



**Edelweiss** | ECL  
Ideas create, values protect | Finance Ltd.

**ECL Finance Limited**

**Corporate Identity Number: U65990MH2005PLC154854**

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**13<sup>th</sup> Annual Report 2017-18**

# ECL Finance Limited

## 13<sup>th</sup> Annual Report 2017-18

### **Board of Directors**

Mr. Rashesh Shah	- Managing Director
Mr. Raviprakash R. Bubna	- Managing Director & CEO
Mr. Himanshu Kaji	- Executive Director
Mr. P. N. Venkatachalam	- Independent Director
Ms. Vidya Shah	- Non-Executive Director
Mr. Biswamohan Mahapatra	- Independent Director

### **Chief Financial Officer**

Mr. Nilesh Sampat

### **Company Secretary**

Mr. Shekhar Prabhudesai

### **Statutory Auditors**

Price Waterhouse, Chartered Accountants LLP (till May 22, 2018)

S. R. Batliboi & Co. LLP (w.e.f. May 23, 2018)

### **Registered Office**

Edelweiss House,  
Off C.S.T. Road, Kalina,  
Mumbai - 400098.  
Corporate Identity No.:  
U65990MH2005PLC154854  
Tel: +91 22 4009 4400  
Fax: +91 22 4086 3759  
Email: cs@edelweissfin.com

### **Debenture Trustee**

#### **SBICAP Trustee Company Ltd.**

Apeejay House, 6<sup>th</sup> Floor,  
3, Dinshaw Wachha Road,  
Churchgate,  
Mumbai - 400 020.  
Tel: +91 22 4302 5530  
Fax: +91 22 4302 5500  
E-mail:  
corporate@sbicaptrustee.com  
Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)

#### **Axis Trustee Services Ltd.**

2<sup>nd</sup> Floor, Axis house,  
Bombay Dyeing Mills  
Compound,  
Pandurang Budhkar Marg,  
Mumbai - 400 025.  
Tel: +91 22 2425 5206  
Fax: +91 22 2425 4200  
Email: bondtrustee  
@axistrustee.com  
Website: [www.axistrustee.com](http://www.axistrustee.com)

## **BOARD'S REPORT**

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To the Members of ECL Finance Limited,

The Directors hereby present their 13<sup>th</sup> 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, 2018:-

### **Financial Highlights**

(₹ in million)

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Total Income</b>	30600.27	24,950.39
Total Expenditure	23564.98	19,020.68
<b>Profit before tax</b>	<b>7035.29</b>	<b>5,929.71</b>
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	2414.82	2,026.53
<b>Profit after tax</b>	<b>4620.47</b>	<b>3,903.18</b>
Add: Profit and Loss account balance brought forward from previous year	9751.48	7,046.14
<b>Profit available for appropriation</b>	<b>14371.95</b>	<b>10,949.32</b>
Appropriations		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	924.1	780.64
- Transfer to Debenture Redemption Reserve	(401.65)	417.20
<b>Surplus carried to Balance Sheet</b>	<b>13849.5</b>	<b>9,751.48</b>

### **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.

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### **Share Capital:**

During the year ended March 31, 2018, the Company has allotted 5,62,58,790 Shares of face value of Re. 1/- each, at a premium of Rs. 20.33/- each.

### **Finance**

Your Company continued to borrow funds in the form of Commercial Papers and Non-Convertible Debentures offering on private placement basis.

The Company enjoys credit rating from various Rating Agencies. The credit ratings reflect the Company's financial discipline and prudence. The details of the credit ratings are furnished in the Notes to the Financial Statements.

### **Subsidiaries, Joint Ventures and Associate Company:**

Your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement.

### **Loans, Investments and Guarantees**

The Company is engaged in the business of providing loans and making investments. During the year under review, the Company has not given any guarantee.

### **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 is provided in the financial statement. All the Related Party Transactions as required under AS-18 are reported in the Notes to the financial statement.

The Company has formulated Related Party Transactions Policy. The Policy is uploaded on <https://eclfinance.edelweissfin.com/>

### **Directors and Key Managerial Personnel**

#### **i) Independent Directors**

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.

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ii) **Retirement by Rotation of the Directors**

Mr. Rashesh Shah retires by rotation at the forthcoming AGM and, being eligible, offered himself for re-appointment.

iii) **Key Managerial Personnel**

Mr. Tarun Khurana resigned as the Company Secretary with effect from July 31, 2017 and Mr. Shekhar Prabhudesai was appointed as the Company Secretary of the Company with effect from August 1, 2017.

**Number of Board Meetings held**

During the year ended March 31, 2018, the Board met 4 times.

**Remuneration Policy:**

The Company has formulated a Remuneration Policy as per the provisions of Section 178 of the Companies Act, 2013. The Policy is provided as Annexure I to this Report and is also placed on the group website 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, 2018. A meeting of the Independent Directors was held during the year under review.

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 Financial Controls**

The Company has in place adequate internal financial control with reference to financial statements.

**Risk Management**

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The Risk Management Committee of the Board of Directors of the Company has framed and implemented a Risk Management Policy.

### **Audit Committee**

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

Mr. P. N. Venkatachalam	- Independent Director (Chairman of the Committee)
Mr. Biswamohan Mahapatra	- Independent Director
Ms. Vidya Shah	- Non-executive Non Independent Director

### **Nomination and Remuneration Committee**

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of Directors of the Company have constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Board of Directors of the Company comprises of the following Directors as its members:-

Mr. P. N. Venkatachalam	- Independent Director
Mr. Biswamohan Mahapatra	- Independent Director
Ms. Vidya Shah	- Non-executive Non Independent Director

### **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee ("the CSR Committee") comprising the following Directors as its members:

Mr. Himanshu Kaji	- Executive Director
Mr. P. N. Venkatachalam	- Independent Director
Ms. Vidya Shah	- Non-executive Non Independent Director

The CSR Policy of the Company is uploaded on the group website i.e. <https://eclfinance.edelweissfin.com/>. Further the details in this regard are provided in

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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. Price Waterhouse, Chartered Accountants LLP, was appointed as the Auditors of the Company at the 12<sup>th</sup> Annual General Meeting (AGM) held on August 30, 2017, to hold office till the conclusion of 17<sup>th</sup> AGM. M/s. Price Waterhouse, Chartered Accountants LLP, has since tendered its resignation as the Auditors of the Company vide letter dated May 22, 2018.

In accordance with the provisions of Section 139 of the Act, the Board has recommended the appointment of M/s. S. R. Batliboi & Co. LLP, as the auditors of the Company, for the approval of the members at the ensuing AGM. M/s. S. R. Batliboi & Co. LLP has confirmed its eligibility to act as the auditors 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, 2018. A report issued by the Secretarial Auditors is attached herewith as Annexure III.

### **Prevention of Sexual harassment of Women at Workplace**

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There were no cases reported during the year ended March 31, 2018 under the Policy.

### **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 equipments - Nil

#### **TECHNOLOGY ABSORPTION**

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- (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

## **B. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There were no foreign exchange earnings during the year under review. There was outgo of ₹ 38.99 million (previous year: ₹ 69.96 million).

### **Others Disclosures**

No disclosure is required in respect of the details relating to the deposits covered under 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, 2018. 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, 2018 and the date of the report affecting the financial position of your Company. The Company is in compliance with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

### **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 is provided in Annexure IV to this Report.

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### **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](http://www.edelweissfin.com). The vigil mechanism is overseen by the Audit Committee.

### **Particulars of Employees**

A statement giving the particulars of employees as required under Section 197 of the Companies Act, 2013 and the Rules framed thereunder is annexed.

## Debenture Trustees

<b>SBICAP Trustee Company Limited</b> 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: Mr. Ajit Joshi, Compliance Officer	<b>Axis Trustee Services Limited</b> 2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025. <a href="tel:02224255215">Tel:- 022</a> 2425 5215 / 5216 E-mail: <a href="mailto:debenturetrustee@axistrustee.com">debenturetrustee@axistrustee.com</a> Website: <a href="http://www.axistrustee.com">www.axistrustee.com</a> Contact Person: Chief Operating Officer.
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## 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, 2018 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/-**  
**Raviprakash R. Bubna**  
**Managing Director & CEO**  
**DIN: 00090160**

**Sd/-**  
**Himanshu Kaji**  
**Director**  
**DIN: 00009438**

**May 23, 2018**

## ECL Finance Limited (ECLF) FY2017-18

### Management Discussion & Analysis Report

#### MACRO ECONOMY: REVIEW AND OUTLOOK

FY18 was one of the better years for global economy and markets. Accelerating growth, easy liquidity, and contained inflation resulted in strong rally in risk assets with low volatility. This was in sharp contrast to FY17, which sprang many surprises such as Brexit, Trump being elected as US president etc.

Global economy continued to build on the cyclical turnaround which started in FY17. Economic growth became more broad-based resulting in an improvement in global trade, industrial activity, global PMIs, business confidence. While, the global growth remained strong, the rising trade protectionism is coming to fore again. While FY17 saw more of political rhetoric on trade protectionism, some policy action was visible during FY18 and any aggressive steps towards this can undermine global growth.

For India as well, the improvements in Global economy resulted in an improved export performance. FY18 was also a more eventful year for India with reforms continuing to take place. The much awaited GST was finally implemented in the year and though the implementation did lead to initial hiccups, things are getting better now.

Another area where significant progress has been made is tackling the issue of Non-Performing Assets (NPAs) and PSU bank re-capitalisation. Insolvency Resolution Board was setup, large NPA accounts were identified & prioritized and action started to resolve the NPA problem. Re-capitalisation funds of INR 2.1tn were allocated to meet up the requirement of capital deficient PSU banks.

Impact of continued reforms is visible in an improvement in India's rank of ease of doing business and sovereign rating upgrade (first in last 14 years). This should over time yield benefits in terms of higher FDI and lower cost of capital.

As far as business cycle conditions are concerned, things are on the improving path. Domestic economy is recovering from the initial hiccups of GST, credit growth has started to improve, inflation remains benign, and broadly speaking fiscal also remains comfortable. The rise in crude oil prices does pose some downside risk to India's macro environment. In terms of flows in FY18, FDI flows continued to remain stable at ~USD36bn and portfolio flows have remained strong at ~USD22bn, significantly higher than ~USD8bn in FY17.

On the monetary side, RBI maintained its neutral stance throughout the year. Hence, it cut rates only by 25bps, despite FY18 CPI being ~3.5% (50bps lower than its medium term target). INR remained strong during most of the year, with average FY18 INR/USD rate at 64.50 compared to FY17 average of 67.00.

#### Overall Outlook

Overall the macro-fundamentals of the economy remain in comfortable zone albeit with increasing risk from rising crude oil prices. Economic conditions have improved amid rebound in exports and government's push towards infrastructure spending.

Going ahead we believe growth trajectory to remain strong and improve further based on rebound in exports and stabilisation of GST regime. Rural economy should also get a fillip with IMD forecasting FY19 to be the third consecutive year of normal monsoon. Most importantly, we expect Banking sector NPA problems, which have been haunting the economy for last 7 years, to finally end owing to a quicker resolution of stressed assets and PSU bank recapitalisation.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

##### Commercial Credit Markets

After a subdued growth in Indian banking sector in FY17 (non-food credit at sub 5% levels), credit growth started to improve in FY18 with non-food credit at 11% levels. This should further improve in FY19 owing to PSU bank recapitalisation, resolving NPA issues, and government's infrastructure push.

Given the magnitude of the asset quality issue in banks, the government has pro-actively worked with RBI on the resolution of stressed assets. RBI also strictly dealt with all the banks, both in public and private sector, which showed a divergence in their asset quality compared to the assessment made by RBI. Now that banks have started providing adequately for distressed assets and Insolvency and Bankruptcy Code (IBC) has come in play, resolution and turnaround should happen over the next couple of years. As the economy continues to recover, re-capitalisation of banks will help provide capital for bank credit growth in future.

### NBFC Industry

While commercial banks continued to remain dominant source of credit in India, the Non-Banking Financial Companies NBFC sector has been steadily gaining systemic importance with increase in assets from less than 11% of banking assets in FY09 to over 14% now. Though the banking sector was beset with worsening asset quality in FY17, NBFCs could restrict the impact in their portfolios due to their ability to respond quickly as well as availability of a higher collateral cover.

The early part of fiscal year saw an interim blip in their performance following demonetisation, but recovery following that has also been very swift and the situation is back to normal. Indeed, NBFCs have emerged even stronger post this. The growing relevance of the NBFCs also highlights the emphasis of risk management in the sector. Going ahead, comfortable capital adequacy, control on asset quality and conservative liquidity management will continue to provide comfort to the credit profile of NBFCs.

### Retail Finance

While corporate growth continued to be under pressure, retail segment continues to maintain momentum. Most of the NBFCs and Housing Finance Companies (HFCs) continue to scale up their portfolio focusing on housing finance, Loan Against Property (LAP), Small and Medium Enterprises (SMEs) finance and consumer finance. Within these segments housing continues to do well and also

entails huge potential given a) government / regulator thrust, and b) supporting demographic factors etc.

The other scalable area is SME finance. Looking at Indian market, SMEs continue to be under-banked and NBFCs are increasingly turning towards this sector. Thus, the potential for NBFCs and HFCs to scale up their business remains significant.

### SME Finance

SMEs are extremely essential to the Indian Economy. They account for almost 40% of India's domestic production, around 50% of the total exports and 45% of the industrial employment. They are also the second largest employers of manpower, after agriculture. Thus they need large amounts of capital to run their operations, which they acquire through the financing provided by NBFCs, Banks and the Government. SMEs present exciting opportunities for credit business as this sector is under-funded currently.

## 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.220 billion asset base company with presence in all the significant areas of credit businesses including structured collateralised loans to corporates, real estate finance, ESOP & IPO funding, SME, Agri and LAP loans, and loans against securities 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 8 year CAGR for Revenue at 41 % and PAT at 25 % till the end of FY18.

## 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 FY18

A summary of our consolidated FY18 financial highlights is as under:

- **Total Revenue Rs.30,600 million** (Rs.24,950 million for FY17), up xx%
- **Profit after Tax Rs.4,620 million** (Rs.3,903 million for FY17), up xx%
- **Networth Rs.28,290 million** (Rs.22,693 million at the end of FY17)\*
- **Return on Average Equity 17.82 %** (17.98% for FY17)
- **Return on Average Assets 1.73%** (2.04% for FY17)
- **EPS Rs.2.44** (Rs.2.06 for FY17) (FV Rs.1.00 per share)

\*Excluding Deferred Tax Assets.

## INCOME

### Fund Based Revenue

Our fund-based businesses earned revenue of Rs.28,604 million for FY18 (Rs.23,692 million for FY17), a growth of 21 %. Out of this, total interest income was Rs.28,981 million (Rs.23,117 million for FY17), up 25 %.

### Agency Fee & Commission

Our agency fee & commission revenue was Rs.1,904 million for the year, compared to Rs.1,224 million in FY17, up 56%.

### 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 FY18 was Rs.1,904 million (Rs.1,224 million for FY17) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was Rs.11,492 million (Rs.10,002 million for FY17). Thus the total net revenue for FY18 was Rs.13,396 million (Rs. 11,226 million for FY17), up 19%. In addition, the Other Income for FY18 was Rs.92 million, compared to Rs.35 million in FY17.

## EXPENSES

Our total costs for FY18 was Rs.23,565 million (Rs.19,021 million in FY17), up by 24 %. Total revenue during this period has grown by 23%. Within our total costs, operating expenses were Rs.4,588 million compared to Rs.3,631 million in FY17. Our employee expenses grew by 9% in FY18 as we added about 120 employees taking our total headcount to 698 at the end of FY18. As regards interest expense which grew by 25% in FY18, our borrowings at the end of FY18 were Rs.222.95 billion compared to Rs.178.41 billion at the end of FY17, up 25%, supporting the scale up in credit book. The scale up

of our assets size via a higher leverage resulted in this increase in the interest cost.

### PROFIT AFTER TAX

Our Profit after Tax and Minority for FY18 was Rs.4,620 million compared to Rs.3,903 million for FY17, a growth of 18%. Our Profit before Tax margin for FY18 was 23% and Profit after Tax margin 15% compared to 24% and 16% respectively for FY17.

The company has not paid any dividend in FY18.

### Analysis of Profitability

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

- Our Credit book growth has been significant in FY18 as the total book grew to Rs.220.08 billion at the end of FY18 compared to Rs.170.82 billion at the end of FY17. This improved our interest income from loans.
- Our fee & commission income has recorded robust growth of 56% during FY18 and thus contributed to overall improvement in profitability.
- While we continued to be adequately collateralised on our loans, there were some slippages in our credit asset quality though the overall asset quality continued to be under control. Due to this, our provisioning for NPAs went up in FY18. This impacted our profitability to some extent in the short term.

### 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.28.29 billion as at the end of FY18 compared to Rs.22.69 billion at the end of FY17. Amount of debt on the Balance Sheet as on March 31, 2018 was Rs.222.95 billion (Rs.178.41 billion as on March 31, 2017), a Gearing Ratio of 7.88 times. Excluding the asset specific borrowings

against government securities, the Net Gearing Ratio is ~ 7.30 times. The gross Balance Sheet size at the end of FY18 was Rs.267.55 billion compared to Rs.211.64 billion a year ago.

### BUSINESS SEGMENT-WISE PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY18 are as under:

#### CREDIT BUSINESS

Credit business of ECLF offers Structured Collateralised Finance, Real Estate Finance, Loans against Securities, ESOP & IPO financing SME, Agri & LAP loans etc.

Total credit book of ECLF stands at Rs.220.08 billion at the end of this year compared to Rs.170.82 billion at the end of previous year.

The composition of Credit Book as on March 31, 2018 is as under: (Rs. In million)

Product/Segment	Book size as on March 31, 2018	Book size as on March 31, 2017
Agri Commodities	8,852	4,630
Loan against Properties	14,688	7,100
Loan against Securities	46,208	46,180
SME & Others	16,951	10,540
Structured Collateralised Credit	55,352	50,050
Wholesale Mortgages	78,032	52,320
<b>Total Credit Book</b>	<b>220,082</b>	<b>170,820</b>

**Total Credit book has grown at 29% during FY18 and its CAGR for the last 9 years is 50%.**

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 1.82% and Net NPLs at 0.74% at the

end of FY18 compared to 1.85% and 0.63% respectively at the end of FY17. 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 60% at the end of FY18 compared to 66% at the end of FY17.

### 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.16,351 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 securities. A liquid balance sheet simultaneously enables ECLF to redeploy capital efficiently towards business opportunities that appear at short notice.

### Changing Liabilities Profile in Sync with Asset Profile

ECLF has not only continued to maintain a liquid balance sheet, but over the last five 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 to within acceptable limits. Towards this end, FY18 witnessed ECLF contracting over Rs.17.94 billion of medium to long term debt (NCDs) and Rs.4.20 billion by way of subordinated debt with Mutual Funds, Insurance Companies, Banks, and Pension & Provident Funds. This included our maiden Perpetual Bonds issue of Rs.3 billion placed with domestic investors. In addition, gross issuance of Structured Products by ECLF amounted to Rs. 9.3 billion during FY18. The outstanding amount of Structured Products as at the end of FY18 was Rs.xx billion which also provides us medium term resources. In addition, our sanctioned lines of credit from a consortium of banks were Rs.149.35 billion at the end of FY18 compared to

Rs.91.35 billion at the end of FY17. 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 FY18. ECLF also diversified its sources of funding by tapping new investors who invest in long term dated securities by completing its maiden Perpetual Bonds issue of Rs. 3 billion in FY18.

During the year, ECLF also raised Tier II capital of Rs. 4.20 billion by way of subordinated non convertible redeemable debentures which also strengthens the balance sheet by providing long term liabilities besides providing Tier II capital.

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.

### 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, 2016	March 31, 2017	March 31,
C R A R prescribed by	15	15	15
<b>Total CRAR</b>	<b>16.56%</b>	<b>16.14%</b>	<b>xx%</b>
Out of which:			
Tier I	11.34%	11.35%	xx%
Tier II	5.22%	4.79%	xx%



## OPPORTUNITIES

The strides India has made in the last year on the structural front with major reforms like GST, Insolvency and Bankruptcy Code (IBC) and Real Estate Regulatory Authority (RERA) have helped create a sound base for the growth trajectory going forward. The government has done well to continue its reforms agenda after Jan Dhan and Housing for All. All of these steps have been roundly appreciated in the global arena with the improvement in the Ease of Doing Business ranking as well as the ratings upgrade by Moody's. The global economy is also continuing to recover. These developments augur well for growth of financial services and credit in India for firms like ours and offer immense opportunities in FY19 and beyond as under:

- Indian economy is already stabilising and various projections for growth by World Bank or IMF etc. indicate that India will grow at 7%+ in FY19 and continue to outperform other economies. This would open up vast opportunities for us to grow our credit portfolio.
- A welcome shift of access to credit from only large business houses to SMEs, MFIs, middle and low income groups has led to democratisation of credit opening up a vast section of eligible borrowers for credit institutions. This augurs well for companies like ours which have already secured a strong foothold in retail credit segment.
- Social, Mobility, Analytics and Cloud Computing (SMAC) are the emerging trends in technology. Government initiatives in respect of Digital India and move towards formal and cashless economy will also open up new client segments and newer delivery channels 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:

- Global economy could slip into turmoil if the current trade and tariffs war between USA and China intensifies.
- Slower than expected recovery of macro-economy, domestically as well as globally, or delay in revival of capex cycle can impede the growth.
- Impending Lok Sabha and a number of State elections could lead to populist measures by the government impacting fiscal discipline with consequent effect on the domestic economy.
- 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 Indian economy is back on the growth path having regained its 7%+ growth rate, structural reforms, notably GST, are starting to show results and corporate recovery is seeing green shoots as well. Amidst all this, long-term trends which will propel India's growth continue to strengthen. Democratisation of credit, financialization of assets and privatisation of the economy will together lead to a compounding effect, in turn doubling India's GDP from USD 2.5 trillion in 2018 to USD 5 trillion in 2025. Financial Services including credit will continue to be a standout performer in this golden age of compounding.

