonds
 8.35% 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
 7.37% Government Stock 16.04.2023 Bonds
 7.16% Government Stock 20.05.2023 Bonds
 6.17% Government Stock 12.06.2023 Bonds
 8.83% Government Stock 25.11.2023 Bonds
 7.68% Government Stock 15.12.2023 Bonds
 7.32% Government Stock 28.01.2024 Bonds
 7.35% Government Stock 22.06.2024 Bonds
 8.40% Government Stock 28.07.2024 Bonds
 7.72% Government Stock 25.05.2025 Bonds
 7.59% Government Stock 11.01.2026 Bonds
 6.97% Government Stock 06.09.2026 Bonds
 8.15% Government Stock 24.11.2026 Bonds
 8.24% Government Stock 15.02.2027 Bonds
 6.79% Government Stock 15.05.2027 Bonds
 7.17% Government Stock 08.01.2028 Bonds
 6.01% Government Stock 25.03.2028 Bonds
 7.26% Government Stock 14.01.2029 Bonds
 7.88% Government Stock 19.03.2030 Bonds
 7.61% Government Stock 09.05.2030 Bonds
 6.68% Government Stock 17.09.2031 Bonds
 8.13% Government Stock 22.06.2045 Bonds

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	-	-	-
100.00	1,00,000	10.25	-	-	-	-	-	-
100.00	1,60,000	16.28	100.00	28,60,000	291.15	100.00	3,60,000	36.85
-	-	-	-	-	-	100.00	20,00,000	217.88
100.00	60,00,000	609.40	100.00	55,00,000	554.96	-	-	-
-	-	-	100.00	65,00,000	682.60	-	-	-
100.00	10,00,000	104.59	100.00	50,00,000	527.03	-	-	-
100.00	50,00,000	525.27	-	-	-	-	-	-
100.00	25,00,000	265.03	100.00	85,00,000	897.59	100.00	30,00,000	322.37
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	5,00,000	54.01
-	-	-	100.00	20,00,000	200.11	-	-	-
100.00	20,00,000	201.95	-	-	-	-	-	-
100.00	5,00,000	52.60	-	-	-	-	-	-
100.00	44,00,000	455.47	100.00	55,00,000	558.82	-	-	-
100.00	10,00,000	98.96	100.00	75,00,000	727.14	-	-	-
100.00	5,00,000	55.18	-	-	-	-	-	-
-	-	-	-	-	-	100.00	15,00,000	159.64
100.00	1,15,00,000	1,182.56	-	-	-	-	-	-
100.00	5,00,000	51.81	100.00	40,00,000	406.05	100.00	50,00,000	520.11
-	-	-	-	-	-	100.00	50,00,000	547.98
100.00	40,00,000	421.53	100.00	1,00,00,000	1,037.03	-	-	-
100.00	10,00,000	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	3,00,00,000	3,285.82
-	-	-	100.00	10,00,000	104.50	-	-	-
100.00	10,00,000	98.62	100.00	70,00,000	683.13	-	-	-
100.00	2,00,00,000	1,992.66	100.00	30,00,000	300.40	-	-	-
-	-	-	100.00	5,00,000	44.33	-	-	-
100.00	60,00,000	605.66	-	-	-	-	-	-
-	-	-	-	-	-	100.00	10,00,000	104.76
-	-	-	-	-	-	100.00	35,00,000	373.13
100.00	20,00,000	185.82	100.00	55,00,000	509.40	-	-	-
-	-	-	-	-	-	100.00	10,00,000	110.19

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
State Government Debt Securities									
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds		-	-	100.00	25,00,000	261.08	-	-	-
8.07% Maharashtra Government Stock 23.10.2018 Bonds		-	-	100.00	30,00,000	313.21	-	-	-
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds		-	-	-	-	-	100.00	30,00,000	310.46
8.23% Gujarat Government Stock 07.10.2019 Bonds		-	-	100.00	25,00,000	263.41	-	-	-
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100.00	5,00,000	51.24	100.00	30,00,000	309.79	-	-	-
8.56% Kerala Government Stock 16.02.2020 Bonds		-	-	100.00	50,00,000	517.04	-	-	-
8.52% Karnataka Government Stock 10.03.2020 Bonds		-	-	100.00	25,00,000	257.12	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100.00	2,00,00,000	2,034.23	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds		-	-	100.00	25,00,000	255.72	-	-	-
8.21% Rajasthan State Government Stock Uday 31.03.2020 Bonds	100.00	50,00,000	506.20	-	-	-	-	-	-
8.53% Maharashtra Government Stock 27.10.2020 Bonds		-	-	-	-	-	100.00	5,00,000	54.14
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.72% Maharashtra State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.65% Karnataka State Development Loans Government Stock 25.01.2022 Bonds	100.00	50,00,000	530.22	-	-	-	-	-	-
8.58% Gujarat State Development Loan 23.01.2023 Bonds	100.00	25,00,000	266.64	-	-	-	-	-	-
8.66% Haryana State Development Loan Government Stock 06.02.2023 Bonds	100.00	25,00,000	266.59	-	-	-	-	-	-
8.62% Maharashtra State Development Loan Government Stock 20.02.2023 Bonds	100.00	25,00,000	265.45	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100.00	25,00,000	273.98	-	-	-	-	-	-
8.21% Haryana Government Stock Uday Special 31.03.2024 Bonds	100.00	98,18,000	1,012.61	-	-	-	-	-	-
8.31% Kerala State Development Loan Government Stock 13.02.2029 Bonds	100.00	15,00,000	158.99	-	-	-	-	-	-
Treasury Bills									
Treasury-Bill 182 Days Maturing 24.08.2017	-	-	-	-	-	-	100.00	30,00,000	293.27
Treasury-Bill 182 Days Maturing 15.02.2018	-	-	-	-	-	-	100.00	30,00,000	284.77
Treasury-Bill 91 Days Maturing 12.04.2018	-	-	-	100.00	37,45,200	373.97	-	-	-
Treasury-Bill 182 Days Maturing 12.07.2018	-	-	-	100.00	79,72,700	783.39	-	-	-
Treasury-Bill 182 Days Maturing 06.09.2018	-	-	-	100.00	20,00,000	194.51	-	-	-
<i>Total Government Debt Securities (A)</i>			13,873.50			16,662.92			6,888.64

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
Debt Securities									
7.80% Piramal Enterprises Limited 19.04.2019 Ccd	-	-	-	1,07,600	3,030	337.11	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.19 Bonds	-	-	-	-	-	-	1,000	13,000.00	13.63
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	-	-	-	10,00,000	900	977.98	-	-	-
11.00% Shriram Transport Finance Company Limited 20.04.2020 Bonds	-	-	-	10,00,000	10	11.24	-	-	-
8.75% Muthoot Finance Limited 24.06.2020 Bonds	-	-	-	1,000	4,000	4.34	-	-	-
9.25% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option I)	10,00,000	14	14.01	-	-	-	-	-	-
9.50% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option Iii)	10,00,000	108	108.20	-	-	-	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	12,49,000	1,244.48	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	1,000	81,210.00	80.12
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	16,920	17.04	-	-	-	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 Ncd	-	-	-	1,000	4,271	4.57	-	-	-
8.41% National Thermal Power Corporation Limited 16.12.2023 Ncd	-	-	-	-	-	-	1,000	6,333.00	7.21
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	-	-	-	1,000	15,000.00	16.98
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	-	-	-	13	11,514	0.15	13	1,19,984.00	1.57
10.00% Edelweiss Housing Finance Limited 19.07.2026 Ncd	-	-	-	1,000	53,375	59.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	898	0.96	-	-	-
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	-	-	-	10,00,000	4.00	4.06
8.90% Greater Hyderabad Municipal Corporation 16.02.2028 Ncd	-	-	-	10,00,000	16	16.34	-	-	-
8.85% Indiabulls Commerical Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	1,00,000	8,000	773.01	-	-	-
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	10,00,000	300	299.13	-	-	-
9.75% Jm 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 05.02.2029 Bonds	-	-	-	-	-	-	1,000	14,700.00	18.59
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	6	6.68	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	1,000	2,740.00	3.21
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	9	10.02	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	-	-	-	10,00,000	25	25.49	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	10,00,000	1	1.04	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	550	582.59	-	-	-
Total Debt Securities (B)			298.18			4,354.13			145.37
Equity Instruments									
CPSE ETF	10.00	2,65,88,545	724.27	-	-	-	-	-	-
IRB InvIT Fund	102.00	5,000	0.33	102.00	13,75,000	112.81	-	-	-
India Grid Trust	-	-	-	100.00	86,751	8.20	-	-	-
Hindustan Zinc Limited	-	-	-	-	-	-	2.00	11,36,000	328.08
Coal India Limited	-	-	-	-	-	-	10.00	19,15,900	560.69
Total Equity Instruments (C)			724.60			121.01			888.77
Preference Shares									
6.00% Zee Entertainment Enterprises Limited Pref Shares Sr-I	-	-	-	8.00	2,29,68,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10.00	22,26,835	23.56	-	-	-
Total Preference Shares (D)			-			203.18			-

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
Mutual Fund									
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option		10,00,000	10.00		10,00,000	10.00	-	10,00,000	10.03
HDFC Overnight Fund - Growth Option - Direct Plan		3,06,132	864.02		-	-	-	-	-
JM Large Cap Fund - Annual Dividend Option		16,26,89,805	2,513.85		-	-	-	-	-
Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth		40,00,000	42.60		-	-	-	-	-
Edelweiss Short Term Fund - Direct - Growth		30,66,864	52.62		-	-	-	-	-
Kotak Mahindra Mutual Fund Collection		-	-		4,61,398	1,010.22	-	-	-
JM Equity Fund - Monthly Dividend Option -Payout		-	-		4,77,24,041	570.71	-	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan		-	-		2,36,429	1,002.45	-	-	-
Reliance Medium Term Fund		-	-		2,71,68,155	1,010.13	-	-	-
Edelweiss Active Bond Fund - Direct - Growth		-	-		-	-		7,18,52,978	1,300.42
LIC Nomura Liquid Fund - Direct - Growth		-	-		-	-		3,39,185	1,000.27
Kotak Floater Fund - Direct Plan - Growth		-	-		-	-		5,62,086	1,500.42
JM High Liquidity Fund - Direct - Growth		-	-		-	-		2,24,71,506	1,000.48
<i>Total Mutual Fund (E)</i>			3,483.09			3,603.51			4,811.62
<i>Total (A+B+C+D+E)</i>			18,379.37			24,944.75			12,734.40

Notes:

Please refer note 50 - Fair Value measurement for Valuation methodologies for securities held for trading

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	4.99
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	0.60	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	55.08	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	55.08	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

*Includes receivables from stock exchanges / Clearing house and companies in same group. The Company has no history and expects no 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)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
14. Loans (at amortised cost)			
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

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans Given to Directors (refer note 48 related party disclosure)	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 51.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			2,12,533.38	2,07,186.27			2,07,186.27	1,54,301.98			1,54,301.98
Standard grade		25,864.50		25,864.50		12,900.51		12,900.51		17,489.51		17,489.51
Non-performing				-				-				-
Individually impaired			5,687.55	5,687.55			4,699.20	4,699.20			3,793.00	3,793.00
	2,12,533.38	25,864.50	5,687.55	2,44,085.43	2,07,186.27	12,900.51	4,699.20	2,24,785.98	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	
	Stage I		Stage II		Stage III		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	1,578.49	12,900.51	510.36	4,699.20	2,672.43	2,24,785.98	4,761.28
Transfer of financial assets								
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-
Stage II 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)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	624.20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	24,534.31	1,078.03
Loans sold to ARC	-	-	-	-	(4,992.44)	(117.82)	(4,992.44)	(117.82)
Amounts written off	-	-	-	-	(242.42)	(227.00)	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	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		Stage III		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	1,54,301.98	1,238.29	17,489.51	361.54	3,793.00	2,344.26	1,75,584.49	3,944.09
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)	-	-	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)	760.29	9.42	-	-
Stage III to Stage I	414.90	161.49	-	-	(414.90)	(161.49)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(158.36)	-	3.72	-	2,068.71	-	1,914.07
New assets originated /repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	(329.98)	(66.17)	55,267.73	650.24
Loans sold to ARC	-	-	-	-	(4,286.03)	(714.62)	(4,286.03)	(714.62)
Amounts written off	-	-	-	-	(1,780.21)	(1,032.50)	(1,780.21)	(1,032.50)
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

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				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)	Subtotal 5 = (2+3+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				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)	Subtotal 5 = (2+3+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				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)	Subtotal 5 = (2+3+4)		
Equity 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 50 - 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.

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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
15.B Other investments									
Equity instruments (fully paid up)									
At fair value through profit and loss									
Alok Industries Limited	-	-	-	-	-	-	10	2,26,42,893	66.80
<i>Total (A)</i>			-			-			66.80
Equity instruments (fully paid up)									
at cost									
Aeon Credit Services India Pvt Limited (Associate company)	-	-	-	-	-	-	10	2,27,50,000	227.50
<i>Total (B)</i>			-			-			227.50
Preference shares (fully paid up)									
At amortised cost									
Edelweiss Commodities Services Limited (7% Non cumulative non convertible redeemable)	10	10,00,000	711.13	10.00	10,00,000	653.09	10	10,00,000	945.95
Edelweiss Investment Adviser Limited (1% Non cumulative non convertible redeemable)	-	-	-	-	-	-	10	2,20,000	158.74
<i>Total (C)</i>			711.13			653.09			1,104.69
Security receipts									
At fair value through profit and loss									
EARC Trust SC 007	1,000	1,04,500	68.38	1,000	1,04,500	51.28	1,000	1,04,500	51.28
EARC Trust SC 009	1,000	71,488	0.11	1,000	71,487	44.20	1,000	71,487	97.11
EARC Trust SC 043	1,000	54,000	28.80	-	-	-	-	-	-
EARC Trust SC 055	1,000	46,800	23.40	-	-	-	-	-	-
EARC Trust SC 102	1,000	7,68,570	357.87	1,000	352	362.15	1,000	7,68,570	1,060.73
EARC Trust SC 104	-	-	-	-	-	-	1,000	77,180	28.98
EARC Trust SC 109	1,000	6,33,500	619.22	-	-	-	-	-	-
EARC Trust SC 112	1,000	3,40,000	281.71	-	-	-	-	-	-
EARC Trust SC 223	1,000	23,37,500	979.54	1,000	23,37,500	1,081.35	1,000	23,37,500	2,495.28
EARC Trust SC 229	1,000	2,55,000	191.25	-	-	-	-	-	-
EARC Trust SC 245	1,000	2,76,760	194.90	-	-	-	-	-	-
EARC Trust SC 251	1,000	17,00,000	1,700.00	1,000	17,00,000	1,901.38	1,000	17,00,000	1,650.45
EARC Trust SC 297	1,000	33,182	26.35	1,000	5,18,470	543.48	-	-	-
EARC Trust SC 308	1,000	2,40,550	173.89	1,000	2,40,550	127.85	-	-	-
EARC Trust SC 313	1,000	23,427	28.37	-	-	-	-	-	-
EARC Trust SC 314	1,000	71,400	108.13	1,000	71,400	96.03	-	-	-
EARC Trust SC 326	1,000	711	0.65	-	-	-	-	-	-
EARC Trust SC 329	1,000	2,88,000	288.98	1,000	2,88,000	281.32	-	-	-

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		-	-
EARC Trust SC 345	1,000	8,865	9.73		-	-		-	-
EARC Trust SC 361	1,000	2,40,000	240.00		-	-		-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	11.75		-	-		-	-
<i>Total (D)</i>			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	25,000.00	139.41	7,797.20	25,000.00	194.93	8,383.60	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
<i>Total (E)</i>			139.84			195.36			210.02
<i>Total (A+B+C+D+E)</i>			6,585.40			5,727.29			6,992.84

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

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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
16. Other financial assets			
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	180.35	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 ₹ 5,673.86, March 31, 2018 ₹ 6,286.90 million, April 01, 2017 ₹ 4,953.07 millions)	422.36	457.72	403.03
	422.36	457.72	403.03
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
Others	9.42	2.24	1.73
	2,017.56	1,973.66	1,715.95
Deferred tax liabilities			
Property, plant and equipment and intangibles			
Difference between book and tax depreciation	26.98	24.29	16.70
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
Others	-	2.85	-
	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	
	Building\$	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Computer software	Total		
Deemed cost*										
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)	(0.07)	(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	-	-	-	(3.14)	-	(3.44)	(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
Depreciatin and Impairment:										
<u>Opening balance*</u>	-	-	-	-	-	-	-	-	-	-
Add: Deperciation/amortisation for the year	17.92	1.12	2.99	6.24	3.22	13.09	44.58	8.20	8.20	52.78
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: Deperciation/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
Net book value										
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	27.93	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	538.32	78.50	78.50	616.82

*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.

\$ Charge against secured redeemable non-convertible debentures (Refer note 22.B)

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
20. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
303 Input tax credit	353.52	120.13	-
217 Contribution to gratuity fund (net)	-	0.74	3.36
297 Prepaid expenses	31.06	6.91	5.44
301 Vendor advances	25.61	42.56	55.87
307 Advances recoverable in cash or in kind or for value to be received	0.75	-	2.75
312 Advances to employees	3.36	6.01	3.04
321 Others	17.11	38.52	2.49
	431.41	214.87	72.95
21. Trade Payables			
Payable to :			
100 Trade payables to non-related parties	2,560.85	814.48	418.83
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	852.46	487.46	60.29
	3,413.31	1,301.94	479.12

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.

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
22. Debt securities			
<i>at amortised cost</i>			
<i>(Refer Note 22.A and 22.B)</i>			
Redeemable non-convertible debentures - secured			
IS029 Privately placed	45,351.78	44,885.23	29,905.88
S029Z Public issue	29,552.37	3,246.45	10,213.07
S029X Market linked debentures	8,237.72	9,635.39	17,582.38
INR Bonds			
S029Y INR denominated USD settled notes (masala bonds)	5,197.22	5,174.33	5,154.70
Redeemable non-convertible debentures - unsecured			
S029W Privately placed	906.16	829.20	748.69
IS088 Commercial papers - unsecured	5,650.00	8,250.00	31,620.00
IS089 <i>Less : Unamortised discount</i>	(23.40)	(187.16)	(397.41)
	5,626.60	8,062.84	31,222.59
Total	94,871.85	71,833.44	94,827.31
Debt securities in India	89,674.63	66,659.11	89,672.61
Debt securities outside India	5,197.22	5,174.33	5,154.70
Total	94,871.85	71,833.44	94,827.31

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

*MLD represents market linked debentures

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

83,141.87

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

5,197.22

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
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					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
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	-	199.00	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

*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)

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	-	-	5,000.00	-	-	-	5,000.00
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	-	-	110.00	-	-	-	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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

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
Dec 2024	-	-	500.00	-	-	-	500.00
Feb 2025	-	-	-	100.00	-	-	100.00
Mar 2025	-	-	70.00	-	-	-	70.00
Apr 2025	-	-	250.00	-	-	-	250.00

*MLD represents market linked debentures

ECL Finance Limited

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

(Currency: Indian rupees in million)

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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

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	1,977.64	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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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 <i>(at amortised cost)</i>			
<i>Secured</i>			
<u>Term loan from bank</u>	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] <i>(Refer Note 23.A)</i>			
<u>Term loans from other parties</u>	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] <i>(Refer note 23.A)</i>			
<u>Other borrowings</u>			
Cash credit lines	22,322.04	18,235.36	3,872.83
[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%]			
<i>Unsecured</i>			
<u>Loan from related parties (refer note 48)</u>	1,014.31	12,124.87	14,080.73
(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	-	-	-
Total	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	358.40	2,654.08	593.06	200.00	3,805.53
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	6,091.58	425.00	200.00	6,941.58
Jan 2022	-	500.00	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

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%	
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

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					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
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)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
24. Subordinated liabilities (unsecured)			
<i>(at amortised cost)</i>			
<i>(Refer Note 24.A)</i>			
Subordinated debt			
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.

ECL Finance Limited

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

(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				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** 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	-	-
Book 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	33.61
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

(Currency: 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 Re.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 Re.1 each	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85
	2,13,82,66,650	2,138.27	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 ₹ 1,200.00 million to Edel Finance Company Limited.

B. Terms/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	8,43,88,184	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 / disinvestment.

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	3,892.54	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 premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Statutory reserve

Reserve created under 45-IC(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.

ECL Finance Limited

Notes 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 52)	-	-	(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	21,567.03

ECL Finance Limited

Notes to the financial statement 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
31. Interest Income		
On financial assets measured at amortised cost		
<i>Interest on loans</i>		
Loans	35,233.31	26,627.64
<i>Interest income from investments</i>		
Collateralised borrowing and lending operations / TriParty REPO	93.88	22.05
Investment in preference Shares	58.05	101.40
Interest on deposits with bank		
Fixed deposits	45.42	81.89
Other interest income		
Margin with brokers	33.39	16.68
Others	31.09	53.03
	35,495.14	26,902.69
On financial assets measured at FVTPL		
<i>Interest income from investments</i>		
Interest income - securities held for trading	2,099.35	2,225.35
	2,099.35	2,225.35
	37,594.49	29,128.04
32. Dividend Income		
Dividend - Securities held for trading	1,902.68	457.89
Dividend - Units of AIF funds	0.70	0.70
	1,903.38	458.59
33. Fee income		
Processing and other fees	1,173.28	1,656.77
	1,173.28	1,656.77
34. Net gain/ (loss) on financial instruments at FVTPL		
Investments		
Profit on trading - Securities held for trading (net)	690.70	464.16
Fair value - Securities held for trading (net)	(1,867.21)	(445.37)
Derivatives		
Profit on trading - Interest rate swap (net)	52.37	8.78
Profit on trading - Equity derivative instruments (net)	14.43	500.61
Profit on trading - Currency derivative instruments (net)	-	2.08
Profit / (loss) on trading - Interest rate derivative instruments (net)	28.29	(154.52)
Fair value - Derivative financial instruments (net)	156.95	(192.72)
Others		
Profit on sale/redemption - Securities receipts	561.44	677.57
Fair value - security receipts	(282.13)	527.40
	(645.16)	1,387.99
Fair value changes		
Realised	1,347.23	1,498.68
Unrealised	(1,992.39)	(110.69)
	(645.16)	1,387.99
35. Other income		
Miscellaneous income	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)

	For the year ended March 31, 2019	For the year ended March 31, 2018
36. Finance costs		
<i>On financial liabilities measured at amortised cost</i>		
Interest on borrowings other than debt securities	12,369.14	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:

Edelweiss 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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

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 on 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	As at	As at
	March 31, 2019	March 31, 2018	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 (DBO)		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	7.99	(35.00)	(7.99)
Benefits paid	(9.84)	(2.92)	(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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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	-	-	0.14
	88.62	59.48	50.30

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	IALM 2012-14(Ultimate)	IALM 2006-08(Ultimate)	IALM 2006-08(Ultimate)
Expected weighted average remainin 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:

- The discount rate are based on the benchmark yields available on Government Bonds at reporting date.
- The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- 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%)	5.36	(4.93)	3.33	(3.26)	2.37	(2.35)
Discount Rate (+/- 1%)	(4.89)	5.41	(3.22)	3.35	(2.33)	2.40
Withdrawal Rate (+/- 1%)	0.80	(0.78)	0.37	(0.37)	0.44	(0.43)

Note: 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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

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	59.48	50.31
Net (assets)/liability	<u>4.40</u>	<u>(0.74)</u>	<u>(3.36)</u>

C) 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

	For the year ended March 31, 2019	For the year ended 31 March 2018
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
	2,961.28	1,371.13

40.A Auditors' remuneration:

	For the year ended March 31, 2019	For the year ended 31 March 2018
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
	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	12.97
later than five years	-	-

40.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, 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 are 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	27.72%	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.)

41.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	336.86	(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	(133.36)	(280.12)	-	-	(413.48)
Fair valuation of assets and liabilities	(271.50)	(1.02)	-	-	(272.52)
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	(140.17)	6.81	-	-	(133.36)
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
Estimated 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	31,481.63	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 organised 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	37,594.49
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	2,262.85	2,74,645.89
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	2,654.58	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	0.50	29,128.04
Other Operating income	1,995.98	1,599.46	-	3,595.44
Total Revenue from Operations	28,700.75	4,022.23	0.50	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	2,03,477.70	30,523.11	691.28	2,34,692.09
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 <i>(held as Collateral)</i>	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.

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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 to 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	311.18	159.06	470.24	927.68	57.64	985.32	856.20	80.51	936.71
Derivative financial instruments	377.63	5.67	383.30	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	72,085.90	1,65,880.84	2,37,966.74	78,821.60	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	-	457.72	457.72	-	403.03	403.03
Deferred tax assets (net)	-	1,486.22	1,486.22	-	1,516.32	1,516.32	-	1,364.72	1,364.72
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	1,12,536.53	1,51,167.35	2,63,703.88	1,00,524.67	1,08,094.35	2,08,619.02
Financial Liabilities									
Derivative financial instruments	258.07	218.76	476.83	261.16	189.16	450.32	414.03	253.15	667.18
Trade payables	3,413.31	-	3,413.31	1,301.94	-	1,301.94	479.12	-	479.12
Debt securities	27,842.39	67,029.46	94,871.85	20,988.69	50,844.75	71,833.44	53,260.46	41,566.85	94,827.31
Borrowings (other than debt securities)	55,210.08	58,077.37	1,13,287.45	70,700.59	67,507.97	1,38,208.56	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									
Current tax liabilities (net)	-	289.96	289.96	-	568.40	568.40	-	175.56	175.56
Provisions	-	29.29	29.29	-	147.47	147.47	-	288.42	288.42
Other non-financial liabilities	212.49	-	212.49	173.81	-	173.81	111.23	-	111.23
Total Liabilities	91,504.16	1,44,647.21	2,36,151.37	96,403.18	1,38,288.91	2,34,692.09	93,893.28	91,266.86	1,85,160.14
Net	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

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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 Comtrade 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>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>Relative of key management personnel (with whom transactions have taken place)</p>	<p>Pooja Mittal (w.e.f 1st Dec 2018)</p> <p>Aparna T. Chadrashekhar (w.e.f. 5th March 2019)</p> <p>Ramautar 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>Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place</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. Chadrashekhar	221.11	-
Ramautar 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. Chadrashekhar	221.11	-
Ramautar 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 - benchmark linked debentures		
ECap Equities Limited	3,731.23	1,458.90
Edelweiss Rural & Corporate Services Limited	52.49	-

ECL Finance Limited

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(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	641.31
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	2,625.64	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 263	-	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

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(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
Cost reimbursement received from		
Edelweiss Financial Services Limited	0.09	0.12
Edelweiss General Insurance Company Limited	0.03	-
Edelweiss Retail Finance Limited	0.14	-
Edelweiss Housing Finance Limited	3.44	-
Edelcap Securities Limited	-	0.03
Edelweiss Custodial Services Limited	-	0.03
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. Chadrashkhar	1.22	-
Edelweiss Rural & Corporate Services Limited	9.94	44.35
Ravi R Bubna	-	0.01
Ramautar S. Bubna	-	0.01
Sandhya 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		
ECap 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	-

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
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	27.76	2.60
Edelweiss Housing Finance Limited	6.86	3.38
Edelweiss Securities Limited	4.81	2.90
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. Bubna	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalam	0.44	0.24
Biswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kunnasagan Chinniah	0.02	-

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(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
Edelcap 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	23.94	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	6.65	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	-

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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	0.19	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	-

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(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 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 debentured 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	204.59	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. Loan 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.

ECL 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:

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- d) 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. 008/03.10.119/2016-17 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 price: 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

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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:

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	4,381.63	5,168.14	30,146.62
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				
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

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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:

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

E. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

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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:

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 AIF	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	6.08	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 AIF	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	Assets	Liabilities	Net Balance
at April 1, 2017	226.24	555.53	(329.29)
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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50. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises 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 input 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	5,734.43	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	16,234.40	5% increase in Expected future Cash flow	111.92	5% Decrease in Expected future Cash flow	-111.92
			Risk-adjusted discount rate	12.00%	0.5% 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	1,061.54	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 Nifty 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	10.25%	0.5% increase in Risk-adjusted discount rate	1.35	0.5% Decrease in Risk-adjusted discount rate	(1.35)
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	4,878.84	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	-55.92	0.5% Decrease in Risk-adjusted discount rate	57.02
Units of AIF	195.36	Net Asset approach	Fair value of underlying investments	1,608.87	5% Increase in Fair value of Underlying Investment	9.42	5% Increase in Fair value of Underlying Investment	(9.42)
Embedded derivatives (net)	129.95	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(6.50)	5% Decrease in Nifty Index curve	6.50
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.65	0.5% Decrease in Risk-adjusted discount rate	(0.65)

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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	19,994.59		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

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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	94,827.31		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

I. 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.

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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.