In this significant growth scenario, we are well-gearred to take advantage of the unfolding opportunity. Our retail credit products have gained traction. With the foundation we have laid, we are well placed to achieve good growth in the years to come by following our time tested strategy of focusing on key vectors in our journey in future – **people management, cost management, risk management, technology, simplicity and customer obsession.**

## ENTERPRISE GROUPS

The business group of ECLF is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigour 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.

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 **"Eight-risk framework"** coupled with **"Four-tiered risk governance structure"** 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 institutionalised 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 FY18 are as under:

- We ended FY18 with a total headcount of 698, up from 578 as of March 31, 2017, 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

In today's digital world, a customer has multiple options. Growth will accrue to organisations which succeed in giving a truly memorable customer experience. At Edelweiss, Customer Experience (CX) is regarded as a key pillar of business success. Traditionally, Edelweiss has taken a problem-solving based approach to improving CX across its businesses, focusing on:

- Who is the Customer?
- What is their Need?
- How can we address that Need in the best possible way?

This was captured in our group motto "**Suno Samjho Suljhao**".

With this group philosophy in sight, we continued to build a culture of customer-centric thinking across ECLF. To drive this agenda, we have also instituted wide ranging corporate structure changes across the group. Through these efforts, we are responding to **evolving customer needs**, and **institutionalizing these processes across the organisation**, to ensure a superlative experience for all our customer segments, throughout the value chain.

**CREDIT RATINGS**

ECLF enjoys the following Credit Ratings:

Rating Agency	Facility	Rating
CARE	Long Term Bank Facilities	CARE AA
Crisil	Long Term Bank Facilities	CRISIL AA/Stable
ICRA	Long Term Bank Facilities	[ICRA] AA
BWR	Long Term Debt Programme	BWR AA
BWR	Long Term Debt Programme	BWR AA+
BWR	Long Term Debt Programme	BWR PP-MLD AA+
CARE	Long Term Debt Programme	CARE AA
CARE	Long Term Debt Programme	CARE PP MLD-AA
Crisil	Long Term Debt Programme	CRISIL PP-MLD AAr/Stable
Crisil	Long Term Debt Programme	CRISIL AA/Stable
ICRA	Long Term Debt Programme	[ICRA] AA
ICRA	Long Term Debt Programme	PP-MLD [ICRA]AA
SMERA	Long Term Debt Programme	SMERA AA/Stable
SMERA	Long Term Debt Programme	SMERA AA+/Stable
CARE	Short Term Debt Programme	CARE A1+
Crisil	Short Term Debt Programme	CRISIL A1+
Crisil	Short Term Debt Programme	CRISIL PP- MLD A1+R
ICRA	Short Term Debt Programme	[ICRA] A1+
ICRA	Short Term Debt Programme	PP-MLD [ICRA]A1+

All ratings are current as on March 31, 2018.

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**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.*

## 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.

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18**

[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]

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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/>

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

Mr. Himanshu Kaji - Executive Director

Mr. P. N. Venkatachalam - Independent Director

Ms. Vidya Shah - Non- Executive Director

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3. Average net profit of the Company for last three financial years: Rs. 4,834.68 million.
- 

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 96.69 million.
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5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: Rs. 96.70 million

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

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(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	EdelGive Foundation Corpus fund		Maharashtra	24,000,000	24,000,000	-	24,000,000	implementing agency
2	Action for Food Production	Livelihood	Balod, Chattisgarh	4,605,325	4,605,325	-	4,605,325	implementing agency
3	Adharshila Shiksha Samiti	Education	Madhya Pradesh	1,192,054	1,192,054	-	1,192,054	implementing agency
4	Agastya International Foundation	Education	Alibaugh, Maharashtra	7,281,522	6,983,595	297,927	7,281,522	implementing agency
5	AROEHAN	Livelihood	Mokhada, Maharashtra	3,261,474	3,261,474	-	3,261,474	implementing agency
6	Breakthrough Trust	Women Empowerment	Rohtak and Jhajjar Haryana	1,460,378	1,260,378	200,000	1,460,378	implementing agency
7	Centre For Civil Society	Education	Delhi	2,899,505	2,899,505	-	2,899,505	implementing agency
8	Centre for Unfolding Learning Potentials	Education	Baswara, Rajasthan	3,708,222	3,606,222	102,000	3,708,222	implementing agency
9	Gramin Vikas Vigyan Samiti	Livelihood	Jodhpur, Rajasthan	3,978,750	3,978,750	-	3,978,750	implementing agency
	I.T. For Change	Women Empowerment	Karnataka	255,360	222,025	33,335	255,360	implementing agency



10								
11	Jan Sahas Social Development Society	Women Empowerment	Madhya Pradesh, Rajasthan and Uttar Pradesh	369,220	348,220	21,000	369,220	implementing agency
12	Janaagraha	Education	Bangalore, Karnataka	1,669,722	1,669,722	-	1,669,722	implementing agency
13	Samaritan Help Mission	Education	Tikiapara, West Bengal	1,957,000	1,957,000	-	1,957,000	implementing agency
14	Riverside Education Foundation	Education	Orissa	2,939,063	2,939,063	-	2,939,063	implementing agency
15	Raza Educational and Social Welfare Society	Education	Banerghatta, Karnataka	2,923,830	2,895,600	28,230	2,923,830	implementing agency
16	Ssrishiti	Education	Delhi	2,668,354	2,466,164	202,190	2,668,354	implementing agency
17	The University of Chicago Trust	Education	Rajastan	825,000	825,000	-	825,000	implementing agency
18	Torpa Rural Development Society for Women	Livelihood	Khunti, Jharkhand	4,419,738	4,222,458	197,280	4,419,738	implementing agency
19	Ugam Gramin Vikas Sanstha	Livelihood	Hingoli, Maharashtra	4,108,534	4,017,840	90,694	4,108,534	implementing agency
20	Utthan Trust	Livelihood	Mahisagar, Dahod and Bhavnagar (Gujarat)	1,211,236	1,211,236	-	1,211,236	implementing agency
21	Vikas Sahyog Pratishthan	Livelihood	Buldhana, Maharashtra	2,053,086	2,053,086	-	2,053,086	implementing agency
22	Rajasthan Shram Sarathi Association	Livelihood	Udaipur, Rajasthan	2,008,850	1,822,850	186,000	2,008,850	implementing agency
23	Medha Learning Foundation	Livelihood	Lucknow, Uttar Pradesh	3,076,069	2,979,167	96,902	3,076,069	implementing agency
24	PUKAR	Education	Mumbai, Maharashtra	1,516,850	1,408,850	108,000	1,516,850	implementing agency
25	Foundation for Promotion of Sport and Games	Women Empowerment	Mumbai, Maharashtra	1,080,241	1,080,241	-	1,080,241	implementing agency

26	Milaan Be the change	Women Empowerment	Lucknow, UP	1,047,650	887,650	160,000	1,047,650	implementing agency
27	Gyan Prakash Foundation	Education	Parbhani, Maharashtra	2,000,000	2,000,000	-	2,000,000	implementing agency
28	Kaivalya Education Foundation	Education	Amravati, Gadchiroli Maharashtra	1,860,095	1,860,095	-	1,860,095	implementing agency
29	ECE Program	Education	Amravati, Gadchiroli Maharashtra	2,998,060	2,998,060	-	2,998,060	implementing agency
30	Leap for Word	Education	Pune, Maharashtra	500,000	500,000	-	500,000	implementing agency
31	Mentor Together	Livelihood	Bangalore, Karnataka	2,824,812	2,824,812	-	2,824,812	implementing agency
	<b>Amount received (ECLF)</b>			<b>96,700,000</b>				

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/-  
Himanshu Kaji  
Executive Director  
DIN: 00009438

Sd/-  
Vidya Shah  
Director  
DIN: 00274831

May 23, 2018.

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

*[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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March 2018 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;



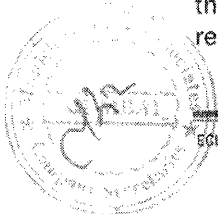
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (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.



## Manish Ghia & Associates

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 29,599 Secured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.19,10,30,00,520/-;
2. allotted 39,257 Unsecured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.5,00,57,00,000/-;
3. allotted 5,62,58,790 Equity shares of Rs.1/- each issued at a premium of Rs.20.33/- per share to Edel Finance Company Limited;
4. raised funds by way of issuance of perpetual debt (unsecured debentures) amounting to Rs.3,00,00,00,000/-;
5. redeemed 91,968 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.13,93,26,00,000/- which was issued by private placement;
6. redeemed 64,84,292 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.6,48,42,92,000/- which was issued through prospectus;
7. become the wholly owned subsidiary of Edelweiss Financial Services Limited consequent to sale of shares of the Company by Waverly Pte. Ltd. to Edelweiss Commodities Services Limited on 19<sup>th</sup> September, 2017;
8. obtained approval of members for alteration of Articles of Association by way of entire substitution with new set of Articles of Association vide special resolution passed in the Extra- Ordinary General Meeting held on 4<sup>th</sup> October, 2017;
9. in the Board Meeting dated 22<sup>nd</sup> January, 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; and



## Manish Ghia & Associates

10. obtained the approval of members under Section 42 of the Act by Special Resolution passed at the Extraordinary General Meeting held on 22<sup>nd</sup> March, 2018 for issue of Non-convertible Debentures aggregating to Rs.15,000 crores on private placement basis in one or more tranches.

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 black ink, appearing to read "M. Ghia".

Manish L. Ghia  
Partner

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

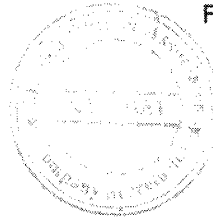
Place : Mumbai  
Date: May 2, 2018

'Annexure A'

To,  
The Members,  
ECL Finance Limited  
Mumbai

Our report of even date is to 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

*Manish L. Ghia*

Manish L. Ghia  
Partner

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

Place : Mumbai  
Date: May 2, 2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I	REGISTRATION AND OTHER DETAILS:		
	i)	CIN	U65990MH2005PLC154854
	ii)	Registration Date	18/07/2005
	iii)	Name of the Company	ECL Finance Limited
	iv)	Category / Sub-Category of the Company	Public Company/ Limited by Shares
	v)	Address of the Registered office and contact details	Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400098. Email - <a href="mailto:cs@edelweissfin.com">cs@edelweissfin.com</a> Tel No.: +91 22 4009 4400. Fax No.: +91 22 4086 3759.
	vi)	Whether listed company Yes / No	The Non-convertible Debentures of the Company are listed on National Stock Exchange of India Limited and BSE Limited
	vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Link Intime India Pvt. Limited</b> C 101, 247 Park, LBS Marg, <b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32,



			Vikhroli West, Mumbai 400 083. Tel No.: +91 22 4918 6200. Fax No.: +91 22 4918 6195.	Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2300 1153
II.	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company shall be stated:-		As per Attachment - A	
III	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-</b>		As per Attachment - B	
IV	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>			
	i)	Category-wise Share Holding	As per Attachment - C	
	ii)	Shareholding of Promoters	As per Attachment - D	
	iii)	Change in Promoters' Shareholding (please specify, if there is no change):	As per Attachment - E	
	iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	As per Attachment - F	
	v)	Shareholding of Directors and Key Managerial Personnel:	As per Attachment - G	
V	<b>INDEBTEDNESS</b> <b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>		As per Attachment - H	
VI	<b>Remuneration of Directors and Key Managerial Personnel</b>		As per Attachment - I	
VII	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>		As per Attachment - J	

## Attachment - A

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service#	% to total turnover of the Company\$
1.	Other financial service activities, except insurance and pension funding activities	649	94.71

# As per National Industrial Classification, 2008 - Ministry of Statistics and Programme Implementation

\$ On the basis of Gross Income

**Attachment - B**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares Held</b>	<b>Applicable Section</b>
1.	Edelweiss Financial Services Limited  Address: Edelweiss House, Off C.S.T Road, Kalina, Mumbai-400 098.	L99999MH1995PLC094641	Holding	76.99	Section 2(46)





C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>24,43,93,333</b>	<b>1,64,74,55,129*</b>	<b>1,89,18,48,462</b>	<b>100</b>	<b>39,18,89,333</b>	<b>1,55,62,17,919*</b>	<b>1,94,81,07,252</b>	<b>100</b>	<b>Nil</b>

*\* Including 6 shares held by the nominees of EFSL.*

**Attachment - D**

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change In share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	Edelweiss Financial Services Limited (EFSL)*	1,49,99,59,129	76.99	Nil	1,49,99,59,129	76.99	Nil	Nil
	<b>Total</b>	<b>1,49,99,59,129</b>	<b>76.99</b>		<b>1,49,99,59,129</b>	<b>76.99</b>	<b>Nil</b>	<b>Nil</b>

\* Including 6 shares held by the nominees of EFSL.

**Attachment - E**

**(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Promoter Shareholding during the Financial Year.**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,49,99,59,129	76.99	1,49,99,59,129	76.99
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,49,99,59,129	76.99	1,49,99,59,129	76.99



**Attachment - F**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of the total shares of the Company	No. of shares	% of total shares of the Company
1. Waverly Pte. Ltd.	14,74,96,000	7.80	-	-
2. Edelweiss Commodities Services Limited	14,69,76,650	7.77	29,44,72,650	15.12
3. Edelweiss Securities Limited	9,74,16,683	5.15	9,74,16,683	5.00
4. Edel Finance Company Limited	-	-	5,62,58,790	2.89

**Attachment - G**

**(v) Shareholding of Directors and Key Managerial Personnel: Nil**

<b>Sl. No.</b>	<b>For Each of the Directors and KMP</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the Year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	At the End of the year	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Attachment - H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	121,448.35	56,913.32	-	178,361.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,382.27	893.59	-	5,275.86
<b>Total (i+ii+iii)</b>	<b>125,830.62</b>	<b>57,806.91</b>	<b>-</b>	<b>183,637.53</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	6,508,553.57	513,529.69	-	7,022,083.26
• Reduction	(6,442,967.96)	(532,683.49 )	-	(6,975,651.45 )
<b>Net Change</b>	<b>65,585.61</b>	<b>(19,153.80 )</b>	<b>-</b>	<b>46,431.81</b>

<b>Indebtedness at the end of the financial year</b>	<b>191,416.23</b>	<b>38,653.11</b>	<b>-</b>	<b>230,069.34</b>
i) Principal Amount	187,108.48	35,836.08	-	222,944.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,307.75	2,817.03	-	7,124.78
<b>Total (i+ii+iii)</b>	<b>191,416.23</b>	<b>38,653.11</b>	<b>-</b>	<b>230,069.34</b>

Attachment - I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

(Rs. in million)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Managing Director	Managing Director & CEO	Executive Director	
		Mr. Rashesh Shah	Mr. Raviprakash R. Bubna	Mr. Himanshu Kaji	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	7.40	0	7.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0.15	0	0.15
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify (Bonus)	67.50	65	20	152.5
	Total (A)	67.50	72.55	20	160.05
	Ceiling as per the Act				*

\* In terms of the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Circulars issued thereunder, the remuneration paid to the Managing Directors and the Executive Directors is within the ceilings prescribed.

**B. Remuneration to other directors:**

(Rs. In million)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. P. N. Venkatachalam	Mr. Sunil Mitra	Mr. Biswamohan Mahapatra	
	Independent Directors				
	• Fee for attending board / committee meetings	0.24	0.12	0.12	0.48
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.24</b>	<b>0.12</b>	<b>0.12</b>	<b>0.48</b>
	4. Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total (B)=(1+2)	<b>0.24</b>	<b>0.12</b>	<b>0.12</b>	<b>0.48</b>
	Total Managerial Remuneration	<b>0.24</b>	<b>0.12</b>	<b>0.12</b>	<b>0.48</b>
	Overall Ceiling as per the Act				*

\* The total managerial remuneration is within the ceilings prescribed.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs. In million)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary		CFO	
1.	Gross salary	Mr. Tarun Khurana	Mr. Shekhar Prabhudesai	Mr. Nilesh Sampat	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.12	1.67	8.40	11.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.09	0.12	0.03	0.24
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	
2.	Stock Option	0	0	0	
3.	Sweat Equity	0	0	0	
4.	Commission - as % of profit - Others, specify...	0	0	0	
5.	Others, please specify (Bonus)	2.4	0	8	10.4
	<b>Total</b>	<b>3.61</b>	<b>1.79</b>	<b>16.43</b>	<b>21.83</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

For and on behalf of the Board of Directors

**ECL Finance Limited**

Sd/-  
**Raviprakash R. Bubna**  
**Managing Director & CEO**  
DIN: 00090160

Sd/-  
**Himanshu Kaji**  
**Director**  
DIN: 00009438

Date: May 23, 2018.



**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

**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/ arrangement s/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rupees in Millions)	Date of approval by the Board	Amount paid as advances, if any
1	Edelweiss Financial Services Limited	Loans taken from	One Year	7,000.00	February 8, 2017	Nil
2	Edelweiss Commodities Services Limited	Loans taken from	One Year	47,426.59	February 8,	Nil

					2017	
3	Edelweiss Financial Services Limited	Loan repaid to	One Year	7,000.00	February 8, 2017	Nil
4	Edelweiss Commodities Services Limited	Loan repaid to	One Year	49,382.44	February 8, 2017	Nil
5	Edelweiss Commodities Services Limited	Loans given to	One Year	6,453.41	February 8, 2017	Nil
6	Ramautar S Bubna	Loans given to	One Year	1.02	February 8, 2017	Nil
7	Ravi R Bubna HUF	Loans given to	One Year	496.19	February 8, 2017	Nil
8	Raviprakash R. Bubna	Loans given to	One Year	1.03	February 8, 2017	Nil
9	Sandhya R. Bubna	Loans given to	One Year	1.02	February 8, 2017	Nil
10	Sharda R. Bubna	Loans given to	One Year	1.02	February 8, 2017	Nil
11	Edelweiss Commodities Services Limited	Repayment of loans by	One Year	6,453.41	February 8, 2017	Nil
12	Ramautar S Bubna	Repayment of loans by	One Year	1.02	February 8, 2017	Nil

13	Ravi R Bubna HUF	Repayment of loans by	One Year	653.35	February 8, 2017	Nil
14	Raviprakash R. Bubna	Repayment of loans by	One Year	1.03	February 8, 2017	Nil
15	Sandhya R. Bubna	Repayment of loans by	One Year	1.02	February 8, 2017	Nil
16	Sharda R. Bubna	Repayment of loans by	One Year	1.02	February 8, 2017	Nil
17	Edelweiss Commodities Services Limited	Issuance of benchmark linked debentures	One Year	42.00	February 8, 2017	Nil
18	ECap Equities Limited	Issuance of benchmark linked debentures	One Year	382.79	February 8, 2017	Nil
19	ECap Equities Limited	Redemption - benchmark linked debentures	One Year	1,458.90	February 8, 2017	Nil
20	Edelweiss Commodities Services Limited	Sale / redemption of Commercial Papers to	One Year	14,970.12	February 8, 2017	Nil
21	Edelweiss Commodities Services Limited	Purchase / Subscription of Commercial Papers from	One Year	4,997.23	February 8, 2017	Nil

22	Edelweiss Finance & Investments Limited	Purchases of securities (Stock in trade) from	One Year	8,549.20	February 8, 2017	Nil
23	ECap Equities Limited	Purchases of securities (Stock in trade) from	One Year	2,145.71	February 8, 2017	Nil
24	Edelweiss Commodities Services Limited	Purchases of securities (Stock in trade) from	One Year	14,269.98	February 8, 2017	Nil
25	Edelweiss Finvest Private Limited	Purchases of securities (Stock in trade) from	One Year	641.31	February 8, 2017	Nil
26	Edelweiss Finance & Investments Limited	Sale of securities (Stock in trade)	One Year	5,915.17	February 8, 2017	Nil
27	ECap Equities Limited	Sale of securities (Stock in trade)	One Year	2,741.55	February 8, 2017	Nil
28	Edelweiss Commodities Services Limited	Sale of securities (Stock in trade)	One Year	7,605.87	February 8, 2017	Nil
29	Edelweiss Tokio Life Insurance Company Limited	Sale of securities (Stock in trade)	One Year	1,046.27	February 8, 2017	Nil
30	Edelweiss General Insurance Company Limited	Sale of securities (Stock in trade)	One Year	186.72	February 8, 2017	Nil
31	Edelweiss Finvest Private Limited	Sale of securities (Stock in trade)	One Year	245.17	February 8, 2017	Nil
32	Edelweiss Securities Limited	Margin placed with	One Year	0.43	February 8, 2017	Nil
33	Edelweiss Custodial Services Limited	Margin placed with	One Year	236.07	February 8, 2017	Nil

34	Edelweiss Securities Limited	Margin refund received from	One Year	1.25	February 8, 2017	Nil
35	Edelweiss Custodial Services Limited	Margin refund received from	One Year	747.43	February 8, 2017	Nil
36	Edelweiss Securities Limited	Amount paid to Broker for trading in cash segment	One Year	850.06	February 8, 2017	Nil
37	Edelweiss Securities Limited	Amount received from Broker for trading in cash segment	One Year	856.19	February 8, 2017	Nil
38	Edelweiss Housing Finance Limited	Assignment of Loan book from	One Year	1,614.34	February 8, 2017	Nil
39	Edelweiss Asset Reconstruction Company Limited	Sale of Loans to	One Year	2,600.00	February 8, 2017	Nil
40	Edelweiss Financial Services Limited	Interest paid on loan	One Year	81.36	February 8, 2017	Nil
41	Edelweiss Commodities Services Limited	Interest paid on loan	One Year	1,304.69	February 8, 2017	Nil
42	ECap Equities Limited	Interest expense on benchmark linked debentures	One Year	506.03	February 8, 2017	Nil
43	Edelweiss Commodities Services Limited	Interest expense on non convertible debentures	One Year	23.56	February 8, 2017	Nil
44	Edelweiss Finvest Private Limited	Interest expense on non convertible debentures	One Year	13.43	February 8, 2017	Nil

45	ECap Equities Limited	Interest expense on non convertible debentures	One Year	0.34	February 8, 2017	Nil
46	ECap Equities Limited	Interest expense on Commercial Papers	One Year	2.73	February 8, 2017	Nil
47	Edelweiss Commodities Services Limited	Interest expense on Commercial Papers	One Year	29.53	February 8, 2017	Nil
48	Edelweiss Securities Limited	Interest income on margin placed with brokers	One Year	0.02	February 8, 2017	Nil
49	Edelweiss Custodial Services Limited	Interest income on margin placed with brokers	One Year	16.66	February 8, 2017	Nil
50	Edelweiss Commodities Services Limited	Interest income on non convertible debentures	One Year	9.22	February 8, 2017	Nil
51	Edelweiss Housing Finance Limited	Interest income on non convertible debentures	One Year	1.47	February 8, 2017	Nil
52	Edelweiss Finance & Investments Limited	Interest income on non convertible debentures	One Year	5.41	February 8, 2017	Nil
53	Edelweiss Retail Finance Limited	Interest income on non convertible debentures	One Year	1.74	February 8, 2017	Nil
54	Edelweiss Commodities Services Limited	Interest income on loans given to	One Year	44.35	February 8, 2017	Nil
55	Ravi R Bubna	Interest income on loans given to	One Year	0.01	February 8, 2017	Nil

56	Ravi R Bubna HUF	Interest income on loans given to	One Year	12.54	February 8, 2017	Nil
57	Ramaur S. Bubna	Interest income on loans given to	One Year	0.01	February 8, 2017	Nil
58	Sandhya R Bubna	Interest income on loans given to	One Year	0.01	February 8, 2017	Nil
59	Sharda R Bubna	Interest income on loans given to	One Year	0.01	February 8, 2017	Nil
60	Edelweiss Commodities Services Limited	Dividend received on investments	One Year	0.70	February 8, 2017	Nil
61	Edelweiss Finvest Private Limited	Arranger fees received from	One Year	45.29	February 8, 2017	Nil
62	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Enterprise Service charge paid to	One Year	107.17	February 8, 2017	Nil
63	Edelweiss Financial Services Limited	Cost reimbursement paid to	One Year	5.17	February 8, 2017	Nil
64	Edelweiss Housing Finance Limited	Cost reimbursement paid to	One Year	4.17	February 8, 2017	Nil
65	Edelweiss Commodities Services Limited	Cost reimbursement paid to	One Year	15.38	February 8, 2017	Nil
66	Edelweiss Securities Limited	Cost reimbursement paid to	One Year	1.31	February 8, 2017	Nil
67	Edelweiss Retail Finance Limited	Cost reimbursement paid to	One Year	0.91	February 8, 2017	Nil
68	ECap Equities Limited	Cost reimbursement paid to	One Year	2.09	February 8, 2017	Nil
69	EFSL Trading Limited (Formerly known as EFSL Commodities	Cost reimbursement paid to	One Year	0.16	February 8, 2017	Nil

	Limited)					
70	Edelweiss Agri Value Chain Limited	Cost reimbursement paid to	One Year	0.33	February 8, 2017	Nil
71	Edelweiss Asset Management Limited	Cost reimbursement paid to	One Year	0.08	February 8, 2017	Nil
72	Edelweiss Broking Limited	Cost reimbursement paid to	One Year	3.58	February 8, 2017	Nil
73	Edelweiss Finance & Investments Limited	Cost reimbursement paid to	One Year	0.01	February 8, 2017	Nil
74	Edelweiss Financial Services Limited	Cost reimbursement received from	One Year	0.12	February 8, 2017	Nil
75	Edelcap Securities Limited	Cost reimbursement received from	One Year	0.03	February 8, 2017	Nil
76	Edelweiss Custodial Services Limited	Cost reimbursement received from	One Year	0.03	February 8, 2017	Nil
77	Edelweiss Tokio Life Insurance Company Limited	Cost reimbursement received from	One Year	0.03	February 8, 2017	Nil
78	Edelweiss Global Wealth Management Limited	Cost reimbursement received from	One Year	0.02	February 8, 2017	Nil
79	Edelweiss Comtrade Limited	Cost reimbursement received from	One Year	0.41	February 8, 2017	Nil



80	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Cost reimbursement received from	One Year	0.08	February 8, 2017	Nil
81	Edelweiss Retail Finance Limited	Reimbursement paid to	One Year	0.89	February 8, 2017	Nil
82	Edelweiss Financial Services Limited	Reimbursement paid to	One Year	0.01	February 8, 2017	Nil
83	Edelweiss Commodities Services Limited	Reimbursement paid to	One Year	16.77	February 8, 2017	Nil
84	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Reimbursement paid to	One Year	27.20	February 8, 2017	Nil
85	Edelcap Securities Limited	Reimbursement paid to	One Year	1.05	February 8, 2017	Nil
86	Edelweiss Alternative Asset Advisors Limited	Reimbursement paid to	One Year	1.79	February 8, 2017	Nil
87	Edelweiss Housing Finance Limited	Reimbursement paid to	One Year	0.14	February 8, 2017	Nil
88	Edelweiss Financial Services Limited	Rating support fees paid to	One Year	1.74	February 8, 2017	Nil
89	Edelweiss Financial Services Limited	Corporate Guarantee support fee paid to	One Year	9.92	February 8, 2017	Nil
90	Edelweiss Custodial Services Limited	Clearing charges paid to	One Year	0.24	February 8, 2017	Nil
91	Edelweiss Securities Limited	Commission and brokerage paid to	One Year	11.45	February 8, 2017	Nil
92	Edelweiss Global Wealth Management Limited	Commission and brokerage paid to	One Year	307.19	February 8, 2017	Nil

93	Edelweiss Investment Adviser Limited	Commission and brokerage paid to	One Year	2.26	February 8, 2017	Nil
94	EdelGive Foundation	Donation to	One Year	96.72	February 8, 2017	Nil
95	Edelweiss Alternative Asset Advisors Limited	Management Fees Paid to	One Year	116.45	February 8, 2017	Nil
96	Edelweiss Housing Finance Limited	Advisory fees paid to	One Year	57.97	February 8, 2017	Nil
97	Edelweiss Asset Reconstruction Company Limited	Advisory fees paid to	One Year	141.50	February 8, 2017	Nil
98	Edelweiss Agri Value Chain Limited	Collateral management fees paid	One Year	37.46	February 8, 2017	Nil
99	Edelweiss Securities Limited	Rent paid to	One Year	2.08	February 8, 2017	Nil
100	Edelweiss Housing Finance Limited	Rent paid to	One Year	2.86	February 8, 2017	Nil
101	ECap Equities Limited	Rent paid to	One Year	18.32	February 8, 2017	Nil
102	Edelweiss Asset Management Limited	Rent paid to	One Year	0.85	February 8, 2017	Nil
103	Edelweiss Finvest Private Limited	Rent paid to	One Year	0.11	February 8, 2017	Nil
104	Edelweiss Broking Limited	Rent paid to	One Year	5.09	February 8, 2017	Nil
105	Edelweiss Commodities Services Limited	Rent paid to	One Year	90.95	February 8, 2017	Nil
106	Edelweiss Retail Finance Limited	Rent paid to	One Year	2.45	February 8, 2017	Nil
107	Edelweiss Agri Value Chain Limited	Rent paid to	One Year	0.71	February 8, 2017	Nil

108	Edelweiss Securities Limited	Purchase of fixed assets	One Year	1.46	February 8, 2017	Nil
109	Edelweiss Finance & Investments Limited	Purchase of fixed assets	One Year	0.11	February 8, 2017	Nil
110	Edelweiss Retail Finance Limited	Purchase of fixed assets	One Year	0.02	February 8, 2017	Nil
111	Edelweiss Housing Finance Limited	Purchase of fixed assets	One Year	0.44	February 8, 2017	Nil
112	Raviprakash R. Bubna	Remuneration paid to	One Year	72.54	February 8, 2017	Nil
113	Himanshu Kaji	Remuneration paid to	One Year	20.00	February 8, 2017	Nil
114	Rashesh Shah	Remuneration paid to	One Year	67.50	February 8, 2017	Nil
115	Edelweiss Commodities Services Limited	Short term borrowings	One Year	12,124.87	February 8, 2017	Nil
116	Edelweiss Financial Services Limited	Trade payables	One Year	13.14	February 8, 2017	Nil
117	Edelweiss Broking Limited	Trade payables	One Year	-0.81	February 8, 2017	Nil
118	Edelweiss Investment Adviser Limited	Trade payables	One Year	0.07	February 8, 2017	Nil
119	Edelweiss Asset Reconstruction Company Limited	Trade payables	One Year	31.27	February 8, 2017	Nil
120	Edelweiss Retail Finance Limited	Trade payables	One Year	5.24	February 8, 2017	Nil
121	Edelweiss Asset Management Limited	Trade payables	One Year	1.01	February 8, 2017	Nil
122	Edelweiss Global Wealth Management Limited	Trade payables	One Year	104.22	February 8, 2017	Nil

123	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Trade payables	One Year	58.15	February 8, 2017	Nil
124	Edelweiss Securities Limited	Trade payables	One Year	2.62	February 8, 2017	Nil
125	Edelweiss Commodities Services Limited	Trade payables	One Year	45.54	February 8, 2017	Nil
126	Edelweiss Alternative Asset Advisors Limited	Trade payables	One Year	141.62	February 8, 2017	Nil
127	Edelweiss Housing Finance Limited	Trade payables	One Year	63.32	February 8, 2017	Nil
128	Edelweiss Agri Value Chain Limited	Trade payables	One Year	0.40	February 8, 2017	Nil
129	ECap Equities Limited	Trade payables	One Year	12.27	February 8, 2017	Nil
130	EFSL Commodities Limited	Trade payables	One Year	0.05	February 8, 2017	Nil
131	Edelweiss Commodities Services Limited	Non convertible debentures (borrowings)	One Year	42.00	February 8, 2017	Nil
132	Edelweiss Finance & Investments Limited	Non convertible debentures (borrowings)	One Year	4.45	February 8, 2017	Nil
133	Edelweiss Finvest Private Limited	Non convertible debentures (borrowings)	One Year	63.51	February 8, 2017	Nil
134	Edelweiss Finvest Private Limited	Interest accrued but not due on Non convertible debentures	One Year	34.49	February 8, 2017	Nil

135	Edelweiss Finance & Investments Limited	Interest accrued but not due on Non convertible debentures	One Year	0.14	February 8, 2017	Nil
136	Edelweiss Financial Services Limited	Corporate guarantee taken from	One Year	54.00	February 8, 2017	Nil
137	Edelweiss Commodities Services Limited	Investments in preference shares	One Year	1,000.00	February 8, 2017	Nil
138	Edelweiss Housing Finance Limited	Non convertible debentures (stock in trade)	One Year	56.74	February 8, 2017	Nil
139	Edelweiss Commodities Services Limited	Non convertible debentures (stock in trade)	One Year	928.35	February 8, 2017	Nil
140	Edelweiss Retail Finance Limited	Non convertible debentures (stock in trade)	One Year	1,235.89	February 8, 2017	Nil
141	Edelweiss Financial Services Limited	Trade receivables	One Year	0.13	February 8, 2017	Nil
142	Edelweiss Retail Finance Limited	Trade receivables	One Year	1.47	February 8, 2017	Nil
143	Edelweiss Comtrade Limited	Trade receivables	One Year	1.00	February 8, 2017	Nil
144	Edelweiss Alternative Asset Advisors Limited	Trade receivables	One Year	0.92	February 8, 2017	Nil
145	Edelweiss Commodities Services Limited	Trade receivables	One Year	1.00	February 8, 2017	Nil
146	Edelweiss Insurance Brokers Limited	Trade receivables	One Year	0.10	February 8, 2017	Nil
147	Edelweiss Custodial Services	Trade receivables	One Year		February	Nil

	Limited			0.29	8, 2017	
148	Edelweiss Finvest Private Limited	Trade receivables	One Year	50.02	February 8, 2017	Nil
149	ECap Equities Limited	Trade receivables	One Year	0.01	February 8, 2017	Nil
150	EC Commodity Limited	Trade receivables	One Year	0.01	February 8, 2017	Nil
151	EFSL Commodities Limited	Trade receivables	One Year	0.00	February 8, 2017	Nil
152	Edelweiss Tokio Life Insurance Company Limited	Trade receivables	One Year	0.04	February 8, 2017	Nil
153	Ravi R Bubna HUF	Loans and advances	One Year	35.65	February 8, 2017	Nil
154	Sandhya R Bubna	Loans and advances	One Year	0.01	February 8, 2017	Nil
155	Edelweiss Securities Limited	Margin money balance with	One Year	5.06	February 8, 2017	Nil
156	Edelweiss Custodial Services Limited	Margin money balance with	One Year	126.25	February 8, 2017	Nil

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

**Sd/-**  
**Raviprakash R. Bubna**  
**Managing Director & CEO**  
DIN: 00090160

**Sd/-**  
**Himanshu Kaji**  
**Director**  
DIN: 00009438

**Date: May 23, 2018**

# Price Waterhouse Chartered Accountants LLP

## Independent Practitioner's Additional Report

The Board of the Directors  
ECL Finance Limited  
Edelweiss House,  
Off. CST Road, Kalina,  
Mumbai-400098

1. This report is issued in accordance with the requirements of Master Direction - Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016 (the "Directions").
2. We were appointed to audit the financial statement for the year ended March 31, 2018 and consequently, the accompanying statutory financial statements of ECL Finance Limited comprising of Balance Sheet as at March 31, 2018, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, were audited by us on which we had issued an unmodified audit opinion vide our report dated May 02, 2018. A copy of our audit report is attached. The financial statements of the Company for the year ending March 31, 2019, are subjected to audit by another firm of Chartered Accountants.

## Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
4. The Management is also responsible for compliance with the Reserve Bank of India (RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

## Practitioner's Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above, it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2018 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07



Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/5000016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

ECL Finance Limited

Practitioner's Additional Report for the year ended March 31, 2018

Page 2 of 3

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements."

## Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2018 as produced for our examination and the information and explanations given to us we report that:
  - 8.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) number N.13.01831 dated April 24, 2006 from the Bank's Department of Non-Banking Supervision, Mumbai Regional Office.
  - 8.2 The Company is entitled to continue to hold such CoR in terms of its asset/income pattern as on March 31, 2018.
  - 8.3 The non-banking financial company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
  - 8.4 The Board of Directors of the Company has passed a resolution through circulation dated April 26, 2017 for non-acceptance of public deposits which was noted in the Board Meeting held on May 16, 2017.
  - 8.5 The Company has not accepted any public deposits during the year ended March 31, 2018.
  - 8.6 The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  - 8.7 The annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS - 7) has been furnished to the Bank on May 30, 2018 within the stipulated period based on the audited books of account. The Company had correctly arrived at and disclosed the capital adequacy ratio (CRAR), based on the audited books of account, in the return submitted to the Bank in Form NBS - 7 and such ratio is in compliance with the minimum CRAR prescribed by the Bank.

## Restriction on Use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as practitioner of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as practitioner of any financial statements of the Company.





# Price Waterhouse Chartered Accountants LLP

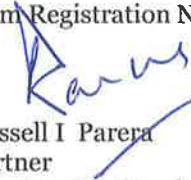
ECL Finance Limited

Practitioner's Additional Report for the year ended March 31, 2018

Page 3 of 3

10. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Russell I Parera  
Partner  
Membership Number - 042190

Mumbai  
May 31, 2018

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ECL Finance Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **ECL Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)

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# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
To the Members of ECL Finance Limited  
Report on the Standalone Financial Statements  
Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

## Other Matter

9. The standalone financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
To the Members of ECL Finance Limited  
Report on the Standalone Financial Statements  
Page 3 of 3

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

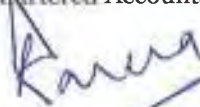
i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements – Refer Note 2.39;

ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.5, 2.9 and 2.75;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell J Parera  
Partner  
Membership Number 42190

Mumbai  
May 02, 2018

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 1 of 2

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of ECL Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 2 of 2

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

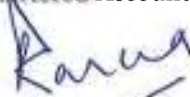
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Mumbai  
May 02, 2018

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell L Parera  
Partner  
Membership Number 42190

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants, account statement of Mutual Fund and clearing corporation holding statement at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not provided any guarantee or security in connection with any loan taken by parties covered under section 185. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company.

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 in respect of loan made and 186 (1) of the Companies Act, 2013 in respect of investment made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is Pending
Income Tax Act, 1961	Income tax	259.91	A.Y. 2013-14	The Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	119.27	A.Y. 2014-15	The Commissioner of Income Tax (Appeal)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.





# Price Waterhouse Chartered Accountants LLP

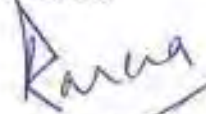
## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of ECL Finance Limited on the standalone financial statements for the year ended March 31, 2018

Page 3 of 3

- xvi The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell I Parera  
Partner  
Membership Number 42190

Mumbai  
May 02, 2018

## ECL Finance Limited

### Balance Sheet

(Currency : Indian rupees in million)

	Note	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,948.11	1,891.85
Reserves and surplus	2.2	27,445.68	21,681.45
		<u>29,393.79</u>	<u>23,573.30</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	134,263.66	91,933.54
Other long-term liabilities	2.4	3,972.59	964.81
Long-term provisions	2.5	1,503.21	1,155.56
<b>Current liabilities</b>			
Short-term borrowings	2.6	58,117.29	58,812.99
Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues other than micro enterprises and small enterprises	2.7	1,301.93	479.12
Other current liabilities	2.8	36,526.43	32,739.62
Short-term provisions	2.9	2,471.55	1,980.98
<b>TOTAL</b>		<u>267,550.45</u>	<u>211,639.92</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	2.10	541.35	246.74
Intangible assets	2.10	41.92	10.02
Capital work in progress		-	270.12
Intangible under development		43.21	16.40
Non-current investments	2.11	6,668.56	6,663.53
Deferred tax assets (net)	2.12	1,104.19	880.39
Long-term loans and advances	2.13	101,281.45	69,686.33
Other non-current assets	2.14	2,157.62	1,907.18
		<u>111,838.30</u>	<u>79,680.71</u>
<b>Current assets</b>			
Current investments	2.15	0.43	67.23
Stock in trade	2.16	97,135.72	58,975.94
Trade receivables	2.17	5,476.32	1,169.67
Cash and bank balances	2.18	2,508.49	11,677.78
Short-term loans and advances	2.19	44,186.90	54,178.41
Other current assets	2.20	6,404.29	5,890.18
		<u>155,712.15</u>	<u>131,959.21</u>
<b>TOTAL</b>		<u>267,550.45</u>	<u>211,639.92</u>

The accompanying notes are an integral part of the financial statements

1 & 2

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

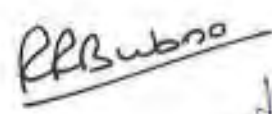
For Price Waterhouse Chartered Accountants LLP

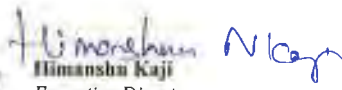
Chartered Accountants

Firm's Registration No. 012754N / N500016

  
Russell Parera  
Partner  
Membership No: 42190

For and on behalf of the Board of Directors

  
Raviprakash R. Bubna  
Managing Director & CEO  
DIN : 00090160

  
Himanshu Kaji  
Executive Director  
DIN : 00009438

  
Nilesh Sampat  
Chief Financial Officer

  
Shekhar Prabhudesai  
Company Secretary

Mumbai  
May 2, 2018

Mumbai  
May 2, 2018

# ECL Finance Limited

## Statement of Profit and Loss

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue from operations</b>			
Fee income	2.21	1,904.35	1,223.95
Income from treasury	2.22	(377.95)	574.50
Interest income	2.23	28,981.79	23,117.08
<b>Other income</b>	2.24	92.08	34.86
<b>Total Revenue</b>		<b>30,600.27</b>	<b>24,950.39</b>
<b>Expenses</b>			
Employee benefits expense	2.25	1,811.85	1,657.41
Finance costs	2.26	17,112.09	13,689.69
Depreciation and amortisation	2.10	52.78	42.59
Other expenses	2.27	4,588.26	3,630.99
<b>Total expenses</b>		<b>23,564.98</b>	<b>19,020.68</b>
<b>Profit before tax</b>		<b>7,035.29</b>	<b>5,929.71</b>
Tax expenses			
(1) Current tax [net of excess provision of earlier years(s) of Rs. 11.67 million (Previous year : 78.28 million)]		2,638.60	1,989.92
(2) Deferred tax (net)		(223.78)	36.61
<b>Profit for the year</b>		<b>4,620.47</b>	<b>3,903.18</b>
<b>Basic and diluted earnings per equity share in Rupees (Face value Re. 1 each)</b>	2.30	2.44	2.06

The accompanying notes are an integral part of the financial statements

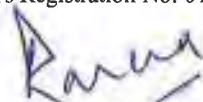
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This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016