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(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	<p>Credit risk</p> <p>Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.</p>	<p>Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives</p>	<p>Measured as the amount that could be lost if a customer or counterparty fails to make repayments;</p> <p>Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and</p> <p>Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.</p>
51.D.2	<p>Liquidity risk</p> <p>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.</p>	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Arises when illiquid asset positions cannot be funded at the expected terms and when required.</p>	<p>Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio,</p> <p>Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.</p> <p>Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company</p>
51.D.3	<p>Market risk</p> <p>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</p>	<p>Exposure to market risk is separated into two portfolios: trading and non-trading.</p>	<p>Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.</p> <p>Monitored using measures, including the sensitivity of net interest income.</p> <p>Managed using risk limits approved by the risk management committee</p>

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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 obtains 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:

<u>Internal rating grade</u>	<u>Internal grading description</u>	<u>Stages</u>
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-

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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 to 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,

$$\text{Drawn Credit Line} = \text{Current outstanding amount}$$

$$\text{Credit Conversion Factor (CCF)} = \text{Expected future drawdown as a proportion of undrawn amount}$$

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.

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(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 other 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 maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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51.D.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	18,321.96	1,06,644.51	14,645.18	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	28,732.07	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	-	24,944.75
Trade receivables	-	5,474.52	-	-	-	-	-	5,474.52
Loans	-	9,174.22	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	2,60,888.49

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	16,375.88	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

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51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

The amount and type of collateral required 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.

	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	985.40	1,627.97	10,850.13	
Bank balances other than cash and cash equivalents	470.24	985.32	936.71	
Derivative financial instruments	383.30	125.35	983.22	
Securities held for trading	18,379.37	24,944.75	12,734.40	The Company invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	720.99	5,474.52	1,169.30	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	94,679.89	85,895.20	63,654.44	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	6,585.40	5,727.29	6,992.84	
Other financial assets	6,130.12	1,978.59	928.04	
	2,77,740.25	2,65,649.77	2,10,179.13	
Loan Commitments	31,481.64	45,446.60	20,354.20	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

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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	106.27	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	4,552.08	2,646.85	1,905.23	5,208.68
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	5,430.98

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	21.08	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	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	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	1,36,718.08	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	14,843.15	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

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

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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	
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	383.30	354.53	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	1,169.30		1,169.30	
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	6,130.12	-	6,130.12	1,978.59	-	1,978.59	928.04	-	928.04	Interest rate risk
Total Assets	2,71,621.56	18,733.90	2,52,887.66	2,60,888.49	24,976.16	2,35,912.33	2,06,235.04	13,491.38	1,92,743.66	
Financial Liabilities										
Derivative financial instruments	476.83	197.58	279.25	450.32	226.43	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	673.72	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)	-
Floting rate loans	25	70.39	-	25	(70.39)	-
Government securities	25	(34.68)	-	25	34.68	-
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	-
Floting rate loans	25	38.44	-	25	(38.44)	-
Government securities	25	(41.66)	-	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 unvested 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.

(Currency: Indian rupees in million)

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%
The fair value of the swap book	(46.63)	(7.56)

* % of concentration of credit risk arising from swaps with banks

(Currency: Indian rupees in million)

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	66,940.60
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	-	-	-	-

(Currency: Indian rupees in million)

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.D 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 securitised 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	-	-

(Currency: Indian rupees in million)

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 to 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 financials assets purchased from / sold to other NBFCs

During the year, the Company has neither purchased nor sold any non-performing financials assets to other NBFCs

(Currency: Indian rupees in million)

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.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	16,682.84
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 8.1), 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.

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

(Currency: Indian rupees in million)

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**

	As at March 31, 2019	As at March 31, 2018
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)	10,400.14	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.	1,29,577.85	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

	As at March 31, 2019	As at March 31, 2018
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	724.60	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	44,156.81	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.	39,701.29	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.	1,069.87	4,065.75
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	4.02	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 exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	-	-

(Currency: Indian rupees in million)

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 transactins 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 Venkatachalam	Sitting Fees	0.44	0.24
Biswamohan Mahapatra	Sitting Fees	0.30	0.12
Kunnasagaran Chinniah (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

(Currency: Indian rupees in million)

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
<u>Concentration of advances</u>		
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%
<u>Concentration of exposures</u>		
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%
<u>Concentration of stage 3</u>		
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 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)	(8,049.90)
Closing balance	1,669.46	1,626.22
Movement of stage 3 provisions (excluding provision on Stage 1/Stage 2)		
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 : The movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per extant IRAC norms prescribed by the Reserve Bank of India

(Currency: Indian rupees in million)

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	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

53.T 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. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

as at March 31, 2019	CRISIL		ICRA		CARE		Brickworks		Acuite	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA/ Stable	2,50,300.00	ICRA AA	3,12,862.50	CARE AA	1,73,465.20	BWR AA+, BWR AA	18,000.00	ACUITE AA + /Stable	4,500.00
Short term instruments	CRISIL A1+	1,50,000.00	ICRA A1+	1,55,000.00	CARE A1+	1,00,000.00				
Market linked debentures										
Short term	CRISIL PP- MLD A1+R	12,000.00	PP-MLD ICRA A1+	9,000.00						
Long Term	CRISIL PP- MLD AA/ Stable	25,250.00	PP-MLD ICRA AA	24,116.30	CARE PP-MLD AA	5,286.30	BWR PP-MLD AA+	1,500.00		

as at March 31, 2018	CRISIL		ICRA		CARE		Brickworks		SMERA	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA/ Stable	1,37,600.00	ICRA AA/ Stable	1,95,000.00	CARE AA/ Stable	1,76,252.90	BWR AA+/ Stable	15,000.00	SMERA AA+/ Stable	1,500.00
Short term instruments	CRISIL A1+	96,000.00	ICRA A1+	76,000.00	CARE A1+	36,000.00	BWR AA/ Stable	3,000.00	SMERA AA/ Stable	3,000.00
Market linked debentures										
Short term	CRISIL PP- MLD A1+R	12,000.00	ICRA PP MLD A1+	9,000.00						
Long Term	CRISIL PP MLD AA r/ stable	22,250.00	ICRA PP MLD AA/ Stable	26,500.00	CARE PP MLD- AA	7,875.40	BWR PP MLD AA+/ Stable	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 - Nil

ECL Finance Limited

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

(Currency: Indian rupees in million)

53.V Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2019

Sl No	Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Details																						
1	Restructured accounts as on 1st April, 2018 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.93	-	-	1.93	-	1.93	-	-	1.93
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.61	-	-	1.61	-	1.61	-	-	1.61
-																						
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	12.00	-	-	13.00	1.00	12.00	-	-	13.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.97	1,113.06	-	-	1,116.03	2.97	1,113.06	-	-	1,116.03
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.79	601.58	-	-	603.37	1.79	601.58	-	-	603.37
-																						
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	(1.00)	-	-	-	1.00	(1.00)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	62.98	(63.55)	-	-	(0.57)	62.98	(63.55)	-	-	(0.57)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	7.34	(7.34)	-	-	0.00	7.34	(7.34)	-	-	0.00
-																						
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(2.00)	-	-	(2.00)	-	(2.00)	-	-	(2.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.55)	-	-	(0.55)	-	(0.55)	-	-	(0.55)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.71)	-	-	(0.71)	-	(0.71)	-	-	(0.71)
-																						
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-																						
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.94)	-	-	(0.94)	-	(0.94)	-	-	(0.94)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.90)	-	-	(0.90)	-	(0.90)	-	-	(0.90)
-																						
7	Restructured accounts as on 31st Mar, 2019 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2.00	11.00	-	-	13.00	2.00	11.00	-	-	13.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	65.95	1,049.95	-	-	1,115.90	65.95	1,049.95	-	-	1,115.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	9.14	594.24	-	-	603.38	9.14	594.24	-	-	603.38
-																						

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)

53.V Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2018

Sl No	Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Details																						
1	Restructured accounts as on 1st April, 2017 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	5.00	-	-	5.00	-	5.00	-	-	5.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	418.19	-	-	418.19	-	418.19	-	-	418.19
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	164.43	-	-	164.43	-	164.43	-	-	164.43
-																						
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	0.01	-	0.01	-	-	0.01
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-																						
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(414.90)	-	-	(414.90)	-	(414.90)	-	-	(414.90)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(161.49)	-	-	(161.49)	-	(161.49)	-	-	(161.49)
-																						
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(3.00)	-	-	(3.00)	-	(3.00)	-	-	(3.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.73)	-	-	(0.73)	-	(0.73)	-	-	(0.73)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.76)	-	-	(0.76)	-	(0.76)	-	-	(0.76)
-																						
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-																						
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.64)	-	-	(0.64)	-	(0.64)	-	-	(0.64)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.57)	-	-	(0.57)	-	(0.57)	-	-	(0.57)
-																						
7	Restructured accounts as on 31st Mar, 2018 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.93	-	-	1.93	-	1.93	-	-	1.93
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.61	-	-	1.61	-	1.61	-	-	1.61
-																						

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)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 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	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	88,339.09	-	62,941.40	-
ii) Unsecured	20,900.75	-	20,408.96	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and Other parties)	84,954.07	-	88,152.92	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	5,626.60	-	8,062.84	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	2,900.00	-	4,370.00	-
ii) Bank Overdraft	22,322.04	-	18,235.36	-
iii) CBLO Borrowings	2,097.03	-	15,325.41	-
iv) Loan from related parties	1,014.31	-	12,124.87	-

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
2. Break up of Loans and Advances including bills receivables		
i) Secured	2,18,759.95	2,07,893.96
ii) Unsecured	25,325.48	16,892.02
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
i) Financial Lease	-	-
ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	-	-
ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	-	-
ii) Other loans	-	-
4. Break up of Investments (including securities held for trading)		
a) Current Investment - Quoted		
i) Shares		
Equity	724.60	121.01
Preference Shares	-	203.18
ii) Debentures and Bonds	298.18	4,354.13
iii) Units of Mutual Funds	3,483.09	3,603.51
iv) Government Securities	13,873.50	16,662.92
v) Others	-	-
a) Current Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	0.43	0.43
iv) Government Securities	-	-
v) Others	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 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.

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
4. Break up of Investments (including securities held for trading) (Contd.)		
a) Long term Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
a) Long term Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	711.13	653.09
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others		
- Investments in security receipts of trusts	5,734.43	4,878.84
- Investment in Units of E-STAR Fund	139.41	194.93

5. Borrower group-wise classification of assets financed as in (2) and (3) above at at March 31, 2019

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	2,12,998.72	24,968.02	2,37,966.74

Borrower group-wise classification of assets financed as in (2) and (3) above at at March 31, 2018

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	2,03,156.96	16,867.74	2,20,024.70

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

	As at March, 31, 2019		As at March, 31, 2018	
	Market Value/ Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
a) Related Parties				
Subsidiaries	-	-	-	-
Companies in the same group	711.13	711.13	653.09	653.09
Other related parties	-	-	-	-
b) Other than related parties	24,253.64	24,253.64	30,018.95	30,018.95

ECL Finance Limited

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

(Currency: Indian rupees in million)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 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.

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
7. Other Information		
a) Stage 3 assets		
i) Related Parties	-	-
ii) Other than related parties	4,569.47	4,015.82
b) Stage 3 assets net of stage 3 provision		
i) Related Parties	-	-
ii) Other than related parties	1,669.46	1,626.22
c) Assets acquired in satisfaction of debt	-	-

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

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai May 13, 2019

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Sarju Simaria

Chief Financial officer

Mumbai May 13, 2019

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Jitendra Maheshwari

Company Secretary

To the Members of ECL Finance Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of ECL Finance Limited (hereinafter referred to as "the Holding Company"), and its trusts (the Holding Company and its trusts together referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 consolidated 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 consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 15 of the consolidated Ind AS financial statements)	

Key audit matters	How our audit addressed the key audit matter
<p>The Group'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 consolidated 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 Group'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 Group'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 consolidated Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.
<p>Transition to IND AS accounting framework <i>(as described in note 53 of the consolidated Ind AS financial statements)</i></p>	
<p>The consolidated IND AS financial statements are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Group 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). Accordingly, for transition to Ind AS, 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. In</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. • 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

Key audit matters	How our audit addressed the key audit matter
<p>preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2017, the Group's date of transition to Ind AS.</p> <p>The transition has involved significant change in the Group's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting.</p> <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 consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> • 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 Group. The Group'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 Group, 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 Holding 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 consolidated Ind AS financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated 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 consolidated Ind AS 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 Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Holding Company are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Holding Company are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

We did not audit the Ind AS adjustment in respect of one associate, whose share of net loss of Rs. 12.08 million for the period April 1, 2017 to August 22, 2017 as considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate and our report in terms of sub—sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the management certified financial statement and other financial information.

The comparative consolidated financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in this consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31,2017 dated May 2,2018 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 Group on transition to the Ind AS, which have been audited by us for the purpose of consolidation.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and, as noted in the “other matter” paragraph we report, to the extent applicable, that:

- (a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Incl AS financial statements;
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31,2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding 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, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements (Refer Note 44 to the consolidated Ind AS financial statements);
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long—term contracts including derivative contracts (Refer Note 44.A to the consolidated Ind AS financial statements in respect of such items as it relates to the Group)
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31,2019.

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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 19102102AAAAAXG9397
Place : Mumbai
Date: August 13, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS 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")

**To the Members of
ECL Finance Limited**

In conjunction with our audit of the consolidated Ind AS financial statements of ECL Finance Limited ("the Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of ECL Finance Limited (hereinafter referred to as the "Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated 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 system over financial reporting with reference to these consolidated 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 consolidated 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 system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated 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 consolidated 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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 to the best of our information and according to explanations given to us, the Holding Company has, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting includes only the Company. The trusts forming part of the Consolidated Ind AS Financial Statements are not companies as defined as per the Act and accordingly reporting on the adequacy and operating effectiveness of the internal controls is not applicable to these trusts.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 19102102AAAAXG9397

Place : Mumbai

Date: August 13, 2019

ECL Finance Limited

Consolidated 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	10	1,082.50	1,659.93	10,875.39
(b) Bank balances other than cash and cash equivalents	11	470.24	985.32	936.71
(c) Derivative financial instruments	12	383.30	125.35	983.22
(d) Securities held for trading	13	18,379.37	24,944.75	12,734.40
(e) Receivables				
(i) Trade receivables	14	720.99	5,474.52	1,169.30
(f) Loans	15	2,47,797.97	2,26,804.28	1,77,942.97
(g) Other investments	16	1,794.14	1,391.93	1,433.93
(h) Other financial assets	17	2,440.31	485.78	928.04
		2,73,068.82	2,61,871.86	2,07,003.96
Non-financial assets				
(a) Current tax assets (net)	18	422.36	457.72	403.03
(b) Deferred tax assets (net)	19	1,486.22	1,516.32	1,364.72
(c) Property, plant and equipment	20	538.32	541.35	246.74
(d) Capital work in progress		13.52	-	270.12
(e) Intangible assets under development		54.00	43.21	16.40
(f) Other intangible assets	20	78.50	41.92	10.02
(g) Other non- financial assets	21	435.94	219.52	75.45
		3,028.86	2,820.04	2,386.48
Total assets		2,76,097.68	2,64,691.90	2,09,390.44
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	12	476.83	450.32	667.18
(b) Trade payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,514.82	1,347.49	518.89
(c) Debt securities	23	94,871.85	71,833.44	94,827.31
(d) Borrowings (other than debt securities)	24	1,13,287.45	1,38,208.56	76,518.36
(e) Subordinated liabilities	25	19,994.59	19,579.76	11,270.58
(f) Other financial liabilities	26	5,133.13	3,516.72	1,748.91
		2,37,278.67	2,34,936.29	1,85,551.23
Non-financial liabilities				
(a) Current tax liabilities (net)	27	289.96	568.40	175.56
(b) Provisions	28	29.29	147.47	288.42
(c) Other non-financial liabilities	29	276.65	173.98	113.62
		595.90	889.85	577.60
Equity				
(a) Equity share capital	30	2,138.28	1,948.11	1,891.85
(b) Other equity	31	36,084.83	26,917.65	21,369.76
		38,223.11	28,865.76	23,261.61
Total liabilities and equity		2,76,097.68	2,64,691.90	2,09,390.44

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

1 to 56

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

ECL Finance Limited**Consolidated 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	32	37,597.45	29,129.51
Dividend income	33	1,903.38	458.59
Fee and commission income	34	1,173.28	1,656.77
Net gain on fair value changes	35	(632.75)	1,607.02
Other income	36	148.59	92.09
Total Revenue		40,189.95	32,943.98
Expenses			
Finance costs	37	24,406.20	18,863.97
Net loss on derecognition of financial instruments	38	970.36	1,366.60
Impairment on financial instruments	39	1,498.41	2,082.80
Employee benefits expense	40	2,410.29	1,857.53
Depreciation, amortisation and impairment	20	106.53	52.78
Other expenses	41	3,080.41	1,523.01
Total expenses		32,472.20	25,746.69
Profit before tax		7,717.75	7,197.29
Tax expenses			
(1) Current tax	42	2,398.62	2,637.36
(2) Deferred tax (credit)		(228.00)	(208.73)
Profit after tax before share of associate		5,547.13	4,768.66
Share of loss of associate		-	(12.07)
		5,547.13	4,756.59
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		(5.08)	3.55
Income Tax - OCI - that will not be reclassified		1.78	(1.24)
Total		(3.30)	2.31
Total comprehensive income		5,543.83	4,758.90
Earnings per equity share			
(for continuing operation:) (Face value of ₹ 1 each):	43		
Basic (INR)		2.68	2.51
Diluted (INR)		2.68	2.51

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

1 to 56

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

SD/-
Deepak Mittal
Managing Director & CEO
DIN : 00010337

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

ECL Finance Limited

Consolidated statement of changes in equity for the year ended March 31, 2019

(Currency: Indian rupees in million)

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 Re.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	Debenture redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2017	6,839.25	9,341.92	2,968.44	2,122.26	97.89	21,369.76
Profit for the year	-	4,756.59	-	-	-	4,756.59
Other comprehensive income	-	2.31	-	-	-	2.31
Total comprehensive income	6,839.25	14,100.82	2,968.44	2,122.26	97.89	26,128.66
Securities premium on shares issued during the year	1,163.35	-	-	-	-	1,163.35
Premium paid on redemption of debentures	(19.59)	-	-	-	-	(19.59)
Income tax impact on ESOPs	-	(57.12)	-	-	-	(57.12)
Transfer to statutory reserve	-	(924.10)	924.10	-	-	-
Balance released from debenture redemption reserve	-	401.65	-	(401.65)	-	-
ESOPs charged during the year	-	-	-	-	42.13	42.13
Deemed distribution during the year	-	(339.78)	-	-	-	(339.78)
Balance as at March 31, 2018	7,983.01	13,181.47	3,892.54	1,720.61	140.02	26,917.65
Add: Pre-acquisition reserve	-	(13.69)	-	-	-	(13.69)
Profit for the year	-	5,547.13	-	-	-	5,547.13
Other comprehensive income	-	(3.30)	-	-	-	(3.30)
Total comprehensive income	7,983.01	18,711.61	3,892.54	1,720.61	140.02	32,447.79
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 debenture redemption reserve	-	(2,117.26)	-	2,117.26	-	-
Balance as at March 31, 2019	11,879.93	15,202.70	5,024.31	3,837.87	140.02	36,084.83

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

SD/-
Deepak Mittal
Managing Director & CEO
DIN : 00010337

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

ECL Finance Limited

Consolidated 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
A. Operating activities		
Profit before tax	7,717.75	7,185.22
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 of property, plant and equipment	(1.29)	0.32
	11,359.48	9,473.94
Working capital Changes (net)		
Loans	(22,505.79)	(51,072.42)
Trade receivables	4,753.53	(4,305.22)
Securities held for trading	4,697.13	(12,655.72)
Other investments	(683.30)	357.93
Other financial assets	(1,540.45)	1,058.80
Other non financial assets	(216.42)	(144.07)
Trade payables	2,121.64	828.60
Other financial liability	3,157.71	704.45
Non financial liabilities and provisions	(20.59)	(78.28)
	1,122.94	(55,831.99)
Income taxes paid	(2,641.72)	(2,299.17)
Net cash used in operating activities -A	(1,518.78)	(58,131.16)
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)	(577.43)	(9,215.46)
Cash and cash equivalent as at the beginning of the year	1,659.93	10,875.39
Cash and cash equivalent as at the end of the year	1,082.50	1,659.93

ECL Finance Limited

Consolidated 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 47*

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

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

The consolidated financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on August 13, 2019.

2. Basis of preparation of consolidated financial statements:

The consolidated financial statements of the Group 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 Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 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 Group prepared under Ind AS. Refer to note 53 for information on how the Group has adopted Ind AS.

These consolidated 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 consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of consolidated financial statements:

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 48-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 The International Swaps and Derivatives Association (ISDA) 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. Basis of consolidation:

The Consolidated financial statements relate to ECL Finance Limited (the 'Company') and entities (including structured entities) controlled by the Company (together 'the Group'). The Company consolidates a Trust when it controls it. Control exists when the Company has power over the trust, is exposed, or has rights, to variable returns from its involvement with the trust and has the ability to affect those returns by using its power over the trust. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the trust's returns.

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its trusts. For this purpose, income and expenses of the trusts are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each trust and the parent's portion of corpus of each trust.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in Associate:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but it's not control or joint control over those policies, Investment in Associate are accounted for using equity method of accounting, after initially being recognised at cost.

Under equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

5. Significant accounting policies

5.1 Recognition of interest income and dividend income

5.1.1 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 Group 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.

5.1.2 Interest income:

The Group 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 Group 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 Group reverts to calculating interest income on a gross basis.

Interest income on all securities held for trading, required to be measured at FVTPL is recognised using the contractual interest rate under Interest income.

5.1.3 Dividend income:

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

5.2 Financial instruments:

5.2.1 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 Group 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 Group recognises borrowings when funds are available for utilisation to the Group.

5.2.2 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,

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

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.

5.2.3 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 Group 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.

5.2.4 Classification & measurement categories of financial assets and liabilities:

The Group 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 Group measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

5.3 Financial assets and liabilities:

5.3.1 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

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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.

5.3.2 Financial assets held for trading:

The Group 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 evidence of a recent pattern of short-term profit is 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.

5.3.3 Investment in equity instruments:

The Group 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. Amounts recognised in other comprehensive income are not subsequently recycled to profit or loss.

5.3.4 Financial liabilities:

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

5.3.5 Derivative financial instruments:

The Group 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.

5.3.6 Debt securities and other borrowed funds:

The Group measures debt issued and other borrowed funds at Amorisred 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 Group 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.

5.3.7 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.

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

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

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group'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.

5.3.8 Financial guarantee:

Financial guarantees are contract that requires the Group 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.

5.3.9 Loan commitments:

Undrawn loan commitments are commitments under which, the Group 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.

5.3.10 Financial liabilities and equity instruments

Financial instruments issued by the Group 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 Group are recognised at the proceeds received, net of direct issue costs.

5.4 Reclassification of financial assets and liabilities

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

5.5 Derecognition of financial Instruments:

5.5.1 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 Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

- The Group 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 Group 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 Group 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 Group cannot sell or pledge the original asset other than as security to the eventual recipients.

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group 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 Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group 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 Group 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 Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

5.5.2 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

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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.

5.6 Impairment of financial assets:

The Group 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 Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 Group 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 Group’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Group categories its financial assets as follows:

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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 Group 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.

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

5.7 Collateral valuation:

To mitigate its credit risks on financial assets, the Group 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 Group'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 Group 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.

5.8 Collateral repossessed:

The Group'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 Group's policy.

In its normal course of business, the Group 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

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

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.

5.9 Write-offs:

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

5.10 Forborne and modified loan:

The Group 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 Group 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 Group 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 Group'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.

5.11 Determination of fair value:

The Group 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 Group.

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 Group 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 Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments:

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

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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 Group 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 Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Group 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 Group 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.

5.12 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 that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the lease items are operating leases

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.

5.13 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.

5.14 Foreign currency transaction:

The Consolidated 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.

5.15 Retirement and other employee benefit:

5.15.1 Provident fund and national pension scheme:

The Group 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.

5.15.2 Gratuity:

The Group's gratuity scheme is a defined benefit plan. The Group'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.

5.15.3 Compensated absences:

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group 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.

5.15.4 Deferred bonus:

The Group has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Group 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.

5.15.5 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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.

5.16 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

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

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 Group 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 Group 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 Group 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.

5.17 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 Group 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.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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5.18 Impairment of non-financial assets:

The Group 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 Group 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.

5.19 Provisions and other contingent liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group. Claims against the Group, 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.

5.20 Income tax expenses:

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

5.20.1 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

5.20.2 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.

Notes to the Consolidated 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5.20.3 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.

5.21 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.

6. Significant accounting judgements, estimates and assumptions :

In the application of the Group's accounting policies, which are described in note 5, 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 Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

6.1 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 Group determines the business model at a level that reflects how Group'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 Group 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 Group'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.

6.2 Significant increase in credit risk:

As explained in note 52.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 Group 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

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

6.4 Effective Interest Rate (EIR) Method:

The Group's EIR methodology, as explained in Note 5.1, 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

6.5 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 Group'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 Group'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

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

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

Refer note 52.D.1 for detailed information on Group's Expected credit loss Calculation.

6.6 Impairment of Non-Financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Group 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.

6.7 Provisions and contingent liabilities:

The Group 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 Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group 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 Group 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.

6.8 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 Group and that are believed to be reasonable under the circumstances.

7. 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 sheet 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 Group does not have

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

any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

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.

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

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

- 8.** Accounts for the previous year ended March 31, 2018 were audited by previous auditors – Price Waterhouse & Co LLP.
- 9.1** Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Group, 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 Group, 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 Group a total sum of Rs. 10,395 millions on May 7, 2019, towards first tranche.
- 9.2** A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Group ("Transferee") 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

10. Cash and cash equivalents

Cash in hand

Cash in hand

0.04

0.06

0.02

Balances with banks

In current accounts

991.19

1,630.89

10,851.11

- in fixed deposits with original maturity less than 3 months

91.27

28.98

24.26

1,082.50

1,659.93

10,875.39

11. Bank balances other than cash and cash equivalents

Fixed deposit with banks

2.52

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

(Refer Note 11.A Below)

470.24

985.32

936.71

Notes:

Fixed deposit balances with banks earns interest at fixed rate.

11.A Encumbrances on fixed deposits held by the Group:

Fixed deposits pledged for:

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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

12. Derivative financial instruments

The Group 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 Group 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

As at March 31, 2019								
Particulars	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)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(i)				136.59				183.22
(ii) Equity linked derivatives								
Stock futures				-	No of Shares		20,88,034	2.18
Less: amounts offset								(2.18)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				-				-
(iii) Index linked derivatives								
Index futures				-	Index Units		87,300.0	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)
<i>(Refer Note 12.A & 51)</i>								
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

As at March 31, 2018								
Particulars	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 future	G-Sec Units		40,80,000	0.10			-	-
Less: amounts offset				(0.10)				
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				27.50				35.06
(iii) Equity linked derivatives								
Stock futures	No of Shares		91,966	1.83	No of Shares		29,800	0.02
Less: amounts offset			-	(1.83)			-	(0.02)
<i>(Refer Note 12.A & 51)</i>								
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)				-
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iv)				3.91				191.33
(v) Embedded derivatives*								
In market linked debentures				93.94				223.89
Subtotal(v)				93.94				223.89
Total derivative financial instruments			Total	125.35			Total	450.32

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

(Currency: Indian rupees in million)

12. Derivative financial instruments

As at April 01, 2017								
Particulars	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)
<i>(Refer Note 12.A & 51)</i>								
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)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				32.17				41.15
(iii) Equity linked derivatives								
Stock futures	No of Shares		30,51,900	4.15				-
Less: amounts offset				(4.15)				
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		2,49,150	47.71				-
Options purchased	Index Units		10,79,175	723.34				-
Options sold				-	Index Units		11,91,000	70.50
Less: amounts offset				(47.71)				
<i>(Refer Note 12.A & 51)</i>								
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 held 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 5.3.5 for further details.