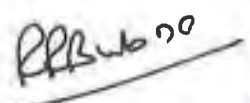


Russell I Parera

Partner

Membership No: 42190

For and on behalf of the Board of Directors



Raviprakash R. Bubna  
Managing Director & CEO  
DIN : 00090160



Himanshu Kaji  
Executive Director  
DIN : 00009438



Nitesh Sampat  
Chief Financial Officer  
Mumbai  
May 2, 2018



Shekhar Prabhudesai  
Company Secretary

Mumbai  
May 2, 2018

# ECL Finance Limited

## Cash Flow Statement

(Currency : Indian rupees in million)

	For the year ended March 31, 2018	For the year ended March 31 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	7,035.29	5,929.71
<i>Adjustments for</i>		
Depreciation and amortisation	52.78	42.59
Provision for compensated absences	0.91	(0.34)
Provision for standard assets	277.45	228.56
Diminution in value of current investments	(128.31)	35.10
Provision for restructured advance	(0.20)	(38.75)
Provision for non performing assets	312.42	378.96
Provision for credit loss on securitisation	(3.34)	(7.47)
Bad- debts and advances written off	1,392.50	431.13
Profit on sale of investments	(677.57)	(33.72)
Dividend on investments	(458.59)	(72.64)
Profit on sale of fixed assets	-	(0.10)
Amortised loan processing fees	(51.08)	(31.07)
Amortised loan origination cost	50.02	35.62
Write-off of fixed assets	(0.32)	-
<b>Operating cash flow before working capital changes</b>	<b>7,801.96</b>	<b>6,897.58</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in trade receivables	(4,306.65)	(568.97)
Decrease in stock in trade	6,466.40	18,183.28
Increase in receivables from financing business including Credit substitute	(69,070.36)	(49,544.75)
Increase in loans and advances	(249.11)	(49.21)
Decrease / (Increase) in other assets	864.43	(1,228.07)
Increase / (Decrease) in liabilities and provisions	4,628.05	(2,287.91)
<b>Cash used in operations</b>	<b>(53,865.28)</b>	<b>(28,598.05)</b>
Income taxes paid	(2,300.45)	(2,109.87)
<b>Net cash used in operating activities - A</b>	<b>(56,165.73)</b>	<b>(30,707.92)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(384.46)	(28.93)
Decrease/ (Increase) in Capital Work-in-progress and Intangibles under development	243.63	(285.68)
Proceeds from Sale of fixed assets	5.17	1.28
Purchase of investments	(2,240.00)	(5,530.55)
Proceeds from Sale of investments	3,107.65	7,292.01
Dividend on investments	458.59	72.64
<b>Net cash generated from / (used in) investing activities - B</b>	<b>1,190.58</b>	<b>1,520.77</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of non convertible debentures	72,548.93	28,271.90
Proceeds from issuance of Share capital	1,200.00	-
Increase in short term borrowing (refer note 1)	(695.70)	11,479.08
Proceeds from banks / financial institutions term loan	54,250.00	31,951.46
Repayment of non convertible debentures	(66,562.12)	(20,811.76)
Repayment of banks / financial institutions term loan	(15,008.12)	(12,647.44)
<b>Net cash generated from financing activities - C</b>	<b>45,732.99</b>	<b>38,243.24</b>



**ECL Finance Limited**

**Cash Flow Statement (Continued)**

**For the year ended  
March 31, 2018**

**For the year ended  
March 31 2017**

(Currency : Indian rupees)

**Net increase / (Decrease) in cash and cash equivalents (A+B+C)**

**(9,242.16)**

**9,056.09**

Cash and cash equivalent as at the beginning of the year

**10,870.13**

**1,814.04**

Cash and cash equivalent as at the end of the year (refer note 2.18)

**1,627.97**

**10,870.13**

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

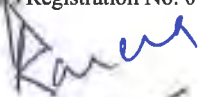
The accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors**

*Chartered Accountants*

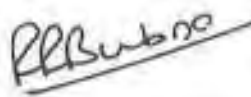
Firm's Registration No. 012754N / N500016



**Russell I Parera**

*Partner*

Membership No: 42190



**Raviprakash R. Bubna**

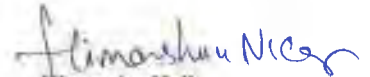
*Managing Director & CEO*

DIN : 00090160



**Nilesh Sampat**

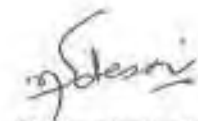
*Chief Financial Officer*



**Himanshu Kaji**

*Executive Director*

DIN : 00009438



**Shekhar Prabhudesai**

*Company Secretary*

Mumbai  
May 2, 2018

Mumbai  
May 2, 2018

# ECL Finance Limited

## Notes to the financial statements

### 1 Significant accounting policies

#### 1.1 Background

ECL Finance Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non Banking Financial Company (non-deposit accepting). The Company was incorporated on 18 July 2005, and is a subsidiary of Edelweiss Financial Services Limited.

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and Real Estate Finance to developers and under the retail credit vertical it offers mortgages including retail construction finance and loan against property, SME finance, rural micro finance, Agri finance and loan against securities.

#### 1.2 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements are presented in Indian rupees rounded off to millions, unless otherwise stated.

The Company being a NBFC registered with RBI follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

#### 1.3 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.4 Current-non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An Asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primary for the purpose of being traded;

It is expected to be realized within 12 months after the reporting date; or



# ECL Finance Limited

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

### *1 Significant accounting policies (continued)*

#### **1.4 Current-non-current classification (*Continued*)**

- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### **1.5 Revenue recognition**

- a. Fee income including processing fees (other than loan against property) and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. In case of loans against property, processing fees collected are amortised over a period of 7 years or original contractual tenor, whichever is shorter. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write off.
- c. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non-performing assets, wherein it is accounted on realisation, as per RBI guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value are amortised on time basis and recognised as interest income.
- d. Interest Spread under par structure of securitization/direct assignment of loan receivables is recognized on realization over the tenure of securitized/ direct assigned loan.
- e. Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity, currency interest rate derivative instruments.
  - i) Profit/loss on sale of investments / securities is determined based on the weighted average cost of the investments / securities sold and recognised on trade date.
  - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an



# ECL Finance Limited

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

### 1 Significant accounting policies (*continued*)

#### 1.5 Revenue recognition (*Continued*)

actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

- iii) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on interest rate derivatives' in the statement of profit and loss and the interest received during contract period is recognised as 'Interest income on derivative instruments' in statement of profit and loss. Positions open as on Balance sheet date are marked to market and profit / (loss) is recognised in the statement of profit and loss.
- iv) In respect of currency derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on currency derivatives' in the statement of profit and loss. Positions open as on Balance sheet date are marked to market and profit / (loss) is recognised in the statement of profit and loss.

In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

- f. Dividend income is recognised when the right to receive payment is established.
- g. Penal interest income on delayed EMI or Pre-EMI is recognised on receipt basis.

#### 1.6 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

#### 1.7 Cost of Benchmark linked debentures

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.

#### 1.8 Securitisation / Assignment

The Company enters into securitization/ Assignment transactions and assets are derecognized upon sale only if the Company surrenders control over the contractual rights that comprise in the financial assets.

The Company has adopted the accounting policy for securitization transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on August 21, 2012.

Unrealised gain on loan transfer transactions comprises of future interest receivable under par structure of securitisation.

Future interest receivable on loan transfer transaction comprises of Company's share of future interest strip receivables in case of a par structure securitised deals.





# ECL Finance Limited

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

### 1 Significant accounting policies (*continued*)

#### 1.9 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset subject to the minimum level of provisioning required as per the prudential norms prescribed by RBI.

Provisions against standard assets are made in accordance with the prudential norms laid down by RBI.

#### 1.10 Fixed assets and depreciation / amortisation

##### Property, Plant and Equipment and Capital work in progress

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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 Machinery	15 years
Furniture and fittings	10 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

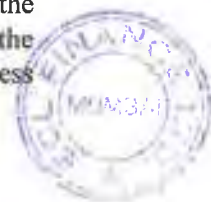
##### Intangible assets

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.

#### 1.11 Impairment of 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



# ECL Finance Limited

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

### *1 Significant accounting policies (continued)*

#### **1.11 Impairment of assets (*Continued*)**

reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### **1.12 Stock-in-trade**

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost and market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Debt instruments are valued at lower of cost and fair value. In case of debt instruments for which direct quotes are not available, fair value is the lowest of the quotes as on the valuation date as provided by market intermediaries.
- d) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

#### **1.13 Investments**

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

#### **1.14 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

#### **1.15 Loan origination costs**

Loan origination costs relating to loan against property comprise of costs paid to third party vendors and intermediaries for loan acquisition, processing, field verification, legal evaluation, title search, fraud check, technical valuation, etc. Such origination costs, directly attributable to disbursed loans are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed as part of "Long-term loans and advances" and "Short-term loan and advances" based on amortisable tenor. Where the loan is foreclosed or written off, the unamortised portion of such loan origination costs are recognised as charge to the statement of profit and loss at the time of such foreclosure or write off.



# ECL Finance Limited

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

### *1 Significant accounting policies (continued)*

#### **1.16 Employee benefits**

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

##### *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.

##### *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. Changes in the present value of defined obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost

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

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

##### *Compensated Absences*

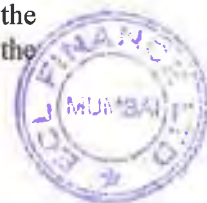
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement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

##### *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. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

#### **1.17 Taxation**

Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).



# ECL Finance Limited

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

### *1 Significant accounting policies (continued)*

#### **1.17 Taxation (*Continued*)**

##### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred tax*

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is a virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

#### **1.18 Operating leases**

Lease payment for asset taken on operating lease are recognised as an expense in the statement of profit and loss on a straight- line basis over the lease term.

#### **1.19 Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

#### **1.20 Foreign Exchange transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchangedifferences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss forthe year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.



# ECL Finance Limited

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

### *1 Significant accounting policies (continued)*

#### **1.21 Provisions and contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.1 Share capital</b>		
<b>Authorised :</b>		
6,700,000,000 (Previous year: 6,700,000,000) Equity Shares of Re.1 each	6,700.00	6,700.00
4,000,000 (Previous year:4,000,000) preference shares of Rs 10 each	40.00	40.00
	<u>6,740.00</u>	<u>6,740.00</u>
<b>Issued, Subscribed and Paid up:</b>		
1,948,107,252 (Previous year:1,891,848,462) equity shares of Re.1 each, fully paid-up	1,948.11	1,891.85
(Of the above 1,499,959,129 (Previous year: 1,499,959,129) fully paid-up equity shares of Re.1 each, are held by Edelweiss Financial Services Limited, the holding company along with its Nominees.)		
	<u>1,948.11</u>	<u>1,891.85</u>

During the year the Company has issued 56,258,790 fully paid-up equity shares of Re.1 each at a premium of Rs 20.33 each for the consideration of 1,200.00 million to Edel Finance Company Limited.

### a. Movement in share capital :

	March 31, 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,891,848,462	1,891.85	1,891,848,462	1,891.85
Shares issued during the year	56,258,790	56.26		
Outstanding at the end of the year	<u>1,948,107,252</u>	<u>1,948.11</u>	<u>1,891,848,462</u>	<u>1,891.85</u>

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

The Company has only one class of equity shares having a par value of Re 1/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
<b>Holding company</b>				
Edelweiss Financial Services Limited	1,499,959,129	76.99%	1,499,959,129	79.28%
<b>Fellow subsidiaries</b>				
Edelweiss Securities Limited	97,416,683	5.00%	97,416,683	5.15%
Edelweiss Commodities Services Limited	294,472,650	15.12%	146,976,650	7.77%
Edel Finance Company Limited	56,258,790	2.89%	-	-
Waverly Pte. Ltd	-	-	147,496,000	7.80%
	<u>1,948,107,252</u>	<u>100.00%</u>	<u>1,891,848,462</u>	<u>100.00%</u>

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

	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited (Holding Company) #	1,499,959,129	76.99%	1,499,959,129	79.28%
Edelweiss Securities Limited	97,416,683	5.00%	97,416,683	5.15%
Edelweiss Commodities Services Limited	294,472,650	15.12%	146,976,650	7.77%
Waverly Pte Limited	-	-	147,496,000	7.80%
	<u>1,891,848,462</u>	<u>97.11%</u>	<u>1,891,848,462</u>	<u>100.00%</u>

# including 6 shares held by nominees of Edelweiss Financial Services Limited



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

2.2 Reserves and surplus	As at March 31, 2018	As at March 31, 2017
Securities Premium Account	6,839.25	6,991.43
Add : Additions during the year on issue of debentures	19.61	-
Add : Additions during the year on issue of Equity Shares	1,143.74	-
Less: Provision for premium payable on redemption of debentures [net of tax of Rs.10.36 million (previous year Rs.21.13 million)]	19.59	152.18
	<u>7,983.01</u>	<u>6,839.25</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 *	2,968.47	2,187.83
Add : Additions during the year	924.10	780.64
	<u>3,892.57</u>	<u>2,968.47</u>
Debenture Redemption Reserve	2,122.25	1,705.05
Add : Additions / (reduction) during the year	(401.65)	417.20
	<u>1,720.60</u>	<u>2,122.25</u>
Surplus in statement of profit and loss		
Opening Balance	9,751.48	7,046.14
Add: Profit for the year	4,620.47	3,903.18
<b>Amount available for appropriation</b>	<u>14,371.95</u>	<u>10,949.32</u>
Appropriations:		
Transfer to Debenture Redemption Reserve	(401.65)	417.20
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	924.10	780.64
	<u>13,849.50</u>	<u>9,751.48</u>
	<u>27,445.68</u>	<u>21,681.45</u>

\* Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934.



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.3 Long-term borrowings</b>		
<b><u>Secured</u></b>		
Non-convertible redeemable debentures (refer note 2.42 and 2.29)		
a. Privately Placed Non-convertible debentures	43,437.51	34,179.80
Less: Unamortised discount	983.07	13.00
	<b>42,454.44</b>	<b>34,166.80</b>
b. Public issue of Non-convertible debentures		
(i) INR denominated USD settled notes (Masala Bonds)	5,020.00	5,020.00
Less: Unamortised discount	16.30	25.65
	<b>5,003.70</b>	<b>4,994.35</b>
(ii) In respect of public offer	1,408.47	2,834.31
	<b>48,866.61</b>	<b>41,995.46</b>
Term loans from bank (refer note 2.43)	64,525.32	36,131.99
Term loans from other Parties (refer note 2.43)	3,156.58	2,196.09
	<b>67,681.90</b>	<b>38,328.08</b>
<b><u>Unsecured</u></b>		
Non-convertible redeemable debentures (refer note 2.42 and 2.29)		
a. Privately Placed Non-convertible redeemable debentures	731.60	710.00
Less: Unamortised discount	183.23	-
	<b>548.37</b>	<b>710.00</b>
b. Privately Placed Non-convertible redeemable subordinated debt	11,884.10	6,900.00
Less: Unamortised discount	1,717.32	-
	<b>10,166.78</b>	<b>6,900.00</b>
c. Public issue of Non-convertible redeemable subordinated debt	4,000.00	4,000.00
d. Perpetual debentures	3,000.00	-
	<b>17,715.15</b>	<b>11,610.00</b>
	<b>134,263.66</b>	<b>91,933.54</b>
<b>2.4 Other long term liabilities</b>		
Unamortised processing fees	69.79	32.65
Interest accrued but not due on borrowings	3,878.55	885.04
Unrealised gain on loan transfer transactions	24.25	47.12
	<b>3,972.59</b>	<b>964.81</b>
<b>2.5 Long-term provisions</b>		
Provision for employee benefits		
Compensated leave absences	2.54	10.68
Deferred bonus	21.23	86.63
Provision for non performing assets	867.04	811.54
Provision for standard assets	607.37	238.34
Provision for credit loss on securitisation	5.03	8.37
	<b>1,503.21</b>	<b>1,155.56</b>





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.6 Short-term borrowings</b>		
<b><u>Secured</u></b>		
Bank overdraft	18,235.36	3,872.83
[Secured by charge on receivables from financing business and credit substitute]		
Collateralised borrowing and lending obligation and Clearcorp repo order matching system	15,324.22	6,536.84
[Secured by pledge of Government securities and Treasury-bills]		
Working capital demand loan	4,370.00	3,100.00
[Secured by charge on receivables from financing business and credit substitute ]		
	<hr/> 37,929.58	<hr/> 13,509.67
<b><u>Unsecured</u></b>		
Loan from related parties	12,124.87	14,080.73
[repayable on demand, at the rate of interest 9%]		
Commercial paper	8,250.00	31,620.00
Less : Unamortised discount	187.16	397.41
	<hr/> 8,062.84	<hr/> 31,222.59
	<hr/> <b>58,117.29</b>	<hr/> <b>58,812.99</b>



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.7 Trade Payables</b>		
Payable to :		
Related party		
Others	1,301.93	479.12
(includes sundry creditors, provision for expenses, customer payables and net payable against Government Securities )		
	<b>1,301.93</b>	<b>479.12</b>
<b>2.8 Other current liabilities</b>		
Current maturities of secured long term debt		
Term loan from bank (refer note 2.43)	19,551.52	9,963.50
Term loan from other parties (refer note 2.43)	892.11	592.07
Public issue of Non-convertible debentures (refer note 2.42)	1,425.85	6,484.29
Privately Placed Non-convertible debentures (refer note 2.42)	8,875.23	10,625.18
Less: Unamortised discount	181.09	-
	<b>8,694.14</b>	<b>10,625.18</b>
Interest accrued but not due on borrowings	3,059.07	3,993.44
Other Payables		
Accrued salaries and benefits	720.57	496.66
Withholding taxes, Goods & service tax and other taxes payable	-	33.61
Book overdraft	1,707.83	325.66
Unamortised processing fees	51.78	22.25
Premium received on outstanding exchange traded options (including MTM)	191.37	70.50
MTM on Benchmark linked debentures	129.95	-
Unrealised gain on loan transfer transactions	8.01	13.69
Mark to Market on interest rate & currency derivatives	35.06	41.15
Others	59.17	77.62
	<b>36,526.43</b>	<b>32,739.62</b>
<b>2.9 Short-term provisions</b>		
Provision for employee benefits :		
Compensated absences	11.34	2.29
Deferred bonus	112.36	188.82
Others		
Provision for non performing assets	1,522.56	1,265.84
Provision for standard assets	256.90	348.48
Provision for tax	568.39	175.55
(net of advance taxes Rs 3,927.81 million ; previous year :Rs 3,009.54 million)		
	<b>2,471.55</b>	<b>1,980.98</b>



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

**2.10 Fixed assets**

Description of Assets	Gross Block			Depreciation			Net Block As at March 31, 2018
	As at April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	Charge for the year	Deductions during the year	
<b>Property, Plant and Equipment</b>							
Building\$	273.26	270.11	-	543.37	17.92	-	458.95
Leasehold improvements	4.52	2.01	-	6.53	1.12	-	3.03
Furniture and Fixtures	1.28	30.07	-	31.35	2.99	-	27.93
Vehicles	53.64	6.29	22.30	37.63	6.24	17.50	15.65
Office equipment	7.65	14.28	2.61	19.32	3.22	2.29	13.10
Computers	44.23	21.60	0.80	65.03	13.09	0.75	22.69
<b>A</b>	<b>384.58</b>	<b>344.36</b>	<b>25.71</b>	<b>703.23</b>	<b>44.58</b>	<b>20.54</b>	<b>541.35</b>
<b>Intangible assets</b>							
Software	31.88	40.10	-	71.98	8.20	-	41.92
<b>B</b>	<b>31.88</b>	<b>40.10</b>	<b>-</b>	<b>71.98</b>	<b>8.20</b>	<b>-</b>	<b>41.92</b>
<b>Total (A+B)</b>	<b>416.46</b>	<b>384.46</b>	<b>25.71</b>	<b>775.21</b>	<b>52.78</b>	<b>20.54</b>	<b>583.27</b>

- 1) There is no revaluation of assets during the year.
- 2) There are no adjustments on account of borrowing costs.
- 3) \$ Charge against Secured Redeemable Non-convertible Debentures (Refer note 2.42)