Hedging activities and derivatives

The Group 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 Group's risk management strategy and how it is applied to manage risk are explained in Note 52.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments

ECL Finance Limited

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

(Currency: Indian rupees in million)

12.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 (TREPS)	3,700.11	(3,700.11)	-	-	-	-	-	-	-
Margin placed with broker*	1,646.14	(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	203.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
TriParty REPO (TREPS)	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 Lending	3,500.00	(3,500.00)	-	-	-	-	-	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

12.A Offsetting

Margin placed with broker*	196.30	2.30	198.60	-	-	198.60	-	198.60	198.60
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ECL Finance Limited

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

(Currency: Indian rupees in million)

12.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: As 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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

13. 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 03.06.2019 Bonds
 6.90% Government Stock 13.07.2019 Bonds
 10.03% Government Stock 09.08.2019 Bonds
 6.35% Government Stock 02.01.2020 Bonds
 7.80% Government Stock 03.05.2020 Bonds
 8.27% Government Stock 09.06.2020 Bonds
 8.12% Government Stock 10.12.2020 Bonds
 7.80% Government Stock 11.04.2021 Bonds
 7.94% Government Stock 24.05.2021 Bonds
 8.79% Government Stock 08.11.2021 Bonds
 8.20% Government Stock 15.02.2022 Bonds
 8.13% Government Stock 21.09.2022 Bonds
 8.35% 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
 7.37% Government Stock 16.04.2023 Bonds
 7.16% Government Stock 20.05.2023 Bonds
 6.17% Government Stock 12.06.2023 Bonds
 8.83% Government Stock 25.11.2023 Bonds
 7.68% Government Stock 15.12.2023 Bonds
 7.32% Government Stock 28.01.2024 Bonds
 7.35% Government Stock 22.06.2024 Bonds
 8.40% Government Stock 28.07.2024 Bonds
 7.72% Government Stock 25.05.2025 Bonds
 7.59% Government Stock 11.01.2026 Bonds
 6.97% Government Stock 06.09.2026 Bonds
 8.15% Government Stock 24.11.2026 Bonds
 8.24% Government Stock 15.02.2027 Bonds
 6.79% Government Stock 15.05.2027 Bonds
 7.17% Government Stock 08.01.2028 Bonds
 6.01% Government Stock 25.03.2028 Bonds
 7.26% Government Stock 14.01.2029 Bonds
 7.88% Government Stock 19.03.2030 Bonds
 7.61% Government Stock 09.05.2030 Bonds
 6.68% Government Stock 17.09.2031 Bonds
 8.13% Government Stock 22.06.2045 Bonds

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	-	-	-
100.00	1,00,000	10.25	-	-	-	-	-	-
100.00	1,60,000	16.28	100.00	28,60,000	291.15	100.00	3,60,000	36.85
-	-	-	-	-	-	100.00	20,00,000	217.88
100.00	60,00,000	609.40	100.00	55,00,000	554.96	-	-	-
-	-	-	100.00	65,00,000	682.60	-	-	-
100.00	10,00,000	104.59	100.00	50,00,000	527.03	-	-	-
100.00	50,00,000	525.27	-	-	-	-	-	-
100.00	25,00,000	265.03	100.00	85,00,000	897.59	100.00	30,00,000	322.37
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	5,00,000	54.01
-	-	-	100.00	20,00,000	200.11	-	-	-
100.00	20,00,000	201.95	-	-	-	-	-	-
100.00	5,00,000	52.60	-	-	-	-	-	-
100.00	44,00,000	455.47	100.00	55,00,000	558.82	-	-	-
100.00	10,00,000	98.96	100.00	75,00,000	727.14	-	-	-
100.00	5,00,000	55.18	-	-	-	-	-	-
-	-	-	-	-	-	100.00	15,00,000	159.64
100.00	1,15,00,000	1,182.56	-	-	-	-	-	-
100.00	5,00,000	51.81	100.00	40,00,000	406.05	100.00	50,00,000	520.11
-	-	-	-	-	-	100.00	50,00,000	547.98
100.00	40,00,000	421.53	100.00	1,00,00,000	1,037.03	-	-	-
100.00	10,00,000	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	3,00,00,000	3,285.82
-	-	-	100.00	10,00,000	104.50	-	-	-
100.00	10,00,000	98.62	100.00	70,00,000	683.13	-	-	-
100.00	2,00,00,000	1,992.66	100.00	30,00,000	300.40	-	-	-
-	-	-	100.00	5,00,000	44.33	-	-	-
100.00	60,00,000	605.66	-	-	-	-	-	-
-	-	-	-	-	-	100.00	10,00,000	104.76
-	-	-	-	-	-	100.00	35,00,000	373.13
100.00	20,00,000	185.82	100.00	55,00,000	509.40	-	-	-
-	-	-	-	-	-	100.00	10,00,000	110.19

ECL Finance Limited
Notes to the consolidated 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
State Government Debt Securities									
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds		-	-	100.00	25,00,000	261.08	-	-	-
8.07% Maharashtra Government Stock 23.10.2018 Bonds		-	-	100.00	30,00,000	313.21	-	-	-
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds		-	-	-	-	-	100.00	30,00,000	310.46
8.23% Gujarat Government Stock 07.10.2019 Bonds		-	-	100.00	25,00,000	263.41	-	-	-
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100.00	5,00,000	51.24	100.00	30,00,000	309.79	-	-	-
8.56% Kerala Government Stock 16.02.2020 Bonds		-	-	100.00	50,00,000	517.04	-	-	-
8.52% Karnataka Government Stock 10.03.2020 Bonds		-	-	100.00	25,00,000	257.12	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100.00	2,00,00,000	2,034.23	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds		-	-	100.00	25,00,000	255.72	-	-	-
8.21% Rajasthan State Government Stock Uday 31.03.2020 Bonds	100.00	50,00,000	506.20	-	-	-	-	-	-
8.53% Maharashtra Government Stock 27.10.2020 Bonds		-	-	-	-	-	100.00	5,00,000	54.14
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.72% Maharashtra State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.65% Karnataka State Development Loans Government Stock 25.01.2022 Bonds	100.00	50,00,000	530.22	-	-	-	-	-	-
8.58% Gujarat State Development Loan 23.01.2023 Bonds	100.00	25,00,000	266.64	-	-	-	-	-	-
8.66% Haryana State Development Loan Government Stock 06.02.2023 Bonds	100.00	25,00,000	266.59	-	-	-	-	-	-
8.62% Maharashtra State Development Loan Government Stock 20.02.2023 Bonds	100.00	25,00,000	265.45	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100.00	25,00,000	273.98	-	-	-	-	-	-
8.21% Haryana Government Stock Uday Special 31.03.2024 Bonds	100.00	98,18,000	1,012.61	-	-	-	-	-	-
8.31% Kerala State Development Loan Government Stock 13.02.2029 Bonds	100.00	15,00,000	158.99	-	-	-	-	-	-
Treasury Bills									
Treasury-Bill 182 Days Maturing 24.08.2017	-	-	-	-	-	-	100.00	30,00,000	293.27
Treasury-Bill 182 Days Maturing 15.02.2018	-	-	-	-	-	-	100.00	30,00,000	284.77
Treasury-Bill 91 Days Maturing 12.04.2018	-	-	-	100.00	37,45,200	373.97	-	-	-
Treasury-Bill 182 Days Maturing 12.07.2018	-	-	-	100.00	79,72,700	783.39	-	-	-
Treasury-Bill 182 Days Maturing 06.09.2018	-	-	-	100.00	20,00,000	194.51	-	-	-
<i>Total Government Debt Securities (A)</i>			13,873.50			16,662.92			6,888.64

ECL Finance Limited
Notes to the consolidated 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
Debt Securities									
7.80% Piramal Enterprises Limited 19.04.2019 Ccd	-	-	-	1,07,600	3,030	337.11	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.19 Bonds	-	-	-	-	-	-	1,000	13,000.00	13.63
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	-	-	-	10,00,000	900	977.98	-	-	-
11.00% Shriram Transport Finance Company Limited 20.04.2020 Bonds	-	-	-	10,00,000	10	11.24	-	-	-
8.75% Muthoot Finance Limited 24.06.2020 Bonds	-	-	-	1,000	4,000	4.34	-	-	-
9.25% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option I)	10,00,000	14	14.01	-	-	-	-	-	-
9.50% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option Iii)	10,00,000	108	108.20	-	-	-	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	12,49,000	1,244.48	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	1,000	81,210.00	80.12
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	16,920	17.04	-	-	-	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 Ncd	-	-	-	1,000	4,271	4.57	-	-	-
8.41% National Thermal Power Corporation Limited 16.12.2023 Ncd	-	-	-	-	-	-	1,000	6,333.00	7.21
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	-	-	-	1,000	15,000.00	16.98
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	-	-	-	13	11,514	0.15	13	1,19,984.00	1.57
10.00% Edelweiss Housing Finance Limited 19.07.2026 Ncd	-	-	-	1,000	53,375	59.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	898	0.96	-	-	-
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	-	-	-	10,00,000	4.00	4.06
8.90% Greater Hyderabad Municipal Corporation 16.02.2028 Ncd	-	-	-	10,00,000	16	16.34	-	-	-
8.85% Indiabulls Commerical Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	1,00,000	8,000	773.01	-	-	-
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	10,00,000	300	299.13	-	-	-
9.75% Jm 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 05.02.2029 Bonds	-	-	-	-	-	-	1,000	14,700.00	18.59
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	6	6.68	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	1,000	2,740.00	3.21
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	9	10.02	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	-	-	-	10,00,000	25	25.49	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	10,00,000	1	1.04	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	550	582.59	-	-	-
Total Debt Securities (B)			298.18			4,354.13			145.37
Equity Instruments									
CPSE ETF	10.00	2,65,88,545	724.27	-	-	-	-	-	-
IRB InvIT Fund	102.00	5,000	0.33	102.00	13,75,000	112.81	-	-	-
India Grid Trust	-	-	-	100.00	86,751	8.20	-	-	-
Hindustan Zinc Limited	-	-	-	-	-	-	2.00	11,36,000	328.08
Coal India Limited	-	-	-	-	-	-	10.00	19,15,900	560.69
Total Equity Instruments (C)			724.60			121.01			888.77
Preference Shares									
6.00% Zee Entertainment Enterprises Limited Pref Shares Sr-I	-	-	-	8.00	2,29,68,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10.00	22,26,835	23.56	-	-	-
Total Preference Shares (D)			-			203.18			-

ECL Finance Limited

Notes to the consolidated 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
Mutual Fund									
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option		10,00,000	10.00		10,00,000	10.00	-	10,00,000	10.03
HDFC Overnight Fund - Growth Option - Direct Plan		3,06,132	864.02		-	-	-	-	-
JM Large Cap Fund - Annual Dividend Option		16,26,89,805	2,513.85		-	-	-	-	-
Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth		40,00,000	42.60		-	-	-	-	-
Edelweiss Short Term Fund - Direct - Growth		30,66,864	52.62		-	-	-	-	-
Kotak Mahindra Mutual Fund Collection		-	-		4,61,398	1,010.22	-	-	-
JM Equity Fund - Monthly Dividend Option -Payout		-	-		4,77,24,041	570.71	-	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan		-	-		2,36,429	1,002.45	-	-	-
Reliance Medium Term Fund		-	-		2,71,68,155	1,010.13	-	-	-
Edelweiss Active Bond Fund - Direct - Growth		-	-		-	-		7,18,52,978	1,300.42
LIC Nomura Liquid Fund - Direct - Growth		-	-		-	-		3,39,185	1,000.27
Kotak Floater Fund - Direct Plan - Growth		-	-		-	-		5,62,086	1,500.42
JM High Liquidity Fund - Direct - Growth		-	-		-	-		2,24,71,506	1,000.48
<i>Total Mutual Fund (E)</i>			3,483.09			3,603.51			4,811.62
<i>Total (A+B+C+D+E)</i>			18,379.37			24,944.75			12,734.40

Notes:

Please refer note 51 - Fair Value measurement for Valuation methodologies for securities held for trading

ECL Finance Limited

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

(Currency: Indian rupees in million)

14. 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	4.99
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 Group 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	0.60	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	55.08	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	55.08	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

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

ECL Finance Limited

Notes to the consolidated 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
15. Loans (at amortised cost)			
Term Loans;			
Corporate credit	1,59,236.77	1,45,670.36	1,18,232.62
Retail credit	94,679.89	85,895.20	63,654.44
Total gross	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97
Secured by tangible assets (property including land & building)	1,57,327.94	1,21,878.85	93,130.60
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	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97
Loans in India			
Public sector	-	-	-
Others	2,53,916.66	2,31,565.56	1,81,887.06
Total gross	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97

15.A Loans given to directors

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans Given to Directors (refer note 49 related party disclosure)	342.19	-	-
	342.19	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

15.B Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 5.6

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	POCI*	Total	Stage I	Stage II	Stage III	POCI*	Total	Stage I	Stage II	Stage III	POCI*	Total
Performing															
High grade	2,12,533.38				2,12,533.38	2,07,186.27				2,07,186.27	1,54,301.98				1,54,301.98
Standard grade		25,864.50			25,864.50		12,900.51			12,900.51		17,489.51			17,489.51
Non-performing															
Individually impaired			5,687.54	9,831.24	15,518.78			4,699.20	6,779.58	11,478.78			3,793.00	6,302.57	10,095.57
	2,12,533.38	25,864.50	5,687.54	9,831.24	2,53,916.66	2,07,186.27	12,900.51	4,699.20	6,779.58	2,31,565.56	1,54,301.98	17,489.51	3,793.00	6,302.57	1,81,887.06

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 Group'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 Group's lending portfolio.

Reconciliation / movement for the year ended March 31, 2019

Particulars	Non credit impaired				Credit impaired				Total	
	Stage I		Stage II		Stage III		POCI*		Gross carrying Amount	Allowance for ECL
	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	1,578.49	12,900.51	510.36	4,699.20	2,672.43	6,779.58	-	2,31,565.56	4,761.28
Transfer of financial assets										
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-	-	-
Stage II 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)	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	-	-	624.20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	3,051.66	-	27,585.97	1,078.03
Loans sold to ARC	-	-	-	-	(4,992.45)	(117.82)	-	-	(4,992.45)	(117.82)
Amounts written off	-	-	-	-	(242.42)	(227.00)	-	-	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.54	3,358.72	9,831.24	-	2,53,916.66	6,118.69

ECL Finance Limited

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

(Currency: Indian rupees in million)

15.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		Stage III		POCI*			
	Gross Carrying Amount	Allowance for ECL	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	1,54,301.98	1,238.29	17,489.51	361.54	3,793.00	2,344.26	6,302.57	-	1,81,887.06	3,944.09
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)	-	-	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)	760.29	9.42	-	-	-	-
Stage III to Stage I	414.90	161.49	-	-	(414.90)	(161.49)	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(158.36)	-	3.72	-	2,068.71	-	-	-	1,914.07
New assets originated /repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	(329.98)	(66.17)	477.01	-	55,744.74	650.24
Loans sold to ARC	-	-	-	-	(4,286.03)	(714.62)	-	-	(4,286.03)	(714.62)
Amounts written off	-	-	-	-	(1,780.21)	(1,032.50)	-	-	(1,780.21)	(1,032.50)
Closing balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	6,779.58	-	2,31,565.56	4,761.28

*POCI loans represents our and third parties economic interest in securities receipts issued by ARC trusts that are now getting consolidated as per Ind AS (however, our share of such loans was included under the head "investment in securities receipts" under Indian GAAP). They are classified as POCI loans as these are already non-performing assets (impaired) at the time of acquisition itself and acquired under haircut. Income and ECL on POCI loans are part of net gain on fair value changes.