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

**2.10 Fixed assets**

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2017
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 1 April 2016	Charge for the year	As at 31 March 2017	
<b>Property, Plant and Equipment</b>							
Building	270.94	2.32	-	55.72	10.78	66.50	206.76
Leasehold improvements	3.47	1.05	-	1.43	0.95	2.38	2.14
Furniture and Fixtures	0.85	0.46	0.03	0.30	0.16	0.43	0.85
Vehicles	50.88	5.51	2.75	26.82	8.55	33.24	20.40
Office equipment	7.42	0.86	0.63	4.49	1.42	5.29	2.36
Computers	35.39	12.20	3.36	20.51	12.30	30.00	14.23
<b>A</b>	<b>368.95</b>	<b>22.40</b>	<b>6.77</b>	<b>109.27</b>	<b>34.16</b>	<b>137.84</b>	<b>246.74</b>
<b>Intangible assets</b>							
Software	25.35	6.53	-	13.43	8.43	21.86	10.02
<b>B</b>	<b>25.35</b>	<b>6.53</b>	<b>-</b>	<b>13.43</b>	<b>8.43</b>	<b>21.86</b>	<b>10.02</b>
<b>Total (A+B)</b>	<b>394.30</b>	<b>28.93</b>	<b>6.77</b>	<b>122.70</b>	<b>42.59</b>	<b>159.70</b>	<b>256.76</b>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.11 Non-current investments (Non Trade)</b>						
Others (unquoted)						
<i>Investments in equity shares of companies (fully paid up)</i>						
Aeon Credit Services India Pvt Limited (associate company)	-	-	-	10	22,750,000	227.50
						227.50
<i>Investments in preference shares of companies (fully paid up)</i>						
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Commodities Services Limited	10	1,000,000	1,000.00	10	1,000,000	1,000.00
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	-	-	-	10	220,000	220.00
			1,000.00			1,220.00
<i>Investments in securitisation trust securities</i>						
- EARC Trust SC 7	654.34	104,500	94.40	1,000	104,500	94.40
- EARC Trust SC 9	1	71,487	92.19	1,000	71,487	92.19
- EARC Trust SC 102	352.44	768,570	277.20	1,000	768,570	748.72
- EARC Trust SC 104	-	-	-	1,000	77,180	28.98
- EARC Trust SC 223	419.05	2,337,500	979.54	1,000	2,337,500	2,337.50
- EARC Trust SC 251	1,000	1,700,000	1,700.00	1,000	1,700,000	1,700.00
- EARC Trust SC 263	709.21	1,360,000	964.52	-	-	-
- EARC Trust SC 283	1.00	850,000	0.85	-	-	-
- EARC Trust SC 308	533.57	240,550	128.35	-	-	-
- EARC Trust SC 314	1,000	71,400	71.40	-	-	-
- EARC Trust SC 329	1,000	288,000	288.00	-	-	-
- EARC Trust SC 297	1,000	518,470	518.47	-	-	-
- EARC Trust SC 331	1,000	396,720	396.72	-	-	-
Less : Provision for diminution in value of investments			(49.45)			
<i>Investments in units of fund</i>						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	25,000	206.37	10,000	25,000	214.24
			5,668.56			5,216.03
			<u>6,668.56</u>			<u>6,663.53</u>
<b>Aggregate of unquoted investment</b>						
- At carrying value			6,668.56			6,663.53
- Aggregate Provision for diminution in value of investments			49.45			-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.12 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Provision for standard assets	302.01	203.08
Provision for credit loss on securitisation	1.76	2.89
Provision for non-performing, restructured and doubtful advances	723.18	615.27
Unamortised processing fees	42.48	19.00
Provision for deferred bonus	46.68	95.33
Provision for Diminution in value of current investments	63.70	61.52
Disallowances under section 43B of the Income Tax Act, 1961	0.01	4.49
	<u>1,179.82</u>	<u>1,001.58</u>
<b>Deferred tax liabilities</b>		
Unamortised loan origination costs	42.36	20.94
Unrealised Gain On Derivatives	6.09	83.55
Difference between book and tax depreciation	24.29	16.70
Others	2.89	-
	<u>75.63</u>	<u>121.19</u>
	<u>1,104.19</u>	<u>880.39</u>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.13 Long-term loans and advances</b>		
<i>(Considered good, unless stated otherwise)</i>		
<b><u>Secured</u></b>		
Receivables from financing business		
- considered good	92,112.16	65,889.84
- considered non performing assets	1,576.24	1,486.66
	93,688.40	67,376.50
<b><u>Unsecured</u></b>		
Receivables from financing business		
- considered good	7,116.75	1,998.80
- considered non performing assets	1.12	3.27
	7,117.87	2,002.07
Other loans and advances		
Unamortised loan origination costs	78.32	39.31
Security Deposits	29.65	3.95
Advance income taxes	367.21	264.50
(net of provision for tax Rs.4,309.78 million; Previous year: Rs. 3,473.16 million)		
	475.18	307.76
	101,281.45	69,686.33
<b>2.14 Other non-current assets</b>		
<i>(Unsecured Considered good, unless stated otherwise)</i>		
Long term bank deposits with banks <i>(refer note 2.32)</i>	57.64	80.51
Future interest receivable on loan transfer transaction	24.25	47.12
Interest Accrued but not due on debt instruments	1,962.75	1,209.66
Interest Accrued but not due on loans given	112.24	538.19
Contribution to gratuity fund (net) <i>(refer note 2.31)</i>	0.74	3.36
Accrued interest on fixed deposits	-	28.34
	2,157.62	1,907.18



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.15 Current investments</b>						
<b>Investments in equity instruments of other companies (quoted)</b>						
Alok Industries Limited	-	-	-	10.00	22,642,893	66.80
						66.80
<b>Investments in mutual funds (unquoted)</b>						
Edelweiss Short Term Income Fund- Institutional Growth	10	40,799	0.43	10	40,799	0.43
			0.43			0.43
			0.43			67.23
Aggregate of quoted investment						
- At carrying value			-			66.80
- At market value			-			66.80
Aggregate of unquoted investment						
- At carrying value			0.43			0.43
- At net asset value			0.73			0.71
- Aggregate Provision for diminution in value of investments			-			-





## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Equity shares (quoted)</b>						
Coal India Limited	-	-	-	10	1,915,900	560.69
Hindustan Zinc Limited	-	-	-	2	1,136,000	328.08
IRB InvIT Fund	10	1,375,000	109.14	-	-	-
India Grid Trust	10	86,751	8.20	-	-	-
	(A)		117.34			888.77
<b>Preference shares (quoted)</b>						
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares Sr-I	10	22,968,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	10	2,226,835	23.56	-	-	-
	(B)		203.18			-
<b>Debtentures and bonds (quoted)</b>						
<b>Credit Substitute</b>						
20.00% A B T Investments (India) Private Limited 31.08.2018 NCD	1,000,000	142	142.00	1,000,000	500	500.00
12.00% Future Corporate Resources Limited 28.01.2020 NCD (Sr-I)	-	-	-	10,000,000	35	350.00
12.00% Future Corporate Resources Limited 28 01 2020 NCD (Sr-II)	-	-	-	10,000,000	125	1,250.00
17.57% Saha Infotech Private Limited 31.03.2022 NCD	10,000,000	110	1,100.00	-	-	-
5.00% SVL Limited 20.09.2020 NCD	980,000	60	58.80	980,000	392	386.56
13.50% Nspira Management Services Private Limited 30 06.2020 NCD	853,333	387	330.24	1,000,000	387	387.00
15.00% Pantaloon Industries Limited 31.03.2017 NCD	-	-	-	10,000,000	50	500.00
11 75% Reliance Infrastructure Limited 30.05.2018 NCD	1,000,000	1,265	1,265.00	1,000,000	1,815	1,815.00
12.00% Pantaloon Industries Limited 28 01.2020 NCD	-	-	-	10,000,000	100	1,000.00
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020 NCD	1,000,000	1,782	1,782.00	1,000,000	2,715	2,715.00
5 00% New Media Broadcasting Private Limited 18.02.2021 NCD	1,000,000	200	200.00	-	-	-
0.00% Viceroy Bangalore Hotels Private Limited 30.06.2021 NCD	666,667	444	296.00	-	-	-
18.00% Luxora Infrastructure Private Limited 31.03.2021 NCD	1,000,000	222	222.00	-	-	-
10.00% Abellon Cleanenergy Limited 02.06.2020 NCD	1,000,000	217	217.00	1,000,000	217	217.00
10.00% Shivakar Infra Private Limited 30.09.2021 NCD	1,000,000	1,311	1,311.00	1,000,000	2,000	2,000.00
12.00% Nspira Management Services Private Limited 30.09.2020 NCD	1,000,000	129	129.00	1,000,000	129	129.00
12.00% Sheltrex Karjat Private Limited 31.03.2022 NCD	1,000,000	590	590.00	1,000,000	900	900.00
14 00% Parinee Realty Private Limited 15 01.2021 NCD	500,000	2,200	1,100.00	500,000	4,200	2,100.00
10.00% Unitech Machines Limited 29.02.2024 NCD	-	-	-	1,000,000	2,500	2,500.00
	(C)		8,743.04			16,749.56
<b>Others</b>						
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	1,000,000	300	300.00	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09 2023 NCD	1,000	4,271	4.36	-	-	-
9 00% Yes Bank Limited Perpetual Bonds	1,000,000	25	25.00	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 NCD	1,000,000	9	9.25	-	-	-
11 00% Shriram Transport Finance Company Limited 20 04 2020 Bonds	1,000,000	10	10.39	-	-	-
9 14% Kudgi Transmission Limited 25 04.2029 NCD	-	-	-	13	119,984	1.58
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	1,000	1,249,000	1,235.89	-	-	-
7 35% National Highway Authority Of India 11 01 2031 Bonds	-	-	-	1,000	2,740	2.95
8.49% National Thermal Power Corporation Limited 25.03 2025 NCD	13	11,514	0.15	-	-	-
8 75% Muthoot Finance Limited 24.06.2020 Bonds	1,000	4,000	4.03	-	-	-
7.80% PIRAMAL ENTERPRISES LIMITED 19.04.2019 CCD	107,600	3,030	326.03	-	-	-
10 00% Edelweiss Housing Finance Limited 19 07 2026 NCD	1,000	53,375	56.74	-	-	-
8.85% Indiabulls Commerical Credit Limited 28.03.2028 Bonds	1,000,000	8,000	800.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08 2026 Bonds	1,000	650	0.92	-	-	-
	1,000,000	6	6.16	-	-	-
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	1,000,000	1	1.04	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	-	-	-
8 90% Greater Hyderabad Municipal Corporation 16 02.2028 NCD	1,000,000	16	16.08	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	1,000,000	550	550.06	-	-	-
9.00% Edelweiss Commodities Services Limited 17 04.2020 Bonds	1,000,000	900	928.35	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.2019 Bonds	-	-	-	1,000	13,000	12.88
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	1,000	81,210	80.45
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	1,000,000	4	4.00
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	1,000	15,000	16.64
8.41% National Thermal Power Corporation Limited 16.12 2023 NCD	-	-	-	1,000	6,333	7.01
8 50% National Highways Authority Of India 05 02.2029 Bonds	-	-	-	1,000	14,700	17.34
	(D)		4,274.45			142.85
<b>Government bonds (quoted)</b>						
10.03% Government Stock 09.08.2019 Bonds	-	-	-	100	2,000,000	214.98
6.35% Government Stock 02.01.2020 Bonds	100	5,500,000	546.32	-	-	-
6.79% Government Stock 15.05.2027 Bonds	100	7,000,000	664.60	-	-	-
8.40% Government Stock 28.07.2024 Bonds	-	-	-	100	5,000,000	540.63
8.27% Government Stock 09.06.2020 Bonds	100	5,000,000	513.57	-	-	-
8 13% Government Sock 22.06.2045 Bonds	-	-	-	100	1,000,000	107.95
8.15% Government Stock 24 11.2026 Bonds	-	-	-	100	30,000,000	3,199.57
6.17% Government Stock 12.06.2023 Bonds	100	7,500,000	704.02	-	-	-
7.16% Government Stock 20.05.2023 Bonds	100	5,500,000	543.71	-	-	-
6.90% Government Stock 13 07.2019 Bonds	100	2,860,000	286.87	100	360,000	36.31
7.61% Government Stock 09.05.2030 Bonds	-	-	-	100	3,500,000	362.53
7.68% Government Stock 15 12.2023 Bonds	-	-	-	100	1,500,000	156.16
7 80% Government Stock 03.05.2020 Bonds	100	6,500,000	661.75	-	-	-
8.35% Government Stock 14.05.2022 Bonds	100	1,500,000	155.45	-	-	-
8.07% Maharastra Government Stock 23.10.2018 Bonds	100	3,000,000	301.95	-	-	-
7 80% Government Stock 11.04.2021 Bonds	100	8,500,000	866.28	100	3,000,000	311.15
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100	3,000,000	305.76	-	-	-
6 68% Government Stock 17.09 2031 Bonds	100	5,500,000	507.97	-	-	-
8.52% Karnataka Government Stock 10.03.2020	100	2,500,000	255.88	-	-	-
8.24% Government Stock 15.02.2027 Bonds	100	1,000,000	103.45	-	-	-
6.05% Government Of India 02.02.2019 Bonds	100	8,000,000	795.63	-	-	-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Government bonds (quoted) Continued</b>						
8.56% Kerala Government Stock 16 02 2020 Bonds	100	5,000,000	511.69	100	1,000,000	104.50
7.59% Government Stock 11.01.2026 Bonds	100	1,500,000	149.27	100	500,000	52.26
8.38% Maharashtra Government Stock 25.03.2020 Bonds	100	2,500,000	255.37	-	-	-
7.72% Government Stock 25.05.2025 Bonds	100	10,000,000	1,004.52	-	-	-
8.15% Government Stock 11.06.2022 Bonds	-	-	-	100	500,000	52.45
6.97% Government Stock 06.09.2026 Bonds	100	4,000,000	381.54	-	-	-
8.13% Government Stock 21.09.2022 Bonds	100	1,000,000	102.67	-	-	-
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds	100	2,500,000	251.68	-	-	-
8.20% Government Stock 15.02.2022 Bonds	100	35,500,000	3,660.40	100	1,500,000	158.43
6.84% Government Stock 19.12.2022 Bonds	100	2,000,000	196.23	-	-	-
8.23% Gujarat Government Stock 07.10.2019 Bonds	100	2,500,000	253.44	-	-	-
5.69% Government Stock 25.09.2018 Bonds	100	3,000,000	298.88	-	-	-
7.17% Government Stock 08 01 2028 Bonds	100	3,000,000	295.26	-	-	-
6.01% Government Stock 25.03.2028 Bonds	100	500,000	43.20	-	-	-
7.35% Government Stock 22.06.2024 Bonds	100	4,000,000	397.96	100	5,000,000	506.42
8.53% Maharashtra Government Stock 27 10.2020 Bonds	-	-	-	100	500,000	52.31
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds	-	-	-	100	3,000,000	308.94
			15,015.32			6,164.59
<b>Debentures and bonds (unquoted)</b>						
<b>Credit Substitute</b>						
18.50% Manyata Developers Private Limited 30.06.2020 NCD	630,000	1,845	1,162.35	1,000,000	2,167	2,167.00
18.50% Kamla Landmarc Property Leasing & Finance Private Limited 10.06.2018 NCD	628,082	870	546.43	734,595	870	639.10
14.00% Skil Shipyard Holdings Private Limited 21.01.2019 NCD	-	-	-	3,370,000	275	926.75
14.00% Bcc Infrastructures Private Limited 31.05.2021 NCD	1,000,000	2,100	2,100.00	1,000,000	2,100	2,100.00
6.25% Avantha Holdings Limited 28.07.2018 NCD	-	-	-	10,000,000	160	1,600.00
18.00% VGN Developers Private Limited 31.07.2018 NCD	-	-	-	812,692	1,180	958.97
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	-	-	-	10,000,000	208	2,080.00
9.00% Gonibedu Coffee Estate Private Limited 14.05.2017 NCD	-	-	-	10,000,000	248	2,480.00
13.00% Parsvnath Developers Limited 15.04.2019 NCD	-	-	-	500,000	350	175.00
0.00% Wonder Value Realty Developers Private Limited 22 05 2018 NCD	250,000	2,000	500.00	500,000	2,000	1,000.00
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	-	-	-	1,000,000	1,760	1,760.00
14.00% Neptune Developers Limited 17.11.2020 NCD	1,000,000	2,350	2,350.00	1,000,000	2,350	2,350.00
18.00% Easy Home Solutions Private Limited 12 11.2019 NCD	-	-	-	1,000,000	250	250.00
0.00% Champalaji Finance Private Limited 28.11.2019 NCD	100,000	6,300	630.00	100,000	6,300	630.00
15.75% Klp Projects Private Limited 28.02.2021 NCD	137,255	2,550	350.00	823,529	2,550	2,100.00
13.50% Goldenarch Digital Solutions Private Limited 08.01.2021 NCD	10,000,000	275	2,750.00	-	-	-
14.00% Saya Homes Private Limited 30.09.2019 NCD	-	-	-	1,000,000	1,610	1,610.00
18.00% Krishna Enterprises (Housing & Infrastructures) Private Limited 13.10.2020 NCD	1,000,000	1,010	1,010.00	1,000,000	1,010	1,010.00
19.00% Samridhi Infra Square Private Limited 09.12.2020 NCD	500,000	800	400.00	500,000	800	400.00
17.00% Meeti Developers Private Limited 31.08.2020 NCD	500,000	1,100	550.00	500,000	1,100	550.00
Reset Rate Um Autocomp Private Limited 29.02.2024 NCD	811,899	723	587.00	-	-	-
Reset Rate Sterling Urban Ventures Private Limited 31.08.2022 NCD	1,000,000	1,200	1,200.00	-	-	-
14.05% Aspen Infrastructures Limited 01.07.2020 NCD	10,000,000	60	600.00	-	-	-
12.00% Reynold Shirting Limited 12.07.2020 NCD	777,778	900	700.00	-	-	-
17.50% Sowparnika Projects And Infrastructure Private Limited 31.07.2021 NCD	756,069	800	604.86	-	-	-
16.85% Rohan Developers Private Limited 31 03.2020 NCD	1,000,000	1,000	1,000.00	-	-	-
12.50% Attivo Economic Zone (Mumbai) Private Limited 30.05.2020 NCD	10,000,000	200	2,000.00	10,000,000	200	2,000.00
13.00% Aniline Construction Company Private Limited 30 09.2022 NCD	100,000	1,197	119.70	100,000	5,500	550.00
13.00% Neelkanth Realtors Private Limited 30.09.2020 NCD	1,000,000	750	750.00	1,000,000	750	750.00
Reset Rate Smaash Entertainment Private Limited 29 08.2022 NCD	882,353	2,040	1,800.00	-	-	-
18.00% International Trading & Manufacturing Company Developers Private Limited 31.12.2020 NCD	500,000	1,500	750.00	500,000	1,500	750.00
12.00% Gonibedu Coffee Estates Private Limited 29.05.2019 NCD	9,473,684	325	3,078.95	-	-	-
12.00% Raheja Towers Private Limited 30.04.2022 NCD	500,000	1,705	852.50	-	-	-
0.00% Radius Sumer Developers Private Limited 12.04.2021 NCD	350,000	2,370	829.50	-	-	-
12.00% Reynold Shirting Limited 31.10.2022 NCD	1,000,000	1,700	1,700.00	-	-	-
18.50% Charms India Private Limited 30.06.2022 NCD	1,000,000	350	350.00	-	-	-
17.06% Gmr Enterprises Private Limited 04 08.2021 NCD	1,000,000	330	330.00	-	-	-
18.00% Century Real Estate Holdings Private Limited 22.01.2021 NCD	1,000,000	810	810.00	1,000,000	810	810.00
15.00% Alok Knit Exports Private Limited 11 05.2020 NCD	7,236,200	135	976.89	-	-	-
0.00% Horizontal Realty And Aviation Private Limited 13.11.2024 NCD	868,209	900	781.39	-	-	-
Reset Rate Opj Trading Private Limited 03.09.2020 NCD	1,000,000	1,300	1,300.00	-	-	-
10.00% Reliance Project Ventures And Management Private Limited 09.10.2022 NCD	1,000,000	1,500	1,500.00	-	-	-
Reset Rate Opj Trading Private Limited 15.10.2020 NCD	1,000,000	1,250	1,250.00	-	-	-
Reset Rate Platinum Infradevelopment Private Limited 06.08.2022 NCD	200,000	4,515	903.00	-	-	-
12.25% Sprit Infrapower & Multiventures Private Limited 21.09.2018 NCD	10,000,000	208	2,080.00	-	-	-
14.00% Sare Saamag Realty Private Limited 21.12.2022 NCD	500,000	1,100	550.00	-	-	-
17.00% Modella Textiles Industries Limited 30.11.2022 NCD	1,000,000	2,000	2,000.00	-	-	-
Reset Rate Crescent Amity Realtors Private Limited 30.12.2023 NCD	1,000,000	320	320.00	-	-	-
Reset Rate Smaash Entertainment Private Limited 14.12.2022 NCD	1,000,000	200	200.00	-	-	-
14.00% Sare Shelters Project Private Limited 08.01.2023 NCD	500,000	1,840	920.00	-	-	-
12.00% Azeem Infinite Dwelling India Private Limited 21.08.2022 NCD Sr- 2	1,000,000	100	100.00	-	-	-
12.00% Azeem Infinite Dwelling India Private Limited 21.08.2022 NCD Sr- 1	1,000,000	2,000	2,000.00	-	-	-
15.60% Gayatri Energy Ventures Private Limited 12.10.2021 NCD Sr-Ii	1,000,000	1,500	1,500.00	-	-	-
12.00% Mohan Breweries And Distilleries Limited 30.10.2021 NCD	10,000,000	200	2,000.00	-	-	-
15.00% Royalgolf Link City Projects Private Limited 31.03.2023 NCD	500,000	787	393.50	-	-	-
10.00% Nirmal Lifestyle (Mulund) Private Limited 30.03.2021 NCD	1,000,000	1,000	1,000.00	-	-	-
13.65% Suhani Trading And Investment Consultants Private Limited 10.03.2018 NCD	1,000,000	2,900	2,900.00	-	-	-