ECL Finance Limited

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

(Currency: Indian rupees in million)

16. Other investments

As at March 31, 2019	At amortised cost (1)	At fair value				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)	Subtotal 5 = (2+3+4)		
Preference shares (refer note 1)	711.13	-	-	-	-	-	711.13
Security receipts	-	-	943.17	-	943.17	-	943.17
Units of AIF	-	-	139.84	-	139.84	-	139.84
TOTAL - gross (A)	711.13	-	1,083.01	-	1,083.01	-	1,794.14
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	711.13	-	1,083.01	-	1,083.01	-	1,794.14
Total (B)	711.13	-	1,083.01	-	1,083.01	-	1,794.14
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total net (A-C)	711.13	-	1,083.01	-	1,083.01	-	1,794.14

As at March 31, 2018	At amortised cost (1)	At fair value				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)	Subtotal 5 = (2+3+4)		
Preference shares (refer note 1)	653.09	-	-	-	-	-	653.09
Security receipts	-	-	543.48	-	543.48	-	543.48
Units of AIF	-	-	195.36	-	195.36	-	195.36
TOTAL - gross (A)	653.09	-	738.84	-	738.84	-	1,391.93
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	653.09	-	738.84	-	738.84	-	1,391.93
Total (B)	653.09	-	738.84	-	738.84	-	1,391.93
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	653.09	-	738.84	-	738.84	-	1,391.93

As at April 01, 2017	At amortised cost (1)	At fair value				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)	Subtotal 5 = (2+3+4)		
Equity instruments	-	-	66.80	-	66.80	52.42	119.22
Preference shares (refer note 1)	1,104.69	-	-	-	-	-	1,104.69
Security receipts	-	-	-	-	-	-	-
Units of AIF	-	-	210.02	-	210.02	-	210.02
TOTAL - gross (A)	1,104.69	-	276.82	-	276.82	52.42	1,433.93
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	1,104.69	-	276.82	-	276.82	52.42	1,433.93
Total (B)	1,104.69	-	276.82	-	276.82	52.42	1,433.93
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	1,104.69	-	276.82	-	276.82	52.42	1,433.93

Notes:

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

2) Please refer note 16.B - Investment details for further details

3) Please refer note 51 - Fair value measurement for valuation methodology

ECL Finance Limited

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

(Currency: Indian rupees in million)

16.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 Group's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 5.6

	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 Group in same, hence no ECL is being provided on it.

ECL Finance Limited
Notes to the consolidated 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
16.B Other investments									
Equity instruments (fully paid up)									
At fair value through profit and loss									
Alok Industries Limited	-	-	-	-	-	-	10	2,26,42,893	66.80
<i>Total (A)</i>			-			-			66.80
Equity instruments (fully paid up)									
at cost									
Aeon Credit Services India Pvt Limited (Associate company)	-	-	-	-	-	-	10	2,27,50,000	52.42
<i>Total (B)</i>			-			-			52.42
Preference shares (fully paid up)									
At amortised cost									
Edelweiss Commodities Services Limited (7% Non cumulative non convertible redeemable)	10	10,00,000	711.13	10.00	10,00,000	653.09	10	10,00,000	945.95
Edelweiss Investment Adviser Limited (1% Non cumulative non convertible redeemable)	-	-	-	-	-	-	10	2,20,000	158.74
<i>Total (C)</i>			711.13			653.09			1,104.69
Security receipts									
At fair value through profit and loss									
EARC Trust SC 043	1,000	54,000	28.80	-	-	-	-	-	-
EARC Trust SC 055	1,000	46,800	23.40	-	-	-	-	-	-
EARC Trust SC 109	1,000	6,33,500	619.22	-	-	-	-	-	-
EARC Trust SC 245	1,000	2,76,760	194.90	-	-	-	-	-	-
EARC Trust SC 297	1,000	33,182	26.35	1,000	5,18,470	543.48	-	-	-
EARC Trust SC 313	1,000	23,427	28.37	-	-	-	-	-	-
EARC Trust SC 326	1,000	711	0.65	-	-	-	-	-	-
EARC Trust SC 345	1,000	8,865	9.73	-	-	-	-	-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	11.75	-	-	-	-	-	-
<i>Total (D)</i>			943.17			543.48			-

ECL Finance Limited

Notes to the consolidated 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
Units of AIF									
At fair value through profit and loss									
Edelweiss Stressed and Troubled Assets Revival Fund	5,576.40	25,000.00	139.41	7,797.20	25,000.00	194.93	8,383.60	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
<i>Total (E)</i>			139.84			195.36			210.02
<i>Total (A+B+C+D+E)</i>			1,794.14			1,391.93			1,433.93

Note Please refer note 51 - Fair value measurement for valuation methodologies for investments

ECL Finance Limited

Notes to the consolidated 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
17. Other financial assets			
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	1,625.80	198.60	742.02
Interest accrued on investments	5.54	5.54	31.17
Advances recoverable in cash	185.13	180.35	59.53
Receivables from trust	475.59	-	-
	2,440.31	485.78	928.04
18. Current tax assets (net)			
Advance income taxes (net of provision for tax ₹ 5,673.86, March 31, 2018 ₹ 6,286.90 million, April 01, 2017 ₹ 4,953.07 millions)	422.36	457.72	403.03
	422.36	457.72	403.03
19. 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
Others	9.42	2.24	1.73
	2,017.56	1,973.66	1,715.95
Deferred tax liabilities			
Property, plant and equipment and intangibles			
Difference between book and tax depreciation	26.98	24.29	16.70
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
Others	-	2.85	-
	531.34	457.34	351.23
	1,486.22	1,516.32	1,364.72

ECL Finance Limited

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

(Currency: Indian rupees in million)

20. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Other intangible assets		Total	
	Building\$	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Computer software	Total		
Deemed cost*										
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)	(0.07)	(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	-	-	-	(3.14)	-	(3.44)	(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
Depreciatin and Impairment:										
<u>Opening balance*</u>	-	-	-	-	-	-	-	-	-	-
Add: Deperciation/amortisation for the year	17.92	1.12	2.99	6.24	3.22	13.09	44.58	8.20	8.20	52.78
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: Deperciation/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
Net book value										
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	27.93	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	538.32	78.50	78.50	616.82

*The Group 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.

\$ Charge against secured redeemable non-convertible debentures (Refer note 23.B)

ECL Finance Limited

Notes to the consolidated 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
21. 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 kind or for value to be received	5.28	4.65	5.25
Advances to employees	3.36	6.01	3.04
Others	17.11	38.52	2.49
	435.94	219.52	75.45
22. Trade Payables			
Payable to :			
Trade payables to non-related parties	2,662.36	860.03	458.60
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	852.46	487.46	60.29
	3,514.82	1,347.49	518.89

22.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 Group during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
23. Debt securities			
<i>at amortised cost</i>			
<i>(Refer Note 23.A and 23.B)</i>			
Redeemable non-convertible debentures - secured			
Privately placed	45,351.78	44,885.23	29,905.88
Public issue	29,552.37	3,246.45	10,213.07
Market linked debentures	8,237.72	9,635.39	17,582.38
INR Bonds			
INR denominated USD settled notes (masala bonds)	5,197.22	5,174.33	5,154.70
Redeemable non-convertible debentures - unsecured			
Privately placed	906.16	829.20	748.69
Commercial papers - unsecured	5,650.00	8,250.00	31,620.00
Less : Unamortised discount	(23.40)	(187.16)	(397.41)
	5,626.60	8,062.84	31,222.59
Total	94,871.85	71,833.44	94,827.31
Debt securities in India	89,674.63	66,659.11	89,672.61
Debt securities outside India	5,197.22	5,174.33	5,154.70
Total	94,871.85	71,833.44	94,827.31

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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

*MLD represents market linked debentures

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

83,141.87

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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
						5,197.22

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
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					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
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	-	199.00	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

*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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.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	-	-	5,000.00	-	-	-	5,000.00
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	-	-	110.00	-	-	-	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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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
Dec 2024	-	-	500.00	-	-	-	500.00
Feb 2025	-	-	-	100.00	-	-	100.00
Mar 2025	-	-	70.00	-	-	-	70.00
Apr 2025	-	-	250.00	-	-	-	250.00

*MLD represents market linked debentures

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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	1,977.64	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

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.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 Group has raised Rs 28,914.15 million worth of redeemable non-convertible debentures through public issue. As at March 31 2019 the Group 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 consolidated 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
24. Borrowings other than debt securities <i>(at amortised cost)</i>			
<i>Secured</i>			
<u>Term loan from bank</u>	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] <i>(Refer Note 24.A)</i>			
<u>Term loans from other parties</u>	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] <i>(Refer note 24.A)</i>			
<u>Other borrowings</u>			
Cash credit lines	22,322.04	18,235.36	3,872.83
[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%]			
<i>Unsecured</i>			
<u>Loan from related parties (refer note 49)</u>	1,014.31	12,124.87	14,080.73
(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	-	-	-
Total	1,13,287.45	1,38,208.56	76,518.36

ECL Finance Limited

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

(Currency: Indian rupees in million)

24.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	358.40	2,654.08	593.06	200.00	3,805.53
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	6,091.58	425.00	200.00	6,941.58
Jan 2022	-	500.00	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

ECL Finance Limited

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

(Currency: Indian rupees in million)

24.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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

24.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

ECL Finance Limited

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

(Currency: Indian rupees in million)

24.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					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
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 consolidated 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. Subordinated liabilities (unsecured)			
<i>(at amortised cost)</i>			
<i>(Refer Note 25.A)</i>			
Subordinated debt			
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

25.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.

ECL Finance Limited

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

(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				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** 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 consolidated 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.*

25.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 consolidated 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
26. Other financial liabilities			
Payable on account of securitisation	750.24	-	-
Book overdraft	1,622.07	1,707.83	325.66
Accrued salaries and benefits	529.57	720.56	496.72
Payable - SLB segment	673.72	-	-
Payable to ARC	1,557.53	1,088.31	926.54
	5,133.13	3,516.70	1,748.92
27. 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
28. Provisions			
Provision for employee benefits			
Gratuity (Refer Note 40.A)	4.40	-	-
Compensated leave absences	24.89	13.88	12.97
Deferred bonus	-	133.59	275.45
	29.29	147.47	288.42
29. Other non-financial liabilities			
Statutory liabilities*	56.42	114.71	35.21
Advances from customers	63.91	0.09	-
Others	156.32	59.18	78.41
	276.65	173.98	113.62

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

ECL Finance Limited

Notes to the consolidated 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	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
30. Equity share capital						
Authorised :						
Equity shares of Re.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 Re.1 each	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85
	2,13,82,66,650	2,138.27	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 Group 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 Group 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 ₹ 1,200.00 million to Edel Finance Company Limited.

B. Terms/rights attached to equity shares :

The Group 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 Group, the equity shareholders will be entitled to receive the remaining assets of the Group, 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	8,43,88,184	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 Group

	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 / disinvestment.

ECL Finance Limited

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

(Currency: Indian rupees in million)

31. 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	3,892.54	2,968.44
Debenture redemption reserve	3,837.87	1,720.61	2,122.26
Retained earnings	15,202.70	13,181.47	9,341.92
Deemed capital contribution - equity	140.02	140.02	97.89
	36,084.83	26,917.65	21,369.76

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Statutory reserve

Reserve created under 45-IC(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 Group that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Group 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 Group's undistributed earnings after taxes. Pre-acquisition reserve represents retained earnings of trust prior to acquisition by the company.

e. Deemed capital contribution - equity

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

31. 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	13,181.47	9,341.92	6,920.34
Add: Pre-acquisition reserve	(13.69)	-	-
Add: Profit for the year	5,547.13	4,756.59	3,831.70
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	-	-	(529.32)
Add: Balance released from debenture redemption reserve	-	401.65	-
Amount available for appropriation	18,451.73	14,445.35	10,539.73
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)
	15,202.70	13,181.47	9,341.92
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
	36,084.83	26,917.65	21,369.76

ECL Finance Limited

Notes to the consolidated financial statement 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
32. Interest Income		
On financial assets measured at amortised cost		
<i>Interest on loans</i>		
Loans	35,233.31	26,627.64
<i>Interest income from investments</i>		
Collateralised borrowing and lending operations / TriParty REPO	93.88	22.05
Investment in preference Shares	58.05	101.40
Interest on deposits with bank		
Fixed deposits	48.38	83.36
Other interest income		
Margin with brokers	33.39	16.68
Others	31.09	53.03
	35,498.10	26,904.16
On financial assets measured at FVTPL		
<i>Interest income from investments</i>		
Interest income - securities held for trading	2,099.35	2,225.35
	2,099.35	2,225.35
	37,597.45	29,129.51
33. Dividend Income		
Dividend - Securities held for trading	1,902.68	457.89
Dividend - Units of AIF funds	0.70	0.70
	1,903.38	458.59
34. Fee income		
Processing and other fees	1,173.28	1,656.77
	1,173.28	1,656.77
35. Net gain/ (loss) on financial instruments at FVTPL		
Investments		
Profit on trading - Securities held for trading (net)	692.34	654.18
Fair value - Securities held for trading (net)	(1,867.21)	(445.37)
Derivatives		
Profit on trading - Interest rate swap (net)	52.37	8.78
Profit on trading - Equity derivative instruments (net)	14.43	500.61
Profit on trading - Currency derivative instruments (net)	-	2.08
Profit / (loss) on trading - Interest rate derivative instruments (net)	28.29	(154.52)
Fair value - Derivative financial instruments (net)	156.95	(192.72)
Others		
Profit on sale/redemption - Securities receipts	561.44	677.57
Fair value - security receipts	(282.13)	527.40
Profit on sale of long term investment	10.77	29.01
	(632.75)	1,607.02
Fair value changes		
Realised	1,359.64	1,717.71
Unrealised	(1,992.39)	(110.69)
	(632.75)	1,607.02
36. Other income		
Miscellaneous income	148.59	92.08
	148.59	92.08

ECL Finance Limited

Notes to the consolidated financial statement 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
37. Finance costs		
<i>On financial liabilities measured at amortised cost</i>		
Interest on borrowings other than debt securities	12,377.07	8,858.26
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	433.33	572.11
	24,406.20	18,863.97
38. Net loss on derecognition of financial instruments		
Loss on sale of credit impaired assets (Refer note 56)	970.36	1,366.60
	970.36	1,366.60
39. 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
40. 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:

Edelweiss 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 Group’s employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Group has accepted such cross charge and recognised the same under the employee cost.

ECL Finance Limited

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

(Currency: Indian rupees in million)

40.A Employee Benefits

a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Group 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 Group contributes an equal amount.

The Group 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 Group, 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 on representations made by an industry association in this regard.

b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group 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 Group's financial statements as at balance sheet date:

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	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 28)	4.40	-	-
Assets - (refer note 21)	-	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 (DBO)		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	7.99	(35.00)	(7.99)
Benefits paid	(9.84)	(2.92)	(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

ECL Finance Limited

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

(Currency: Indian rupees in million)

40.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	-	-	0.14
	88.62	59.48	50.30

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	IALM 2012-14(Ultimate)	IALM 2006-08(Ultimate)	IALM 2006-08(Ultimate)
Expected weighted average remainin 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:

- The discount rate are based on the benchmark yields available on Government Bonds at reporting date.
- The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- 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%)	5.36	(4.93)	3.33	(3.26)	2.37	(2.35)
Discount Rate (+/- 1%)	(4.89)	5.41	(3.22)	3.35	(2.33)	2.40
Withdrawal Rate (+/- 1%)	0.80	(0.78)	0.37	(0.37)	0.44	(0.43)

Note: 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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

40.A Employee Benefits

Description of asset liability matching (ALM) policy

The Group 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 Group 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 Group 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	59.48	50.31
Net (assets)/liability	4.40	(0.74)	(3.36)

C) Compensated absences :

The Group 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

41. Other expenses

	For the year ended March 31, 2019	For the year ended 31 March 2018
Advertisement and business promotion	62.41	14.78
Auditors' remuneration (refer note 41.A)	13.81	7.57
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	824.32	471.90
Printing and stationery	13.38	3.59
Rates and taxes	14.98	4.19
Rent (refer note 41.C & 41.D)	194.54	134.27
Repairs and maintenance (refer note 41.D)	19.17	4.62
Electricity charges (refer note 41.D)	31.09	22.37
Computer expenses	26.31	21.59
Corporate social responsibility (refer note 41.B)	125.54	96.92
Clearing & custodian charges	0.86	0.52
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	366.21	110.73
Securities transaction tax	41.19	11.28
Loan origination cost	333.29	50.02
Goods & service tax expenses	264.54	101.68
Stamp duty	57.04	26.48
Travelling and conveyance	104.08	67.81
Miscellaneous expenses	61.01	27.91
Housekeeping and security charges (refer note 41.D)	31.69	7.15
	3,080.41	1,523.02

41.A Auditors' remuneration:

	For the year ended March 31, 2019	For the year ended 31 March 2018
As a Auditor		
Statutory audit of the Group	6.08	2.63
Limited review	1.80	1.88
Certification and others	5.53	2.64
Towards reimbursement of expenses	0.40	0.42
	13.81	7.57

ECL Finance Limited

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

(Currency: Indian rupees in million)

41.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 Group 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 49 related party disclosure)	122.24	96.72
Paid to external parties	3.30	0.20
	125.54	96.92

41.C Operating leases

The Group 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	12.97
later than five years	-	-

41.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Group 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 Group for the benefit of fellow subsidiaries is recovered by the Group. Accordingly, and as identified by the management, the expenditure heads in note 40 and 41 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 553.40 millions (previous year Rs. 263.29 millions)

ECL Finance Limited

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

(Currency: Indian rupees in million)

42. 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 42.A)	2,398.62	2,637.36
Deferred tax (refer note 42.B)	(228.00)	(208.73)

42.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	7,717.75	7,197.29
Statutory income tax rate	34.94%	34.61%
Tax charge at statutory rate	2,696.89	2,490.84
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	(626.85)	(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)	0.32	(62.15)
Total tax reported in statement of profit and loss	2,170.62	2,428.63
Effective income tax rate	28.12%	33.74%

ECL Finance Limited

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

(Currency: Indian rupees in million)

42. Income Tax (contd.)

42.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	336.86	(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	(133.36)	(280.12)	-	-	(413.48)
Fair valuation of assets and liabilities	(271.50)	(1.02)	-	-	(272.52)
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	(140.17)	6.81	-	-	(133.36)
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

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

(Currency: Indian rupees in million)

43. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Group 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 Group 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 Group - A	5,547.13	4,756.59
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)	2.68	2.51

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.

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

(Currency: Indian rupees in million)

44. Contingent Liability & Commitment:

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group 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 Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group'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 Group	657.51	111.98

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

The Group 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 Group 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, Group 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
Estimated 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	31,481.63	45,446.60

44.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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

45. Segment Reporting

Primary Segment (Business segment)

The Group's business is organised 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 Group are primarily concentrated in India, the Group 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	35,291.43	2,316.05	2.38	37,609.86
Other Operating income	1,460.02	1,064.20	55.87	2,580.09
Total Revenue from Operations	36,751.45	3,380.25	58.25	40,189.95
Interest Expenses	22,080.55	2,322.43	3.22	24,406.20
Other Expenses	7,485.62	434.17	146.21	8,066.00
Total Expenses	29,566.17	2,756.60	149.43	32,472.20
Segment profit/(loss) before taxation	7,185.28	623.65	(91.18)	7,717.75
Income Tax Expenses			2,170.62	2,170.62
Profit for the year				5,547.13
Other Comprehensive Income			(3.30)	(3.30)
Total comprehensive income				5,543.83
Segment Assets	2,51,405.39	22,429.44	2,262.85	2,76,097.68
Segment Liabilities	2,13,189.24	24,328.36	356.97	2,37,874.57
Capital expenditure	210.96	-	-	210.96
Depreciation and amortisation	106.53	-	-	106.53
Significant non-cash items	2,654.58	1.00	0.06	2,655.64

ECL Finance Limited

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

(Currency: Indian rupees in million)

45. 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	26,706.24	2,422.77	0.50	29,129.51
Other Operating income	2,215.00	1,599.47	-	3,814.47
Total Revenue from Operations	28,921.24	4,022.24	0.50	32,943.98
Interest Expenses	17,529.15	1,334.82	-	18,863.97
Other Expenses	6,470.51	300.49	111.72	6,882.72
Total Expenses	23,999.66	1,635.31	111.72	25,746.69
Segment profit/(loss) before taxation	4,921.58	2,386.93	(111.22)	7,197.29
Income Tax Expenses			2,428.63	2,428.63
Profit after tax before share of associate				4,768.66
Share of loss of associate			(12.07)	(12.07)
Other Comprehensive Income			2.31	2.31
Total comprehensive income				4,758.90
Segment Assets	2,30,578.29	32,018.94	2,094.67	2,64,691.90
Segment Liabilities	2,04,611.75	30,523.11	691.28	2,35,826.14
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	1,83,309.15	24,311.56	1,769.73	2,09,390.44
Segment Liabilities	1,57,114.54	28,802.93	211.36	1,86,128.83

ECL Finance Limited

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

(Currency: Indian rupees in million)

46. Transfer of financial assets

46.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 <i>(held as Collateral)</i>	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	-

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

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

47. 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 consolidated financial statement for the year ended March 31, 2019

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48. 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 to 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 Group 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	1,082.50	-	1,082.50	1,659.93	-	1,659.93	10,875.39	-	10,875.39
Bank balances other than cash and cash equivalents	311.18	159.06	470.24	927.68	57.64	985.32	856.20	80.51	936.71
Derivative financial instruments	377.63	5.67	383.30	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	72,085.90	1,75,712.07	2,47,797.97	78,821.60	1,47,982.68	2,26,804.28	72,159.53	1,05,783.44	1,77,942.97
Investments	0.43	1,793.71	1,794.14	0.43	1,391.50	1,391.93	946.38	487.55	1,433.93
Other financial assets	1,964.72	475.59	2,440.31	485.78	-	485.78	928.04	-	928.04
Non-financial assets									
Current tax assets (net)	-	422.36	422.36	-	457.72	457.72	-	403.03	403.03
Deferred tax assets (net)	-	1,486.22	1,486.22	-	1,516.32	1,516.32	-	1,364.72	1,364.72
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	435.51	-	435.94	219.52	-	219.52	75.45	-	75.45
Total Assets	95,358.23	1,80,739.02	2,76,097.68	1,12,573.14	1,52,118.76	2,64,691.90	1,00,552.43	1,08,838.01	2,09,390.44
Financial Liabilities									
Derivative financial instruments	258.07	218.76	476.83	261.16	189.16	450.32	414.03	253.15	667.18
Trade payables	3,514.82	-	3,514.82	1,347.49	-	1,347.49	518.89	-	518.89
Debt securities	27,842.39	67,029.46	94,871.85	20,988.69	50,844.75	71,833.44	53,260.46	41,566.85	94,827.31
Borrowings (other than debt securities)	55,210.08	58,077.37	1,13,287.45	70,700.59	67,507.97	1,38,208.56	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	5,133.13	-	5,133.13	3,516.72	-	3,516.72	1,748.91	-	1,748.91
Non-financial liabilities									
Current tax liabilities (net)	-	289.96	289.96	-	568.40	568.40	-	175.56	175.56
Provisions	-	29.29	29.29	-	147.47	147.47	-	288.42	288.42
Other non-financial liabilities	276.65	-	276.65	173.98	-	173.98	113.62	-	113.62
Total Liabilities	93,227.36	1,44,647.21	2,37,874.57	97,537.23	1,38,288.91	2,35,826.14	94,861.97	91,266.86	1,86,128.83
Net	2,130.87	36,091.81	38,223.11	15,035.91	13,829.85	28,865.76	5,690.46	17,571.15	23,261.61

ECL Finance Limited

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

49. 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 Comtrade 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 348</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)</p>
<p>Key management personnel</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>Kunnasagaran Chinniah (w.e.f. 18th February 2019)</p>
<p>Relative of key management personnel (with whom transactions have taken place)</p>	<p>Pooja Mittal (w.e.f 1st Dec 2018)</p> <p>Aparna T. Chadrashekhar (w.e.f. 5th March 2019)</p> <p>Ramautar 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>Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place</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)

49. 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	-
Ramautar 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	-
Ramautar 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 - benchmark linked debentures		
ECap Equities Limited	3,731.23	1,458.90
Edelweiss Rural & Corporate Services Limited	52.49	-

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49. 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	641.31
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	2,625.64	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 348	1,700.00	-
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)

49. 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	0.03	-
Edelweiss Retail Finance Limited	0.14	-
Edelweiss Housing Finance Limited	3.44	-
Edelcap Securities Limited	-	0.03
Edelweiss Custodial Services Limited	-	0.03
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. Chadrashkhar	1.22	-
Edelweiss Rural & Corporate Services Limited	9.94	44.35
Ravi R Bubna	-	0.01
Ramautar S. Bubna	-	0.01
Sandhya 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

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49. 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		
ECap 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	-

ECL Finance Limited

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49. 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	27.76	2.60
Edelweiss Housing Finance Limited	6.86	3.38
Edelweiss Securities Limited	4.81	2.90
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. Bubna	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalam	0.44	0.24
Biswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kunnasagan Chinniah	0.02	-

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49. 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
Edelcap 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	23.94	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	6.65	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	-

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49. 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	0.19	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

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49. 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 debentured 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	204.59	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. Loan 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.

ECL Finance Limited

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

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50. Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group 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:

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- d) 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

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Group monitors capital using debt-equity ratio, which is total debt divided by total equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total debt - A	2,28,153.89	2,29,621.76	1,82,616.25
Total equity - B	38,223.11	28,865.76	23,261.61
Debt equity ratio (A/B)	5.97	7.95	7.85

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51. 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 price: financial instruments with quoted prices for identical instruments in active markets that Group 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 5.11 for more details on fair value hierarchy

B. Valuation governance framework

The Group'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 Group 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, Group 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	-	-	943.17	943.17
Units of AIF	-	-	139.84	139.84
Total investments measured at fair value - C	-	-	1,083.01	1,083.01
Total (A+B+C)	18,299.55	434.77	1,111.78	19,846.10
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

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(Currency: Indian rupees in million)

51. 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				
Security receipts	-	-	543.48	543.48
Units of AIF	-	-	195.36	195.36
Total investments measured at fair value - C	-	-	738.84	738.84
Total (A+B+C)	20,596.85	4,381.63	832.78	25,811.26
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
Units of AIF	-	-	210.02	210.02
Total investments measured at fair value - C	66.80	-	210.02	276.82
Total (A+B+C)	13,431.03	179.01	436.26	14,046.30
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

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51. 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 Group 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 Group agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Group 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. Group 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.