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

2.16 Stock in trade	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Debentures and bonds (unquoted) Continued</b>						
<b>Credit Substitute</b>						
13.65% Ryka Commercial Ventures Private Limited 07.03.2021 NCD	1,000,000	1,000	1,000.00	-	-	-
14.50% Shree Naman Developers Private Limited 23.03.2021 NCD	500,000	3,600	1,800.00	-	-	-
15.00% Ecstasy Realty Private Limited 28.03.2023 NCD	10,000,000	340	3,400.00	-	-	-
20.35% Jana Holdings Limited 26.05.2023 NCD	1,000,000	1,550	1,550.00	-	-	-
13.65% Future Capital Investment Private Limited 19.03.2021 NCD	1,000,000	1,780	1,780.00	-	-	-
17.92% Gmr Enterprises Private Limited 15.03.2022 NCD	1,000,000	1,250	1,250.00	-	-	-
(F)			<u>63,866.07</u>			<u>29,646.82</u>
<b>Mutual funds (quoted)</b>						
JM High Liquidity Fund - Direct - Growth	-	-	-	10	22,471,506	1,000.00
Kotak Mahindra Mutual Fund Collection	10	461,398	1,000.00	-	-	-
Jm Equity Fund - Monthly Dividend Option -Payout	10	47,724,041	570.71	-	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan	10	236,429	1,000.00	-	-	-
Reliance Medium Term Fund	10	27,168,155	1,000.00	-	-	-
LIC Nomura Income Plus Fund - Direct - Growth	-	-	-	10	339,185	1,000.00
HDFC Debt Fund For Cancer Cure - 2014	10	1,000,000	10.00	10	1,000,000	10.00
Edelweiss Active Bond Fund - Direct - Growth	-	-	-	10	71,852,978	1,300.00
Kotak Floater Fund - Direct Plan - Growth	-	-	-	10	562,086	1,500.00
(G)			<u>3,580.71</u>			<u>4,810.00</u>
<b>T- Bills (quoted)</b>						
T-BILL 15.02.2018 (364 DAYS)	-	-	-	100	3,000,000	282.41
T-BILL 12.04.2018 (91 DAYS)	100	3,745,200	368.71	-	-	-
T-BILL 24.08.2017 (182 DAYS)	-	-	-	100	3,000,000	290.94
T-BILL 12.07.2018 (182 DAYS)	100	7,972,700	772.68	-	-	-
T-BILL 06.09.2018 (182 DAYS)	100	2,000,000	194.22	-	-	-
(H)			<u>1,335.61</u>			<u>573.35</u>
<b>Total</b>	<b>(A+B+C+D+E+F+G+H)</b>		<u><u>97,135.72</u></u>			<u><u>58,975.94</u></u>
Aggregate of stock-in-trade in quoted Equity shares	- At carrying value		117.34			888.77
	- At market value		121.04			888.77
Aggregate of stock-in-trade in quoted Preference shares	- At carrying value		203.18			-
	- At market value		203.18			-
Aggregate of stock-in-trade in quoted debentures and Government bonds & T-Bills	- At carrying value		29,368.42			23,630.35
	- At market value		32,448.11			23,639.49
Aggregate of stock-in-trade in unquoted debentures and bonds	- At carrying value		63,866.07			29,646.82
Aggregate of stock-in-trade in units of quoted mutual fund	- At carrying value		3,580.71			4,810.00
	- At net asset value		3,590.92			4,811.61



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.17 Trade receivables</b>		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	4.62	4.62
Less : Provision for doubtful debts	4.62	4.62
	<hr/>	<hr/>
Other debts		
Unsecured, considered good	5,476.32	1,169.67
	<hr/>	<hr/>
	<b>5,476.32</b>	<b>1,169.67</b>
	<hr/>	<hr/>
<b>2.18 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	0.06	0.02
Balances with banks		
- in current accounts	1,627.91	10,850.11
- in fixed deposits with original maturity less than 3 months (refer note 2.32)	-	20.00
	<hr/>	<hr/>
	<b>1,627.97</b>	<b>10,870.13</b>
<b>Other bank balances</b>		
- Short term deposits with banks (refer note 2.32) (other bank deposits with maturity less than 12 months)	880.52	807.65
	<hr/>	<hr/>
	<b>2,508.49</b>	<b>11,677.78</b>
	<hr/>	<hr/>



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at March 31, 2018	As at March 31, 2017
<b>2.19 Short-term loans and advances</b>		
<i>(Considered good, unless stated otherwise)</i>		
<b><u>Secured</u></b>		
Receivables from financing business		
- considered good	32,568.43	24,002.67
- considered non performing assets	1,748.74	1,182.25
	<b>34,317.17</b>	<b>25,184.92</b>
<b><u>Unsecured</u></b>		
Receivables from financing business		
- considered good	9,402.15	28,130.64
- considered non performing assets	1.30	482.93
<b>Other loans and advances</b>		
Deposits placed with/exchange/depositories	71.05	91.05
Prepaid expenses	6.91	5.44
Unamortised loan origination costs	42.90	21.21
Loans and advances to employees	26.50	5.54
Vendor Advances	42.56	55.87
Input tax credit	5.50	-
Advance income taxes	90.51	138.53
(net of provision for tax Rs 1,977.12 million ; previous year : Rs 1,479.91 million)		
Advances recoverable in cash or in kind or for value to be received	180.35	62.28
	<b>9,869.73</b>	<b>28,993.49</b>
	<b>44,186.90</b>	<b>54,178.41</b>
<b>2.20 Other current assets</b>		
<i>(Unsecured Considered good, unless stated otherwise)</i>		
Accrued interest on fixed deposits	47.16	0.21
Accrued interest on debt instruments	737.30	114.52
Accrued interest on loans given	2,945.25	1,243.40
Accrued interest on margin	0.59	0.32
Interest Accrued but not due on loans given	1,258.68	1,390.83
Interest Accrued but not due on debt instruments	1,153.75	1,597.06
Mark to market on interest rate swap & Currency derivatives	27.50	33.64
Margin placed with Counterparty for derivatives	15.35	45.10
Premium paid on outstanding exchange traded options (including MTM)	3.91	723.34
Future interest receivable on loan transfer transaction	8.01	13.69
Margin placed with broker	183.25	696.90
Others	23.54	31.17
	<b>6,404.29</b>	<b>5,890.18</b>

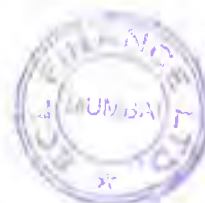


## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>2.21 Fee income</b>		
Loan processing and other fees	1,904.35	1,223.95
	<u>1,904.35</u>	<u>1,223.95</u>
<b>2.22 Income from treasury</b>		
Profit on trading of securities (net)	(15.88)	2,148.18
Profit / (loss) on equity derivative instruments (net)	315.39	501.85
Profit on trading in currency derivative instruments (net)	2.04	47.72
Loss on interest rate derivative instruments (net)	(154.42)	(217.87)
Profit on sale of long term investment	677.57	33.72
Dividend	458.59	72.64
Interest on interest rate swap	1.22	(23.37)
Cost of benchmark linked debentures	(1,662.46)	(1,988.37)
	<u>(377.95)</u>	<u>574.50</u>
<b>2.23 Interest Income</b>		
On loans and Credit substitute (refer note 2.29)	26,582.79	20,647.17
On fixed deposits	81.89	89.00
On debt instruments	2,225.35	2,338.07
On margin with brokers	16.68	12.68
On collateralised borrowing and lending operations	22.05	25.11
On others	53.03	5.05
	<u>28,981.79</u>	<u>23,117.08</u>
<b>2.24 Other income</b>		
Profit on sale of fixed assets (net)	-	0.10
Miscellaneous income	92.08	34.76
	<u>92.08</u>	<u>34.86</u>



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended  
March 31, 2018

for the year ended  
March 31, 2017

#### 2.25 Employee benefit expenses

Salaries wages and Bonus ( <i>refer note 2.40</i> )	1,715.73	1,585.10
Contribution to provident and other funds ( <i>refer note 2.31</i> )	58.85	47.16
Staff welfare expenses	37.27	25.15
	<b>1,811.85</b>	<b>1,657.41</b>

#### 2.26 Finance costs

##### Interest cost :

Interest on debentures	4,682.78	4,501.98
Interest on subordinated debt	1,302.12	1,199.86
Interest on term loan	5,763.40	3,142.04
Interest on bank overdraft	173.57	161.90
Interest on loan from holding company	81.36	-
Interest on loan from fellow subsidiaries	1,304.69	545.31
Interest on collateralised borrowing and lending operations	584.07	680.15
Interest on clearcorp repo order matching system	862.96	964.23
Interest on working capital demand loan	171.03	171.13
Interest - others	19.38	21.20

##### Other borrowing cost :

Discount on commercial paper and debentures	1,614.03	1,934.41
Financial and bank charges	552.70	367.48

**17,112.09**                      **13,689.69**



## ECL Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>2.27 Other expenses</b>		
Advertisement and business promotion	14.75	21.34
Auditors' remuneration ( <i>refer note below</i> )	7.18	9.06
Bad- debts and advances written off	1,392.50	431.13
Commission and brokerage	314.38	0.39
Communication	16.07	20.31
Computer expenses	21.59	4.57
Corporate social responsibility -Donation	96.92	71.74
Clearing & custodian charges	0.44	0.72
Dematerialisation charges	1.18	0.92
Diminution in value of investments	(128.31)	35.10
Directors' sitting fees	0.48	0.46
Electricity charges ( <i>refer note 2.40</i> )	22.37	12.22
Insurance	0.16	0.24
Legal and professional fees	451.40	248.50
Loss on sale of non performing assets	1,366.60	1,740.94
Loss on sale of of fixed assets	0.32	-
Loan origination costs amortised	50.02	35.62
Membership and subscription	3.31	2.78
Office expenses	3.56	14.34
Printing and stationery	3.59	5.37
Provision for standard assets	277.45	228.56
Provision for restructured assets	(0.20)	(38.75)
Provision for non performing assets	312.42	378.96
Provision for credit loss on securitisation	(3.34)	(7.47)
Rates and taxes	92.00	89.29
Rating support fees	1.74	155.70
Rent ( <i>refer note 2.40</i> )	134.27	85.23
Repairs and maintenance	4.62	1.67
Securities transaction tax	11.28	9.85
Stamp duty	25.76	15.79
Travelling and conveyance	67.57	46.38
Miscellaneous expenses	26.18	10.03
	<b>4,588.26</b>	<b>3,630.99</b>

#### Auditors' remuneration:

As Auditors	6.76	8.48
Towards reimbursement of expenses	0.42	0.58
	<b>7.18</b>	<b>9.06</b>





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.28 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.

The following table gives information as required under the Accounting Standard-17 on Segment Reporting

Particulars	As at/ For the year ended March 31 2018	As at/ For the year ended March 31 2017
<b>I Segment Revenue</b>		
a) Capital based business	3,178.27	4,234.26
b) Financing business	27,421.50	20,715.51
c) Unallocated	0.50	0.62
<b>Total Income</b>	<b>30,600.27</b>	<b>24,950.39</b>
<b>II Segment Results</b>		
a) Capital based business	326.42	606.48
b) Financing business	6,820.14	5,422.94
c) Unallocated	(111.27)	(99.71)
<b>Profit before taxation</b>	<b>7,035.29</b>	<b>5,929.71</b>
Less : Provision for taxation	2,414.82	2,026.53
<b>Profit after taxation</b>	<b>4,620.47</b>	<b>3,903.18</b>
<b>III Segment Assets</b>		
a) Capital based business	38,042.73	29,598.44
b) Financing business	227,939.77	180,756.05
c) Unallocated	1,567.95	1,285.43
<b>Total</b>	<b>267,550.45</b>	<b>211,639.92</b>
<b>IV Segment Liabilities</b>		
a) Capital based business	31,221.82	28,831.55
b) Financing business	206,358.18	159,023.71
c) Unallocated	576.66	211.36
<b>Total</b>	<b>238,156.66</b>	<b>188,066.62</b>
<b>V Capital expenditure (Including intangibles under development)</b>		
a) Capital based business	-	-
b) Financing business	427.75	315.45
c) Unallocated	-	-
<b>Total</b>	<b>427.75</b>	<b>315.45</b>
<b>VI Depreciation and amortisation</b>		
a) Capital based business	8.56	7.25
b) Financing business	43.91	35.21
c) Unallocated	0.31	0.13
<b>Total</b>	<b>52.78</b>	<b>42.59</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	(128.16)	35.04
b) Financing business	1,979.58	992.16
c) Unallocated	0.01	-
<b>Total</b>	<b>1,851.43</b>	<b>1,027.20</b>



**ECL Finance Limited**  
**Notes to the financial statements (Continued)**  
*(Currency: Indian rupees)*

**2.29 Disclosure of related parties as required under AS 18 - "Related Party Disclosures"**

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

*(Rupees in Millions)*

Name of related parties by whom control is exercised Holding Company	Edelweiss Financial Services Limited - Holding company
Enterprise where significant influence is exercised	Aeon Credit Services India Pvt Ltd (Upto August 22, 2017)
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited ECap Equities Limited EdelGive Foundation Edelweiss Broking Limited Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited Edelweiss Investment Adviser Limited Edelweiss Securities Limited Edelweiss Agri Value Chain Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss AIF Fund I - EW Clover Scheme - I Edelweiss Global Wealth Management Limited Edelweiss Tokio Life Insurance Company Limited Edelcap Securities Limited Edelweiss Custodial Services Limited Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited) Edel Commodities Limited Edelweiss Capital Markets Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Retail Finance Limited Edelweiss Alternative Asset Advisors Limited Eternity Business Centre Limited Edel Finance Company Limited EFSL Trading Limited (Formerly known as EFSL Commodities Limited) Auris Corporate Centre Limited Burlington Business Solutions Limited Edelweiss Insurance Brokers Limited
Key Management Personnel (with whom transactions have taken place)	Raviprakash R. Bubna Rashesh Shah Himanshu Kaji
Relative of Key Management Personnel (with whom transactions have taken place)	Sharda R. Bubna Sandhya R. Bubna Ramautar S. Bubna
Enterprises over which promoter /KMPs/ Relatives exercise significant influence, with whom transactions have taken place	Ravi R. Bubna HUF

**ii. Transactions with related parties:**

Nature of Transaction	Related Party Name	2018	2017
<b>Capital account transactions</b>			
Sale of Preference Shares to	Edelweiss Commodities Services Limited	-	2,400.00
<b>Current account transactions</b>			
Loans taken from (refer note-2 below)	Edelweiss Financial Services Limited	7,000.00	-
	Edelweiss Commodities Services Limited	47,426.59	64,169.55
	Edelweiss Finvest Private Limited	-	60.34
	Edelweiss Finance & Investments Limited	-	450.00
Loan repaid to (refer note-2 below)	Edelweiss Financial Services Limited	7,000.00	-
	Edelweiss Commodities Services Limited	49,382.44	50,836.28
	Edelweiss Finvest Private Limited	-	208.04
	Edelweiss Finance & Investments Limited	-	450.00
Loans given to (refer note-2 below)	Edelweiss Commodities Services Limited	6,453.41	4,530.32
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	500.00
	Ramautar S. Bubna	1.02	-
	Ravi R. Bubna HUF	496.19	-
	Raviprakash R. Bubna	1.03	-
	Sandhya R. Bubna	1.02	-
	Sharda R. Bubna	1.02	-
Repayment of loans by (refer note-2 below)	Edelweiss Commodities Services Limited	6,453.41	4,530.32
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	500.00
	Ramautar S. Bubna	1.02	-
	Ravi R. Bubna HUF	653.35	-
	Raviprakash R. Bubna	1.03	-
	Sandhya R. Bubna	1.02	-
	Sharda R. Bubna	1.02	-



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

(Currency: Indian rupees)

**2.29 Disclosure of related parties as required under AS 18 - "Related Party Disclosures" (Continued)**

Nature of Transaction	Related Party Name	2018	2017
Issuance of benchmark linked debentures	Edelweiss Commodities Services Limited	42 00	-
	ECap Equities Limited	382 79	-
Redemption - benchmark linked debentures	ECap Equities Limited	1,458 90	5,139.20
Sale / redemption of Commercial Papers to	Edelweiss Commodities Services Limited	14,970 12	31,818 98
	ECap Equities Limited	-	635 82
Purchase / Subscription of Commercial Papers from	Edelweiss Commodities Services Limited	4,997 23	9,777.26
	ECap Equities Limited	-	588 09
<b>Secondary market transactions</b>			
Purchases of securities (Stock in trade) from	Edelweiss Finance & Investments Limited	8,549 20	2,588 51
	ECap Equities Limited	2,145.71	722 43
	Edelweiss Commodities Services Limited	14,269 98	10,741 46
	Edelweiss Finvest Private Limited	641 31	414 41
	Edelweiss Securities Limited	-	767 45
	Edelcap Securities Limited	-	4,276 33
Sale of securities (Stock in trade)	Edelweiss Finance & Investments Limited	5,915 17	11,094 34
	ECap Equities Limited	2,741 55	496 28
	Edelweiss Commodities Services Limited	7,605 87	6,006 92
	Edelweiss Tokio Life Insurance Company Limited	1,046.27	31 08
	Edelweiss General Insurance Company Limited	186 72	-
	Edelweiss Finvest Private Limited	245 17	689 28
	Edelcap Securities Limited	-	7,526 48
Margin placed with (refer note -2 below)	Edelweiss Securities Limited	0 43	1,681 69
	Edelweiss Custodial Services Limited	236 07	2,206 04
Margin refund received from	Edelweiss Securities Limited	1 25	2,692 07
	Edelweiss Custodial Services Limited	747 43	1,568 44
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	850 06	1,538 69
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	856 19	2,131 68
Assignment of Loan book from	Edelweiss Housing Finance Limited	1,614 34	-
Sale of Securities receipts to	Edelweiss Finvest Private Limited	-	2,007 32
Sale of Loans to	Edelweiss Asset Reconstruction Company Limited	2,600 00	-
Interest paid on loan	Edelweiss Financial Services Limited	81 36	-
	Edelweiss Commodities Services Limited	1,304 69	537 47
	Edelweiss Finvest Private Limited	-	6 99
	Edelweiss Finance & Investments Limited	-	0 86
Interest expense on benchmark linked debentures	ECap Equities Limited	506 03	895.56
Interest expense on non convertible debentures	Edelweiss Commodities Services Limited	23 56	48.22
	Edelweiss Finance & Investments Limited	-	12 58
	Edelweiss Finvest Private Limited	13 43	-
	ECap Equities Limited	0.34	0.57
Interest expense on Commercial Papers	ECap Equities Limited	2 73	4.36
	Edelweiss Commodities Services Limited	29 53	53 84
Interest income on margin placed with brokers	Edelweiss Securities Limited	0 02	11 15
	Edelweiss Custodial Services Limited	16 66	1 53
Interest Income on Commercial Papers	Edelweiss Housing Finance Limited	-	3 53
	Edelweiss Commodities Services Limited	-	0.01
Interest income on non convertible debentures	Edelweiss Commodities Services Limited	9 22	-
	Edelweiss Housing Finance Limited	1 47	-
	Edelweiss Finance & Investments Limited	5 41	-
	Edelweiss Retail Finance Limited	1 74	-
Interest income on loans given to	Edelweiss Commodities Services Limited	44 35	58 57
	Ravi R Bubna	0.01	-
	Ravi R Bubna HUF	12 54	-
	Ramaurar S Bubna	0.01	-
	Sandhya R Bubna	0.01	-
	Sharda R Bubna	0.01	-
	Edelweiss AIF Fund I - EW Clover Scheme - I	-	1 15
		-	-



ECL Finance Limited  
Notes to the financial statements (Continued)  
(Currency: Indian rupees)

2.29 Disclosure of related parties as required under AS 18 - "Related Party Disclosures" (Continued)

Nature of Transaction	Related Party Name	2018	2017	
Dividend received on investments	Edelweiss Commodities Services Limited	0 70	0 70	
	ECap Equities Limited	-	1 26	
Directors nomination deposit refunded	Edelweiss Financial Services Limited	-	0 20	
Arranger fees received from	Edelweiss Housing Finance Limited	-	33 20	
	Edelweiss Finvest Private Limited	45 29	22 10	
Management Fees received from	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	-	1 56	
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	-	
Enterprise Service charge paid to	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	107 17	-	
Cost reimbursement paid to	Edelweiss Financial Services Limited	5 17	3 21	
	Edelweiss Housing Finance Limited	4 17	0 19	
	Edelweiss Commodities Services Limited	15 38	9 31	
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0 74	
	Edelweiss Securities Limited	1 31	-	
	Edelweiss Capital Markets Limited	-	0 14	
	Edelweiss Asset Reconstruction Company Limited	-	0 04	
	Edelweiss Retail Finance Limited	0 91	-	
	ECap Equities Limited	2 09	2 20	
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0 16	-	
	Edelweiss Agri Value Chain Limited	0 33	0 15	
	Edelweiss Asset Management Limited	0 08	-	
	Edelweiss Broking Limited	3 58	0 26	
	Edelcap Securities Limited	-	0 51	
	Edel Finance Company Limited	-	4 52	
	Edelweiss Finance & Investments Limited	0 01	1 00	
	Cost reimbursement received from	Edelweiss Finance & Investments Limited	-	0 34
Edelweiss Securities Limited		-	0 03	
Edelweiss Financial Services Limited		0 12	-	
Edelcap Securities Limited		0 03	0 11	
Edelweiss Asset Reconstruction Company Limited		-	0 22	
Edelweiss Commodities Services Limited		-	0 48	
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 Agri Value Chain Limited		-	0 01	
EFSL Trading Limited (Formerly known as EFSL Commodities Limited)		-	0 10	
Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)		0 08	0 18	
Reimbursement paid to		Edelweiss Retail Finance Limited	0 89	-
		Edelweiss Financial Services Limited	0 01	114 80
	Edelweiss Commodities Services Limited	16 77	203 53	
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	27 20	-	
	Edelcap Securities Limited	1 05	-	
	Edelweiss Alternative Asset Advisors Limited	1 79	-	
Rating support fees paid to	Edelweiss Housing Finance Limited	0 14	-	
	Edelweiss Financial Services Limited	1 74	155 70	
Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	9 92	-	
Clearing charges paid to	Edelweiss Securities Limited	-	0 33	
	Edelweiss Custodial Services Limited	0 24	0 02	
Commission and brokerage paid to	Edelweiss Securities Limited	11 45	0 01	
	Edelweiss Global Wealth Management Limited	307.19	-	
	Edelweiss Investment Adviser Limited	2 26	4 53	
Donation to	EdelGive Foundation	96 72	71 00	
Management Fees Paid to	Edelweiss Alternative Asset Advisors Limited	116 45	4 83	
Advisory fees paid to	Edelweiss Housing Finance Limited	57 97	-	
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0 69	
	Edelweiss Asset Reconstruction Company Limited	141.50	22 79	
Collateral management fees paid	Edelweiss Agri Value Chain Limited	37 46	9 10	



**ECL Finance Limited**  
**Notes to the financial statements (Continued)**  
*(Currency: Indian rupees)*

**2.29 Disclosure of related parties as required under AS 18 - "Related Party Disclosures" (Continued)**

Nature of Transaction	Related Party Name	2018	2017
Rent paid to	Edelweiss Securities Limited	2 08	-
	Edelweiss Housing Finance Limited	2 86	-
	ECap Equities Limited	18 32	19 32
	Edelweiss Asset Management Limited	0 85	-
	Edelweiss Finvest Private Limited	0 11	-
	Edelweiss Broking Limited	5 09	2 32
	Edelweiss Commodities Services Limited	90 95	56 22
	Edelweiss Retail Finance Limited	2 45	-
	Edelweiss Agri Value Chain Limited	0 71	-
Purchase of fixed assets	Edelweiss Securities Limited	1 46	-
	Edelweiss Finance & Investments Limited	0 11	-
	Edelweiss Retail Finance Limited	0 02	-
	Edelweiss Housing Finance Limited	0 44	-
Remuneration paid to (refer note 3)	Raviprakash R Bubna	72 54	44 50
	Himanshu Kaji	20 00	-
	Rashesh Shah	67 50	99 78
<b>Balances with related parties</b>			
Short term borrowings	Edelweiss Commodities Services Limited	12,124 87	14,080 73
Trade payables	Edelweiss Financial Services Limited	13.14	1 14
	Edelweiss Finance & Investments Limited	-	0 67
	Edelweiss Broking Limited	(0 81)	0 16
	Edelweiss Agri Value Chain Limited	-	0 21
	Edelweiss Investment Adviser Limited	0 07	0 52
	Edelweiss Asset Reconstruction Company Limited	31.27	-
	Edelweiss Retail Finance Limited	5 24	-
	Edelweiss Asset Management Limited	1.01	-
	Edelweiss Global Wealth Management Limited	104 22	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	58 15	1.39
	Edelweiss Securities Limited	2 62	-
	Edelweiss Commodities Services Limited	45.54	46 20
	Edelweiss Alternative Asset Advisors Limited	141 62	4 83
	Edelweiss Capital Markets Limited	-	0 14
	Edelcap Securities Limited	-	0 51
	Edel Finance Company Limited	-	5 20
Edelweiss Housing Finance Limited	63 32	-	
Edelweiss Agri Value Chain Limited	0 40	-	
ECap Equities Limited	12 27	-	
EFSL Commodities Limited	0 05	-	
Non convertible debentures (borrowings)	Edelweiss Commodities Services Limited	42 00	503 20
	Edelweiss Finance & Investments Limited	4 45	-
	Edelweiss Finvest Private Limited	63 51	-
Commercial Papers (borrowings)	Edelweiss Commodities Services Limited	-	3,758 76
<b>Other liabilities</b>			
Interest accrued but not due on Non convertible debenture	Edelweiss Finvest Private Limited	34 49	-
	Edelweiss Finance & Investments Limited	0 14	-
Interest accrued but not due on borrowings	Edelweiss Commodities Services Limited	-	0 03
Corporate guarantee taken from	Edelweiss Financial Services Limited	54 00	5,026 99
Investments in equity shares	Aeon Credit Services India Pvt Ltd	-	227 50
Investments in preference shares	Edelweiss Commodities Services Limited	1,000 00	1,000 00
	Edelweiss Investment Adviser Limited	-	220 00
Non convertible debentures (stock in trade)	Edelweiss Housing Finance Limited	56.74	-
	Edelweiss Commodities Services Limited	928 35	-
	Edelweiss Retail Finance Limited	1,235 89	-



**ECL Finance Limited**  
**Notes to the financial statements (Continued)**  
*(Currency: Indian rupees)*

**2.29 Disclosure of related parties as required under AS 18 - "Related Party Disclosures" (Continued)**

Nature of Transaction	Related Party Name	2018	2017
Trade receivables	Edelweiss Financial Services Limited	0.13	-
	Edelweiss Retail Finance Limited	1.47	-
	Edelweiss Comtrade Limited	1.00	-
	Edelweiss Housing Finance Limited	-	35.12
	Edelweiss Alternative Asset Advisors Limited	0.92	-
	Edelweiss Securities Limited	-	3.96
	Edelcap Securities Limited	-	0.11
	Edelweiss Commodities Services Limited	1.00	0.48
	Edelweiss Insurance Brokers Limited	0.10	0.06
	Edelweiss Custodial Services Limited	0.29	0.16
	Edelweiss Finvest Private Limited	50.02	23.21
	Edelweiss Asset Reconstruction Company Limited	-	0.19
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	0.12
	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	-	1.71
	ECap Equities Limited	0.01	-
	EC Commodity Limited	0.01	-
	EFSL Commodities Limited	0.00	-
	Edelweiss Tokio Life Insurance Company Limited	0.04	-
Loans and advances	Ravi R Bubna HUF	35.65	-
	Sandhya R Bubna	0.01	-
Other assets			
Advances recoverable in cash or in kind or for value to be received	Edelweiss Broking Limited	-	0.01
	Edelweiss Finance & Investments Limited	-	0.22
Other current assets			
Margin money balance with	Edelweiss Securities Limited	5.06	2.19
	Edelweiss Custodial Services Limited	126.25	637.61

^ Amount is less than Rs 0.01 million

**Note :**

Note 1 : Previous year's figures have been recast/restated where necessary

Note 2 : 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

Note 3 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

Note 4 : Loan given to subsidiaries and fellow subsidiaries are for general corporate business.

Note 5 : Remuneration to KMP's shall be within the limit as prescribed by the Companies act.

Note 6 : The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2018

**Policy on dealing with Related Party transactions:**

- The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP)

- The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year

- All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

- As per section 188 of the Companies Act, 2013, the consent of the Board / Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

**2.30 Earnings per share**

In accordance with Accounting Standard 20 on earnings per share as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies

Particulars	2018	2017
a) Shareholders earnings (as per statement of profit and loss)	4,620.47	3,903.18
b) Calculation of weighted average number of equity shares of Re 1 each:		
- Number of equity shares outstanding at the beginning of the year	1,891.85	1,891.85
- Number of equity shares issued during the year	56.26	-
Total number of equity shares outstanding at the end of the year	1,948.11	1,891.85
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,892.16	1,891.85
Basic and diluted earnings per share (in rupees) (a/b)	2.44	2.06

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



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.31 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

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

#### A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of Rs. 43.67 million (previous year: Rs.42.60 million) is recognised as expenses and included in "Employee benefit expenses"

#### B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net employee benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

#### Statement of profit and loss

##### Expenses recognised in the Profit and Loss Account

	2018	2017
Current service cost	12.00	10.27
Interest cost	2.89	2.76
Expected Return on plan assets	(3.32)	(3.30)
Past service cost	6.95	-
Actuarial Loss / (Gain)	(3.55)	(5.24)
Employer expense	14.97	4.49

#### Balance Sheet

##### Reconciliation of Defined Benefit Obligation (DBO)

	2018	2017
Present value of DBO at start of year	46.95	44.64
Interest cost	2.89	2.76
Current Service cost	12.00	10.27
Past Service cost	6.95	-
Transfer In	(4.35)	(7.32)
Benefits paid	(2.92)	(1.18)
Actuarial (Gain) / Loss	(2.78)	(2.22)
Present value of DBO at end of year	58.74	46.95

##### Reconciliation of Fair Value of Plan Assets

	2018	2017
Fair value of plan assets at start of year	50.31	45.17
Expected Return on Plan Assets	3.32	3.30
Contributions by Employer	8.00	-
Benefits paid	(2.92)	(1.18)
Actuarial (loss)/ gain:	0.77	3.02
Fair value of plan assets at end of the year	59.48	50.31

##### Net Liability / (Asset) recognised in Balance Sheet

Particulars	2018	2017	2016	2015	2014
Present value of DBO	58.74	46.95	44.64	29.87	19.38
Fair value of plan assets	59.48	50.31	45.17	29.79	12.23
Net (Assets) /Liability	(0.74)	(3.36)	(0.53)	0.08	7.15

##### Experience Adjustments

Particulars	2018	2017	2016	2015	2014
On Plan Liabilities: (Gain)/ Loss	(1.14)	(3.77)	3.74	0.03	2.33
On Plan Assets: Gain/ (Loss)	0.48	2.84	(0.64)	2.68	0.65
Estimated contribution for next year	-	-	-	-	7.00

##### Actuarial assumptions

	2018	2017
Discount rate	7.30%	6.80%
Salary Growth Rate	7%	7%
Withdrawal / Attrition Rate (based on categories)	13%-25%	13%-25%
Expected return on Plan Assets	6.80% p.a.	7.40% p.a.
Mortality rate	IALM 2006-08 (Ult)	IALM 2006-08 (Ult)
Expected average remaining working lives of Employee	5 years	5 years



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

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

- Fixed deposit of Rs. Nil million (Previous Year: Rs. 20.00 million) have been pledged with Bank of India for bank guarantee for Non convertible debenture listing.
- Fixed deposit of Rs. 50.01 million (Previous Year: Rs.50.00 million) have been pledged with Ratnakar bank for bank guarantee for Non convertible debenture listing
- Fixed deposit of Rs 80.51 million (Previous Year : Rs.80.51 million ) have been pledged with ING Vyasa for Securitization.
- Fixed deposit of Rs. 57.64 million(Previous Year : Rs 57.64 million) have been pledged with Yes Bank for Securitization.
- Fixed deposit of Rs 50.00 million (Previous Year : Rs.Nil million) have been pledged with ICICI Bank against Bank Overdraft.

### 2.33 Open interest in equity index/ stock futures

As at March 31, 2018

Particulars	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
Maturity grouping				
< 1 month	26	36,300	283	85,466

As at March 31, 2017

Particulars	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
Maturity grouping				
< 1 month	-	-	1,482	3,051,900

As at March 31, 2018

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	301	22,575

As at March 31, 2017

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	2,298	172,350	-	-
	1-2 months	681	51,075	-	-
	2-3 months	343	25,725	-	-

### Open interest in Currency derivatives with exchanges

Long Position as at March 31 2018

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	NA	-	-	-

Long Position as at March 31 2017

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	USDINR	< 1 month	10,000	10,000,000

### Open interest in Interest rate derivatives with exchanges

Short Position as at March 31 2018

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	FUTIRC	< 1 month	2,040	4,080,000

Short Position as at March 31 2017

No.	Particulars	Maturity Pattern	No. of Contracts	No. of units
1	FUTIRC	< 1 month	938	1,876,000





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.34 Option contracts outstanding:

Index		Total premium carried forward (net of provision made) as at	
No.	Name of the option – Index	March 31 2018	March 31 2017
1	Purchase of option- Nifty	3.91	723.34
2	Sale of option- Nifty	191.37	70.50

### 2.35 The following currency option contracts are outstanding as on 31 March 2018

Sr. no.	Name of currency option	Total premium carried forward	
		March 31 2018	March 31 2017
1	USDINR	0.04	-

### 2.36 Open interest in interest rate derivatives other than exchanges:

Benchmark	Purpose	Notional Principal (in million)	Terms
<i>As at March 31 2018</i>			
MIBOR	Hedging	13,250.00	Pay fixed vs. receive floating
MIBOR	Hedging	16,500.00	Pay floating vs. receive fixed
<i>As at March 31 2017</i>			
MIBOR	Hedging	7,250.00	Pay fixed vs. receive floating
MIBOR	Hedging	24,500.00	Pay floating vs. receive fixed

### 2.37 Open interest in currency derivatives other than exchanges :

Particulars	Purpose	Notional Principal as at March 31 2018	Notional Principal as at March 31 2017
USD INR	Hedging	-	64.93

### 2.38 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2018 aggregated to Rs. 141.40 million (Previous year: Rs. 7.37 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

	2018	2017
<b>Minimum lease payments for non cancellable lease</b>		
- Not later than one year	24.59	-
- later than one year and not later than five years	12.97	-
- later than five years	-	-
<b>Total</b>	<b>37.56</b>	<b>-</b>

Future minimum lease payments for the non-cancellable operating lease are gross of sharing of expenses with group Companies.

### 2.39 Contingent liabilities and commitments

#### Contingent liabilities

- Taxation matters of Assessment year 2013-14 and Assessment year 2014-15 in respect of which appeal is pending Rs. Nil million (Previous year: Rs 0.54 million).
- Litigation pending against the Company amounting to Rs. 111.98 million (Previous year: Rs. 10.31 million).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. 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.

#### Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 33.25 million (Previous year: Rs 54.55 million).
- Undrawn committed credit lines subject to meeting of conditions Rs. 45,446.60 million as at balance sheet date (Previous year: Rs. 20,354.19)



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.40 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 2.25 and 2.27 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

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

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

### 2.42 Details of Secured and Unsecured Debentures

#### Details of the Secured Debentures as at 31 March 2018

- a) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. Nil** million (previous year : Rs 4,000 million) by way of charge on immovable property, floating charge on movable properties in the form of receivables.
- b) The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 54,00** million (previous year Rs 572.50 million) by way of charge on immovable property, floating charge on movable properties in the form of stock-in-trade and receivables and corporate guarantee from holding Company
- c) The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 58,637.43** million (previous year Rs 46,639.72 million) by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables. The above **Rs. 58,637.43** million (previous year : Rs 46,639.72 million) includes Rs 5,003.70 million (previous year : Rs.4,994.35 million) of Masala Bonds issued during the previous year.
- d) The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 1,408.47** million (previous year : Rs 7,892.76 million) by way of charge on immovable property and floating charge on movable properties in the form of receivables.
- e) In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- f) 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)
- g) During the previous year, the Company has raised Rs 4,981.77 million (net of issue expenses) ("net proceeds") through issue of 50,200 number of Redeemable Non-Convertible Debentures (INR denominated USD settled notes (Masala Bonds) vide a Public Issue at a discount of 0.59%. As at March 31 2018 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the Prospectus. The Masala Bonds issued by the Company are listed on the Singapore Stock Exchange and Stock Exchange of Mauritius.
- h) During the year, The Company has raised Rs. 3,000.00 million through issue of 30,000 number of Unsecured Non-Convertible Subordinated Perpetual bonds in the nature of Debentures. Outstanding balance of perpetual debenture as on March 31, 2018 is 13.28% of Tier I Capital of Rs. 22,591.97 million as at March 31, 2017.



2.42 Details of Secured and Unsecured Debentures (Continued)

(i) Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below  
**Secured Debentures:**

As at March 31 2018

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
September-2027	1,250.00	-	-	-	-	1,250.00
March-2027	5,000.00	-	-	-	-	5,000.00
August-2026	-	-	-	-	8.18	8.18
June-2026	-	225.00	-	-	-	225.00
May-2026	-	200.00	-	-	-	200.00
March-2026	-	250.00	-	-	168.30	418.30
January-2026	-	-	-	-	3.43	3.43
December-2025	-	250.00	-	-	4.32	254.32
October-2025	-	3,325.00	-	-	-	3,325.00
September-2025	-	-	-	-	30.80	30.80
August-2025	-	-	-	-	13.31	13.31
April-2025	-	100.00	-	-	-	100.00
March-2025	-	-	100.00	-	-	100.00
February-2025	-	-	50.00	-	-	50.00
December-2024	-	-	200.00	-	-	200.00
January-2024	500.00	-	-	-	-	500.00
September-2023	-	6,500.00	-	-	-	6,500.00
January-2022	-	-	-	-	13.74	13.74
September-2021	5,000.00	-	-	-	-	5,000.00
May-2021	-	-	-	-	35.86	35.86
April-2021	-	-	-	-	10.80	10.80
March-2021	1,200.00	-	-	-	-	1,200.00
January-2021	-	-	-	-	19.78	19.78
December-2020	500.00	1,700.00	-	-	15.63	2,215.63
November-2020	-	-	-	-	9.10	9.10
October-2020	-	-	4,000.00	-	49.26	4,049.26
August-2020	-	-	-	-	67.01	67.01
July-2020	28.00	-	-	-	36.79	64.79
June-2020	314.30	-	-	-	64.66	378.96
May-2020	37.00	215.00	-	-	19.36	271.36
April-2020	214.00	-	-	-	196.63	410.63
March-2020	2,000.00	-	1,394.78	-	162.75	3,557.53
February-2020	750.00	-	-	-	175.34	925.34
January-2020	-	-	-	-	281.96	281.96
December-2019	-	6,601.78	-	-	277.96	6,879.74
November-2019	-	-	-	-	297.23	297.23
October-2019	-	-	-	-	293.80	293.80
September-2019	500.00	-	-	-	148.08	648.08
August-2019	-	-	2,500.00	-	303.05	2,803.05
July-2019	-	-	125.00	-	155.58	280.58
June-2019	-	-	-	-	187.72	187.72
May-2019	-	-	-	470.00	171.27	641.27
April-2019	-	-	-	-	145.05	145.05
March-2019	-	-	-	-	264.26	264.26
February-2019	-	250.00	-	327.00	81.58	658.58
January-2019	-	100.00	-	1,424.79	98.89	1,623.68
December-2018	-	1,650.00	-	-	242.49	1,892.49
November-2018	-	-	-	-	159.41	159.41
October-2018	-	-	-	-	191.59	191.59
September-2018	-	-	-	-	226.85	226.85
August-2018	-	-	2,600.00	-	619.98	3,219.98
July-2018	-	-	-	-	439.55	439.55
June-2018	-	-	-	-	297.34	297.34
May-2018	-	-	-	-	402.37	402.37
April-2018	-	-	-	-	743.89	743.89
<b>Total</b>	<b>17,295.30</b>	<b>21,366.78</b>	<b>10,995.78</b>	<b>2,221.79</b>	<b>7,134.95</b>	<b>58,965.60</b>



ECL Finance Limited  
 Notes to the financial statements (Continued)  
 (Currency: Indian rupees in millions)

2.42 Details of Secured Debentures (Continued)

Secured Debentures:  
 As at March 31 2017

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
March-2027	5,000.00	-	-	-	-	5,000.00
August-2026	-	-	-	-	20.00	20.00
June-2026	-	225.00	-	-	-	225.00
May-2026	-	200.00	-	-	-	200.00
March-2026	-	250.00	-	-	400.00	650.00
January-2026	-	-	-	-	8.00	8.00
December-2025	-	250.00	-	-	10.00	260.00
October-2025	-	3,325.00	-	-	-	3,325.00
September-2025	-	-	-	-	70.00	70.00
August-2025	-	-	-	-	30.00	30.00
April-2025	-	100.00	-	-	-	100.00
March-2025	-	-	100.00	-	-	100.00
February-2025	-	-	50.00	-	-	50.00
December-2024	-	-	200.00	-	-	200.00
January-2024	500.00	-	-	-	-	500.00
January-2022	-	-	-	-	20.00	20.00
May-2021	-	-	-	-	50.00	50.00
April-2021	-	-	-	-	15.00	15.00
January-2021	-	-	-	-	20.00	20.00
December-2020	-	1,700.00	-	-	-	1,700.00
November-2020	-	-	-	-	10.00	10.00
October-2020	-	-	4,000.00	-	54.00	4,054.00
August-2020	-	-	-	-	83.70	83.70
July-2020	28.00	-	-	-	44.71	72.71
June-2020	-	-	-	-	80.00	80.00
May-2020	37.00	215.00	-	-	23.82	275.82
April-2020	42.00	-	-	-	242.99	284.99
March-2020	-	-	1,408.47	-	207.59	1,616.06
February-2020	250.00	-	-	-	212.25	462.25
January-2020	-	-	-	-	287.03	287.03
December-2019	-	6,644.35	-	-	333.84	6,978.19
November-2019	-	-	-	-	343.30	343.30
October-2019	-	-	-	-	352.23	352.23
September-2019	-	-	-	-	143.00	143.00
August-2019	-	-	2,500.00	-	349.50	2,849.50
July-2019	-	-	125.00	-	169.00	294.00
June-2019	-	-	-	-	213.31	213.31
May-2019	-	-	-	470.00	177.59	647.59
April-2019	-	-	-	-	160.00	160.00
March-2019	-	-	-	-	280.12	280.12
February-2019	-	250.00	-	327.00	100.87	677.87
January-2019	-	100.00	-	1,425.85	117.23	1,643.08
December-2018	-	1,650.00	-	-	273.94	1,923.94
November-2018	-	-	-	-	175.72	175.72
October-2018	-	-	-	-	258.08	258.08
September-2018	-	-	-	-	237.46	237.46
August-2018	-	-	2,600.00	-	643.35	3,243.35
July-2018	-	-	-	-	459.15	459.15
June-2018	-	-	-	-	254.98	254.98
May-2018	-	-	-	-	288.23	288.23
April-2018	-	-	-	-	802.80	802.80
March-2018	-	511.47	6,722.80	-	812.00	8,046.27
February-2018	-	-	-	-	807.85	807.85
January-2018	-	-	50.00	-	1,148.64	1,198.64
December-2017	-	60.00	-	-	939.77	999.77
November-2017	-	-	-	-	403.00	403.00
October-2017	-	-	100.00	-	596.60	696.60
September-2017	1,775.77	-	-	-	737.86	2,513.63
August-2017	-	-	85.00	-	872.36	957.36
July-2017	-	-	-	-	415.86	415.86
June-2017	-	-	-	-	242.50	242.50
May-2017	-	-	-	-	654.89	654.89
April-2017	-	-	-	-	173.10	173.10
Total	7,632.77	15,480.82	17,941.27	2,222.85	15,827.22	59,104.93