Group 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. Group classify these embedded derivative as level 2 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, Group uses exchange traded prices to value these derivative and classify these instrument as level 1

E. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

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51. 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 AIF	Total
Investments - at April 1, 2018	543.48	195.36	738.84
Purchase	9,700.58	-	9,700.58
Sale/Redemption proceeds	(9,739.38)	(61.60)	(9,800.98)
Profit for the year recognised in profit or loss	438.49	6.08	444.57
Investments - at March 31, 2019	943.17	139.84	1,083.01
Unrealised gain/(Loss) related to balances held at the end of the year	-97.94	(5.36)	-103.30
Financial year ended March 2018	Security receipts	Units of AIF	Total
Investments - at April 1, 2017	-	210.02	210.02
Purchase	1,036.94	-	1,036.94
Sale/Redemption proceeds	(1,171.63)	(7.88)	(1,179.51)
Profit for the year recognised in profit or loss	678.17	(6.78)	671.39
Investments - at March 31, 2018	543.48	195.36	738.84
Unrealised gain/(Loss) related to balances held at the end of the year	25.01	(11.44)	13.57

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	Assets	Liabilities	Net Balance
at April 1, 2017	226.24	555.53	(329.29)
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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(Currency: Indian rupees in million)

51. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 Instruments i.e. Securities receipts and Units of AIF Fund. The range of values indicates the highest and lowest level input 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	943.17	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	8,472.47	5% increase in Expected future Cash flow	43.15	5% Decrease in Expected future Cash flow	(43.15)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(10.11)	0.5% Decrease in Risk-adjusted discount rate	10.30
Units of AIF	139.84	Net Asset approach	Fair value of underlying investments	1,061.54	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 Nifty 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	10.25%	0.5% increase in Risk-adjusted discount rate	1.35	0.5% Decrease in Risk-adjusted discount rate	(1.35)
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	543.48	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	2,595.00	5% increase in Expected future Cash flow	27.18	5% Decrease in Expected future Cash flow	(27.18)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(8.25)	0.5% Decrease in Risk-adjusted discount rate	8.43
Units of AIF	195.36	Net Asset approach	Fair value of underlying investments	1,608.87	5% Increase in Fair value of Underlying Investment	9.42	5% Increase in Fair value of Underlying Investment	(9.42)
Embedded derivatives (net)	129.95	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(6.50)	5% Decrease in Nifty Index curve	6.50
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.65	0.5% Decrease in Risk-adjusted discount rate	(0.65)

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51. 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 Group'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	1,082.50	1,082.50			1,082.50
Bank balances other than cash and cash equivalents	470.24	470.24			470.24
Trade Receivables	720.99		720.99		720.99
Loans	2,47,797.97			2,44,606.20	2,44,606.20
Investments	711.13		711.13		711.13
Other financial assets	2,440.31		1,964.72	475.59	2,440.31
Total Financial Assets	2,53,223.14	1,552.74	3,396.84	2,45,081.79	2,50,031.37
Financial Liabilities					
Trade payables	3,514.82		3,514.82		3,514.82
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	19,994.59		19,136.62		19,136.62
Other financial liabilities	5,133.13		5,133.13		5,133.13
Total Financial Liabilities	2,36,801.84	-	2,39,593.30	-	2,39,593.30
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	1,659.93	1,659.93			1,659.93
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	2,26,804.28			2,32,593.42	2,32,593.42
Investments	653.09		653.09		653.09
Other financial assets	485.78		485.78	-	485.78
Total Financial Assets	2,36,062.92	2,645.25	6,613.39	2,32,593.42	2,41,852.06
Financial Liabilities					
Trade payables	1,347.49		1,347.49		1,347.49
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	3,516.72		3,516.72		3,516.72
Total Financial Liabilities	2,34,485.97	-	2,30,856.41	-	2,30,856.41
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

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51. 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	10,875.39	10,875.39			10,875.39
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	1,77,942.97			1,81,093.75	1,81,093.75
Investments	1,332.19		1,332.19		1,332.19
Other financial assets	928.04		928.04		928.04
Total Financial Assets	1,93,184.60	11,812.10	3,429.53	1,81,093.75	1,96,335.38
Financial Liabilities					
Trade payables	518.89		518.89		518.89
Debt securities	94,827.31		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	1,748.91		1,748.91		1,748.91
Total Financial Liabilities	1,84,884.05	-	1,87,425.66	-	1,87,425.66
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

I. 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 Group'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.

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52. Risk Management

52.A Introduction and risk profile

Risk is an inherent part of Group's business activities. When the Group extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Group takes on some degree of risk. The Group'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 Group.

The Group believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Group;
- 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 Group strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

52.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 Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Group'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 Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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.

52.C Risk mitigation and risk culture

The Group'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 Group'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 Group's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Group in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Group'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 Group is exposed to. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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52. Risk Management

52.D Types of Risks

The Group's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
52.D.1	<p>Credit risk</p> <p>Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.</p>	<p>Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives</p>	<p>Measured as the amount that could be lost if a customer or counterparty fails to make repayments;</p> <p>Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and</p> <p>Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.</p>
52.D.2	<p>Liquidity risk</p> <p>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.</p>	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Arises when illiquid asset positions cannot be funded at the expected terms and when required.</p>	<p>Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio,</p> <p>Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.</p> <p>Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Group.</p>
52.D.3	<p>Market risk</p> <p>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</p>	<p>Exposure to market risk is separated into two portfolios: trading and non-trading.</p>	<p>Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.</p> <p>Monitored using measures, including the sensitivity of net interest income.</p> <p>Managed using risk limits approved by the risk management committee</p>

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52.D.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Trade receivables and Loans. The Group has adopted a policy of dealing with creditworthy counterparties and obtains 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 Group.

The Group'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 Group 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 Group and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Group 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 Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Group 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 Group 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:

<u>Internal rating grade</u>	<u>Internal grading description</u>	<u>Stages</u>
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-

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52.D.1 Credit Risk

Significant increase in credit risk (SICR)

Group 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 Group 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 Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group 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 to 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 Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group 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 Group 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 Group 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 Group 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.

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52.D.1 Credit Risk

Data sourcing

The Group 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 Group 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 Group 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 Group.

	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 other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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52.D.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	-	1,082.50	-	-	-	-	-	1,082.50
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	-	10,968.37	5,247.50	18,866.86	1,13,710.89	15,815.68	83,188.67	2,47,797.97
Investments	-	1,083.01	711.13	-	-	-	-	1,794.14
Other financial assets	-	2,192.44	-	-	-	247.87	-	2,440.31
	13,873.48	21,397.51	5,958.63	18,876.09	1,13,710.89	16,063.55	83,188.67	2,73,068.82

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	-	1,659.93	-	-	-	-	-	1,659.93
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	-	24,944.75
Trade receivables	-	5,474.52	-	-	-	-	-	5,474.52
Loans	-	10,351.48	11,994.27	21,007.19	88,322.67	22,620.26	72,508.41	2,26,804.28
Investments	-	738.84	653.09	-	-	-	-	1,391.93
Other financial assets	-	269.65	-	-	-	216.13	-	485.78
	16,662.95	27,302.17	12,647.36	21,412.29	88,322.67	23,016.01	72,508.41	2,61,871.86

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	-	10,875.39	-	-	-	-	-	10,875.39
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	-	9,652.42	7,675.40	23,936.55	59,321.88	17,620.61	59,736.11	1,77,942.97
Investments	-	421.18	945.95	66.80	-	-	-	1,433.93
Other financial assets	-	833.06	-	-	-	94.98	-	928.04
	6,888.63	29,797.70	8,621.35	24,922.70	59,321.88	17,715.59	59,736.11	2,07,003.96

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(Currency: Indian rupees in million)

52.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

The amount and type of collateral required 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.

	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	1,082.50	1,659.93	10,875.39	
Bank balances other than cash and cash equivalents	470.24	985.32	936.71	
Derivative financial instruments	383.30	125.35	983.22	
Securities held for trading	18,379.37	24,944.75	12,734.40	The Group invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	720.99	5,474.52	1,169.30	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Loans				
Corporate credit	1,59,236.77	1,45,670.36	1,18,232.62	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	94,679.89	85,895.20	63,654.44	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	1,794.14	1,391.93	1,433.93	
Other financial assets	2,440.31	485.78	928.04	
	2,79,187.51	2,66,633.14	2,10,948.05	
Loan Commitments	31,481.64	45,446.60	20,354.20	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

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

(Currency: Indian rupees in million)

52.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	5,201.42	3,252.45	1,948.97	2,352.68
Retail Credit	486.12	106.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.35	3,363.53	2,328.82	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	4,552.08	2,646.85	1,905.23	5,208.68
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	5,430.98

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	21.08	122.13	279.96
Trade Receivables	4.62	4.62	-	-
	3,797.62	2,348.88	1,448.74	5,002.94

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52.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Group 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 Group 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.

Group 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 Group 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 Group 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

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52.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 Group'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	1,082.50	-	-	-	-	1,082.50
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	2,27,874.62	44,272.64	3,38,439.45
Investments	-	-	-	2,082.99	-	2,082.99
Other financial assets	1,625.80	-	-	623.63	190.88	2,440.31
Total undiscounted financial assets	4,801.75	26,395.73	57,593.92	2,30,787.48	44,463.52	3,64,042.40
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	-	476.84
Trade payables	-	2,961.80	553.01	-	-	3,514.81
Debt securities	-	8,673.86	22,485.11	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	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	-	2,307.77	-	5,133.15
Total undiscounted financial liabilities	2,767.12	24,956.25	72,949.10	1,47,151.50	37,825.47	2,85,649.44
Total net financial assets / (liabilities)	2,034.63	1,439.48	(15,355.18)	83,635.98	6,638.05	78,392.96

Notes:

The Group 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 Group has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Group 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 Group has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 9.1), wherein the Group 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 Group will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

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52.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	1,659.93	-	-	-	-	1,659.93
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	2,17,316.83	21,499.61	3,11,346.66
Investments	-	-	-	1,738.83	-	1,738.83
Other financial assets	198.60	-	-	100.70	186.48	485.78
Total undiscounted financial assets	17,183.94	33,373.84	54,660.71	2,19,977.36	21,686.09	3,46,881.94
Financial Liabilities						
Derivative financial instruments	-	450.32	-	-	-	450.32
Trade payables	-	1,001.89	345.59	-	-	1,347.48
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	-	1,088.33	-	3,516.72
Total undiscounted financial liabilities	15,325.41	29,593.97	51,657.08	1,37,333.01	39,459.78	2,73,369.25
Total net financial assets / (liabilities)	1,858.53	3,779.87	3,003.63	82,644.35	(17,773.69)	73,512.69

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	10,875.39	-	-	-	-	10,875.39
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	1,43,020.65	18,224.54	2,33,741.23
Investments	-	-	1,052.42	496.82	-	1,549.24
Other financial assets	742.02	-	-	95.00	91.03	928.05
Total undiscounted financial assets	18,154.25	45,726.23	37,019.02	1,43,757.38	18,315.57	2,62,972.45
Financial Liabilities						
Derivative financial instruments	-	667.18	-	-	-	667.18
Trade payables	-	316.00	202.89	-	-	518.89
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	14,843.15	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	926.53	-	1,748.85
Total undiscounted financial liabilities	6,536.84	54,794.45	36,055.07	93,466.25	23,269.31	2,14,121.92
Total net financial assets / (liabilities)	11,617.41	(9,068.22)	963.95	50,291.13	(4,953.74)	48,850.53

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52.D.2 Liquidity Risk

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Group'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

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

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52.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 Group 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	1,082.50		1,082.50	1,659.93		1,659.93	10,875.39		10,875.39	
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	383.30	354.53	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	1,169.30		1,169.30	
Loans	2,47,797.97		2,47,797.97	2,26,804.28		2,26,804.28	1,77,942.97		1,77,942.97	Interest rate risk
Investments	1,794.14	-	1,794.14	1,391.93	-	1,391.93	1,433.93	-	1,433.93	Interest rate risk
Other financial assets	2,440.31	-	2,440.31	485.78	-	485.78	928.04	-	928.04	Interest rate risk
Total Assets	2,73,068.82	18,733.90	2,54,334.92	2,61,871.86	24,976.16	2,36,895.70	2,07,003.96	13,491.38	1,93,512.58	
Financial Liabilities										
Derivative financial instruments	476.83	197.58	279.25	450.32	226.43	223.89	667.18	111.65	555.53	Price risk , Interest rate
Trade payables	3,514.82		3,514.82	1,347.49		1,347.49	518.89		518.89	
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	5,133.13	673.72	4,459.41	3,516.72		3,516.72	1,748.91		1,748.91	Price risk
Total Liabilities	2,37,278.67	871.30	2,36,407.37	2,34,936.29	226.43	2,34,709.86	1,85,551.23	111.65	1,85,439.58	

ECL Finance Limited

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

(Currency: Indian rupees in million)

52.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 Group'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 Group'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)	-
Floting rate loans	25	70.39	-	25	(70.39)	-
Government securities	25	(34.68)	-	25	34.68	-
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	-
Floting rate loans	25	38.44	-	25	(38.44)	-
Government securities	25	(41.66)	-	25	41.66	-
Corporate debt securities	25	(10.89)	-	25	10.89	-

Price risk

The Group'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 Group 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52.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)	-

52.D.4 Prepayment Risk

Prepayment risk is the risk that the Group 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53. First Time adoption

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Group 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 Group 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 Group's opening balance sheet was prepared as at 1 April 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 unvested as of the transition to Ind AS (1 April 2017)

Determining whether an arrangement contains a lease

The Group 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 Group 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53. 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	29,247.76	23,376.03
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	28,865.76	23,261.61

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	4,671.71
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	4,758.90

Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Group 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 consolidated financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53. First Time adoption

Trade receivables /Loans:

Under Previous GAAP the Group 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 Group 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.

ECL Finance Limited

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

(Currency: Indian rupees in million)

54. Composition of the Group

Sr.	Name of the Trust	Country of Incorporation	Proportion of ownership interest as at		
			March 31, 2019	March 31, 2018	April 01, 2017
Group Stake in Trusts					
1.	EARC Trust SC 006	India	95.00%	-	-
2.	EARC Trust SC 007	India	95.00%	95.00%	95.00%
3.	EARC Trust SC 009	India	95.00%	95.00%	95.00%
4.	EARC Trust Sc 102	India	85.00%	85.00%	85.00%
5.	EARC Trust Sc 104	India	-	-	85.00%
6.	EARC Trust SC 112	India	85.00%	-	-
7.	EARC Trust SC 308	India	85.00%	85.00%	-
8.	EARC Trust SC 314	India	85.00%	85.00%	-
9.	EARC Trust SC 329	India	80.00%	80.00%	-
10.	EARC Trust SC 331	India	80.00%	80.00%	-
11.	EARC Trust SC 223	India	85.00%	85.00%	85.00%
12.	EARC Trust SC 229	India	85.00%	-	-
13.	EARC Trust SC 251	India	85.00%	85.00%	85.00%
14.	EARC Trust SC 361	India	80.00%	-	-
15.	EARC Trust - SC 263	India	85.00%	85.00%	-
16.	EARC Trust - SC 283	India	-	85.00%	-
17.	EARC Trust SC 298	India	85.00%	-	-
Associate					
1.	Aeon Credit Services India Private Limited (upto August 22, 2017)	India	-	-	25.00%

Notes:

1) With effect from August 22, 2017, Aeon Credit Services India Private Limited ceased to be an associate of the Company and has not been consolidated from the said date.

55. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as structured entities

Sr.	Name of the Trust	Net Assets i.e total assets minus total liabilities		Share in Total Comprehensive Income	
		As % of Consolidated net assets	Amount	As % of Consolidated Comprehensive income	Amount
Parent					
1.	ECL Finance Limited	100.71%	38,494.52	102.05%	5,655.53
Trusts					
1.	Controlled Trusts	25.55%	9,767.19	-0.58%	(32.32)
	Adjustments arising out of consolidation	-26.26%	(10,038.60)	-1.46%	(81.02)
	Total	100.00%	38,223.11	100.00%	5,542.19

ECL Finance Limited

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

(Currency: Indian rupees in million)

56. 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	-	-
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	-	-

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019