\* Benchmark against performance of specific indices like Nifty, Bank BNF, Stock index



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2 42 Details of Unsecured Debentures (Continued)

(j) Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below

Unsecured Debentures:

As at March 31 2018

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
February-2020	-	-	-	-	490.78	490.78
April-2020	-	-	-	4,000.00	-	4,000.00
September-2020	-	-	-	500.00	-	500.00
December-2020	-	-	-	200.00	-	200.00
April-2022	-	-	3,000.00	-	-	3,000.00
June-2022	-	-	-	500.00	-	500.00
June-2023	-	-	-	-	1,016.97	1,016.97
July-2023	-	-	-	-	145.96	145.96
August-2023	-	-	-	-	685.59	685.59
May-2025	-	-	-	3,000.00	-	3,000.00
June-2025	-	-	-	-	23.88	23.88
September-2025	-	-	200.00	-	-	200.00
April-2026	-	-	-	-	44.84	44.84
June-2026	-	-	2,500.00	-	-	2,500.00
April-2027	-	-	-	-	168.79	168.79
June-2027	-	-	-	-	38.33	38.33
September-2027	-	200.00	-	-	-	200.00
October-2027	-	1,000.00	-	-	-	1,000.00
<b>Total</b>	-	<b>1,200.00</b>	<b>5,700.00</b>	<b>8,200.00</b>	<b>2,615.14</b>	<b>17,715.14</b>

Unsecured Debentures:

As at March 31 2017

Month	Rate of Interest				Benchmark linked Debentures*	Total
	8%-9%	9%-10%	10%-11%	11%-12%		
June-2026	-	-	2,500.00	-	-	2,500.00
April-2026	-	-	-	-	110.00	110.00
September-2025	-	-	200.00	-	-	200.00
May-2025	-	-	-	3,000.00	-	3,000.00
June-2022	-	-	-	500.00	-	500.00
December-2020	-	-	-	200.00	-	200.00
September-2020	-	-	-	500.00	-	500.00
April-2020	-	-	-	4,000.00	-	4,000.00
February-2020	-	-	-	-	600.00	600.00
<b>Total</b>	-	-	<b>2,700.00</b>	<b>8,200.00</b>	<b>710.00</b>	<b>11,610.00</b>

\* Benchmark against performance of specific indices like Nifty, Bank nifty, Stock index



ECL Finance Limited  
Notes to the financial statements (Continued)  
(Currency: Indian rupees in millions)

2.43 Details of the loan taken from Banks and other parties

As at March 31 2018

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
March-2023	100.00	-	-	100.00
February-2023	100.00	-	-	100.00
January-2023	450.00	-	-	450.00
December-2022	450.00	-	-	450.00
November-2022	100.00	-	-	100.00
October-2022	50.00	-	-	50.00
September-2022	1,606.58	-	-	1,606.58
August-2022	100.00	-	-	100.00
July-2022	550.00	-	-	550.00
June-2022	1,606.58	-	-	1,606.58
May-2022	100.00	-	-	100.00
April-2022	100.00	-	-	100.00
March-2022	1,981.57	40.00	-	2,021.57
February-2022	125.00	-	-	125.00
January-2022	550.00	-	-	550.00
December-2021	6,726.58	40.00	-	6,766.58
November-2021	125.00	-	-	125.00
October-2021	150.00	-	-	150.00
September-2021	2,376.58	40.00	-	2,416.58
August-2021	125.00	-	-	125.00
July-2021	775.00	-	-	775.00
June-2021	2,326.58	90.00	-	2,416.58
May-2021	125.00	-	-	125.00
April-2021	325.00	-	-	325.00
March-2021	2,543.25	90.00	-	2,633.25
February-2021	125.00	-	-	125.00
January-2021	775.00	-	-	775.00
December-2020	6,534.18	140.00	-	6,674.18
November-2020	125.00	-	-	125.00
October-2020	1,597.37	-	-	1,597.37
September-2020	3,003.03	140.00	-	3,143.03
August-2020	125.00	-	-	125.00
July-2020	929.97	-	-	929.97
June-2020	2,948.87	473.33	-	3,422.20
May-2020	125.00	-	-	125.00
April-2020	1,730.77	-	-	1,730.77
March-2020	3,290.53	140.00	-	3,430.53
February-2020	125.00	-	-	125.00
January-2020	930.77	-	-	930.77
December-2019	7,257.20	140.00	-	7,397.20
November-2019	187.50	-	-	187.50
October-2019	1,730.77	-	-	1,730.77
September-2019	3,856.27	140.00	-	3,996.27
August-2019	312.50	-	-	312.50
July-2019	930.77	50.00	-	980.77
June-2019	3,508.75	473.33	-	3,982.08
May-2019	187.50	-	-	187.50
April-2019	1,730.77	50.00	-	1,780.77
March-2019	3,881.67	140.00	-	4,021.67
February-2019	312.50	-	-	312.50
January-2019	993.27	50.00	-	1,043.27
December-2018	4,008.75	140.00	-	4,148.75
November-2018	187.50	-	-	187.50
October-2018	543.27	50.00	-	593.27
September-2018	3,975.42	140.00	-	4,115.42
August-2018	312.50	-	-	312.50
July-2018	993.27	50.00	-	1,043.27
June-2018	3,758.75	473.33	-	4,232.08
May-2018	187.50	-	-	187.50
April-2018	245.90	-	-	245.90
Total	85,035.54	3,089.99	-	88,125.53

As at March 31 2017

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
July-2022	-	50.00	-	50.00
April-2022	-	50.00	-	50.00
March-2022	62.50	352.50	-	415.00
February-2022	-	25.00	-	25.00
January-2022	-	50.00	-	50.00
December-2021	62.50	5,085.00	-	5,147.50
November-2021	-	25.00	-	25.00
October-2021	-	50.00	-	50.00
September-2021	62.50	685.00	-	747.50
August-2021	-	25.00	-	25.00
July-2021	-	125.00	-	125.00
June-2021	62.50	735.00	-	797.50



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.43 Details of the loan taken from Banks and other parties (Continued)

As at March 31, 2017

Month	Rate of Interest			Total
	8%-9%	9%-10%	10%-11%	
May-2021	-	25 00	-	25 00
April-2021	-	125 00	-	125 00
March-2021	62.50	735 00	-	797 50
February-2021	-	25 00	-	25 00
January-2021	-	125 00	-	125 00
December-2020	62.50	4,910 00	-	4,972 50
November-2020	-	25 00	-	25 00
October-2020	-	147 37	-	147 37
September-2020	62.50	1,015 56	-	1,078 06
August-2020	-	25 00	-	25 00
July-2020	-	147 37	50 00	197 37
June-2020	62.50	1,065 56	112 50	1,240 56
May-2020	-	25 00	-	25 00
April-2020	-	147 37	50 00	197 37
March-2020	62.50	1,190 56	112 50	1,365 56
February-2020	-	25 00	-	25 00
January-2020	-	197 37	50 00	247 37
December-2019	62.50	5,386 39	112 50	5,561 39
November-2019	-	25 00	-	25 00
October-2019	-	197 37	50 00	247 37
September-2019	62.50	1,491 39	139 90	1,693 79
August-2019	-	150 00	-	150 00
July-2019	-	247 37	50 00	297 37
June-2019	62.50	1,516 39	249 68	1,828 57
May-2019	-	25 00	-	25 00
April-2019	-	247 37	50 00	297 37
March-2019	62.50	1,641 39	280 93	1,984 82
February-2019	-	150 00	-	150 00
January-2019	-	247 37	112 50	359 87
December-2018	62.50	1,672 64	343 43	2,078 57
November-2018	-	25 00	-	25 00
October-2018	-	247 37	112 50	359 87
September-2018	62.50	1,672 60	342 84	2,077 94
August-2018	-	150 00	-	150 00
July-2018	-	247 37	112 50	359 87
June-2018	62.50	1,672 64	343 43	2,078 57
May-2018	-	25 00	41 67	66 67
April-2018	-	247 38	112 50	359 88
March-2018	62.50	1,672 63	343 43	2,078 56
February-2018	-	150 00	41 67	191 67
January-2018	-	247 37	112 50	359 87
December-2017	62.50	1,672 64	343 43	2,078 57
November-2017	-	25 00	41 67	66 67
October-2017	-	247 37	112 45	359 82
September-2017	62.50	1,610 14	530 93	2,203 57
August-2017	-	125 00	83 33	208 33
July-2017	-	197 37	112 50	309 87
June-2017	62.50	1,610 14	621 83	2,294 47
May-2017	-	125 00	166 67	291 67
April-2017	-	-	112 50	112 50
<b>Total</b>	<b>1,250.00</b>	<b>42,181.36</b>	<b>5,452.29</b>	<b>48,883.65</b>

All the above term loans are secured by charge on receivables from financing business. Of the above, term loans amounting to Rs. Nil million (Previous year : Rs 3,843.75 million) are secured by corporate guarantee from holding company in addition to the charge on receivables from financing business.

2.44 Details of purchase, sale and change in stock in trade

	2018	2017
<b>Opening stock</b>		
Equity shares	888.77	-
Preference shares	-	-
Debt instruments	53,277.17	52,285 77
Mutual Fund	4,810.99	0,460 00
<b>Total</b>	<b>58,975.94</b>	<b>58,745 77</b>
<b>Purchase</b>		
Equity shares	5,787.73	1,047 23
Preference shares	650.99	-
Debt instruments	890,435.44	1,042,451 29
Mutual Fund	1,685,500.00	1,251,582 70
<b>Total</b>	<b>2,582,374.16</b>	<b>2,295,081 22</b>
<b>Sales</b>		
Equity shares	6,529.73	74 48
Preference shares	441.51	-
Debt instruments	850,118.99	1,043,049 79
Mutual Fund	1,687,108.27	1,253,874 00
<b>Total</b>	<b>2,544,198.50</b>	<b>2,296,999 23</b>
<b>Closing stock</b>		
Equity shares	117.34	888 77
Preference shares	203.18	-
Debt instruments	93,234.49	53,277 17
Mutual Fund	3,580.71	0,810 00
<b>Total</b>	<b>97,135.72</b>	<b>58,975 94</b>
<b>Profit/(loss) on sale of securities</b>	<b>(15.88)</b>	<b>2,148 18</b>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.45 Investments

	2018	2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	6,718.44	6,730.76
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	49.45	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	6,668.99	6,730.76
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	49.45	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	49.45	-





# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.46 Foreign currency

The Company has undertaken the following transactions in foreign currency

	2018	2017
<b>Expenditure incurred in foreign currency (on accrual basis)</b>		
Membership and subscription	5.13	1.71
Legal & Professional Fees	3.28	67.55
Travelling expenses	0.16	0.13
Miscellaneous expenses	30.42	0.57
<b>Total</b>	<b>38.99</b>	<b>69.96</b>

### 2.47 Derivatives

#### A) Forward Rate Agreement / Interest Rate Swap

	2018	2017
i) The notional principal of swap agreements	29,750.00	31,750.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	27.50	32.17
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps*	100%	100%
v) The fair value of the swap book	(7.56)	(8.99)

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

#### B) Exchange Traded Interest Rate (IR) Derivatives

	2018	2017
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	66,940.60	2,763.00
ii) Notional principal amount of exchange traded IR derivatives outstanding	408.00	187.60
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

### Disclosure on risk exposure in derivatives

#### C) Qualitative disclosure for derivatives

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.

#### D) Quantitative disclosure

	2018		2017	
	Currency Derivative	Interest Rate Derivatives	Currency Derivative	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging	-	30,158.00	1,297.69	31,937.60
ii) Marked to Market Positions				
a) Assets (+)	-	27.50	1.47	32.17
b) Liability (-)	-	(35.06)	-	(41.15)
iii) Credit Exposure	-	332.50	12.99	292.50
iv) Unhedged Exposures	-	-	-	-



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.48 Capital to Risk Assets Ratio (CRAR)

	2018	2017
i) CRAR (%)	17.09%	16.14%
ii) CRAR - Tier I capital (%)	11.82%	11.35%
iii) CRAR - Tier II Capital (%)	5.27%	4.79%
iv) Amount of subordinated debt raised as Tier-II capital	12,964.10	2,500.00
v) Amount raised by issue of Perpetual Debt Instruments	3,000	-

### 2.49 Securitisation/ Direct Assignment:

The Company sells loans through securitisation and direct assignment

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	2018	2017
1 No. of SPVs sponsored by the NBFC for securitisation transactions	2	2
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	181.03	271.96
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	18.10	27.20
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	18.10	27.20
- Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	120.06	110.96
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	120.06	110.96
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

### Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	2018	2017
i) No. of accounts	7	5.00
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	1,586.98	5,009.45
iii) Aggregate consideration	2,600.00	5,050.00
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / (loss) over net book value	(1,013.02)	40.55



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.49 Securitisation/ Direct Assignment: (Continued)

The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below :

	2018	2017
Total number of loan assets under par structure	21.00	-
Total book value of loan assets	181.13	-
Sales consideration received	181.13	-

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:

	2018	2017
1 No. of transactions assigned by the NBFC	5	4.00
2 Total amount outstanding	353.07	325.68
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	39.23	36.19
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	-	-
- Others	39.23	36.19
4 Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own assignments		
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own assignments		
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments		
- First loss	-	-
- Others	-	-

Details of assignment transactions during the year ended 31 March.

	2018	2017
i) No. of accounts	21.00	-
ii) Aggregate value (net of provisions) of accounts sold	181.13	-
iii) Aggregate consideration	181.13	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

### 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. (Previous year : Nil)



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.50 Exposure to real estate sector, both direct and indirect

	2018	2017
<b>A Direct Exposure</b>		
(i) 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)	71,205.53	4,756.06
(ii) 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.	11,597.71	53,247.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
<b>B Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>C Others (not covered above)</b>	-	11,992.02

### 2.51 Exposure to Capital Market

	2018	2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	117.34	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	36,122.99	17,118.13
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	50,572.67	34,294.43
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	4,065.75	1,461.46
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	84.69	1,380.67
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix) others (not covered above)	-	5,443.93



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.52 Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities

As at March 31 2018

Particulars	Assets			Liabilities	
	Loans and Advances	Investments	Stock in Trade	Borrowings from Banks	Other Borrowings
1 day to 30/31 days (One month)	10,443.76	0.43	-	22,851.26	28,191.92
Over One months to 2 months	10,004.60	-	-	187.50	3,120.71
Over 2 months up to 3 months	4,937.68	-	-	4,232.08	3,154.39
Over 3 months to 6 months	8,997.43	-	-	5,173.82	6,110.79
Over 6 months to 1 year	16,815.83	-	24,526.62	9,712.22	5,946.22
Over 1 year to 3 years	103,705.83	-	-	44,090.85	33,175.22
Over 3 years to 5 years	51,477.00	5,668.56	-	20,434.47	12,860.40
Over 5 years	13,699.10	1,000.00	-	-	23,702.71
<b>Total</b>	<b>220,081.23</b>	<b>6,668.99</b>	<b>24,526.62</b>	<b>106,682.20</b>	<b>116,262.36</b>

As at March 31 2017

Particulars	Assets			Liabilities	
	Loans and Advances	Investments	Stock in Trade	Borrowings from Banks	Other Borrowings
1 day to 30/31 days (One month)	27,468.55	0.43	6,582.00	1,461.91	22,087.64
Over One months to 2 months	4,317.72	-	5,108.79	191.67	16,713.48
Over 2 months up to 3 months	6,123.62	-	888.77	3,294.47	14,065.06
Over 3 months to 6 months	3,061.00	66.80	-	2,524.40	4,228.69
Over 6 months to 1 year	18,813.32	-	-	9,463.88	12,446.83
Over 1 year to 3 years	64,034.36	-	-	20,636.47	26,370.17
Over 3 years to 5 years	33,993.63	5,216.03	-	15,495.52	12,283.33
Over 5 years	13,004.64	1,447.50	-	-	17,148.05
<b>Total</b>	<b>170,816.84</b>	<b>6,730.06</b>	<b>12,579.56</b>	<b>53,068.32</b>	<b>125,343.25</b>

### 2.53 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	2018	2017
<b>i) Net NPAs to Net advances (%)</b>	<b>0.75%</b>	<b>0.64%</b>
<b>ii) Movement of Gross NPAs</b>		
a) Opening Balance	3,155.11	2,283.93
b) Additions during the year	11,754.41	2,961.25
c) Reductions during the year*	(10,893.70)	(2,090.07)
d) Closing balance	4,015.82	3,155.11
<b>iii) Movement of Net NPAs</b>		
a) Opening Balance	1,077.73	585.11
b) Additions during the year	8,598.39	1,036.65
c) Reductions during the year	(8,049.90)	(544.03)
d) Closing balance	1,626.22	1,077.73
<b>iv) Movement of Provisions for NPAs (excluding provision on Standard assets)</b>		
a) Opening Balance	2,077.38	1,698.82
b) Additions during the year	3,156.02	1,924.60
c) Reductions during the year	(2,843.80)	(1,546.04)
d) Closing balance	2,389.60	2,077.38

\* Includes NPA written off during the year Rs. 1405.44 million (Previous year: Rs 322.45 million)



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.54 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss	2018	2017
i) Provisions for depreciation on Investment	(128.31)	35.10
ii) Provision towards NPA	312.42	378.96
iii) Provision made towards Income tax	2,414.82	2,026.53
iv) Provision for Standard Assets including restructured and others	277.25	189.81
v) Other Provision and Contingencies		
a) Provision for doubtful debts	-	-
b) Provision for credit loss on securitisation	(3.34)	(7.47)

### 2.55 Concentration of Deposits, Advances, Exposures and NPAs

	2018	2017
<b>A) Concentration of Advances</b>		
Total Advances to twenty largest borrowers	53,352.85	47,681.00
% of Advances to twenty largest borrowers to Total Advances	24.16%	27.91%
<b>B) Concentration of Exposures <sup>§</sup></b>		
Total Exposures to twenty largest borrowers / Customers	53,352.85	47,681.00
% of Exposures to twenty largest borrowers / Customers to Total Advances	24.16%	27.91%
<b>C) Concentration of NPAs</b>		
Total Exposures to top Four NPAs	1.66%	1.48%
<b>D) Sector-wise NPAs</b>		
<b>Sectors/Particulars</b>	<b>% of NPAs to Total Advances in that sector</b>	
	<b>2018</b>	<b>2017</b>
1 Agriculture & allied activities	0.13%	0.01%
2 MSME	0.00%	0.00%
3 Corporate borrowers	2.82%	1.34%
4 Services	0.00%	10.47%
5 Unsecured personal loans	0.01%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.17%	1.37%

§ - includes Loans and advances Credit Substitute and investments

### 2.56 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

### 2.57 Customer Complaints

	2018	2017
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	72	27
(c) No. of complaints redressed during the year	72	27
(d) No. of complaints pending at the end of the year	-	-



ECL Finance Limited  
Notes to the financial statements (Continued)  
(Currency: Indian rupees in millions)

2.58 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)

Sl No	Type of Restructuring	Under CDR Mechanism				Under SMI (old) Restructuring Mechanism				Others				Total				
		Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017 (Opening figure)																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
2	Full restructuring during the year																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
3	Upgradation of restructured accounts to Standard category*																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
4	Revised address 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 accounts at the beginning of the next financial year**																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
5	Downgradations of restructured accounts during the year																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
6	Write-off of restructured accounts during the year																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	
7	Restructured accounts as on 31st Mar, 2018 (Closing figures)																	
	Details																	
	No. of borrowers																	
	Amount outstanding																	
	Provision Reserve																	

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 statements (Continued)  
(Currency: Indian rupees in millions)

2.58 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)

Sl No	Type of Restructuring	Under CDR Mechanism				Under SMC Debt Restructuring Mechanism				Total			
		Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss
1	Details Restructured accounts as on 31st April, 2016 (Opening figures)												
	No. of borrowers												
	Amount outstanding	345.71	414.90	315.02	315.02	255.72	59.30	59.30	255.72	59.30	7	315.02	9
	Provision thereon	38.36	6.23	44.59	44.59	38.36	6.23	6.23	38.36	6.23		44.59	44.59
2	Fresh restructuring during the year												
	No. of borrowers												
	Amount outstanding		414.90		414.90		414.90		414.90		1	414.90	1
	Provision thereon		161.49		161.49		161.49		161.49			161.49	161.49
3	Upgradations of restructured accounts to Standard category*												
	No. of borrowers												
	Amount outstanding		54.49		54.49		54.49		54.49		2	54.49	2
	Provision thereon		5.45		5.45		5.45		5.45			5.45	5.45
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												
	Amount outstanding		7		7		7		7		4	7	6
	Provision thereon		255.72		255.72		255.72		255.72		1.05	256.77	256.77
5	Downgradations of restructured accounts during the year												
	No. of borrowers												
	Amount outstanding		38.36		38.36		38.36		38.36		0.16	38.52	38.52
	Provision thereon												
6	Write-offs of restructured accounts during the year												
	No. of borrowers												
	Amount outstanding		0.48		0.48		0.48		0.48		1	0.48	1
	Provision thereon		0.12		0.12		0.12		0.12			0.12	0.12
7	Restructured accounts as on 31st Mar, 2017 (Closing figures)												
	No. of borrowers												
	Amount outstanding		414.90		414.90		414.90		414.90		414.90	414.90	414.90
	Provision thereon		161.99		161.99		161.99		161.99		161.99	161.99	161.99

\*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 statements (Continued)

(Currency: Indian rupees in millions)

2.59 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018)

### Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2018	2017	2018	2017
<b>1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid</b>				
a) Debentures: (other than those falling within the meaning of Public deposit)*				
(i) Secured	58,986.60	59,104.93	-	-
(ii) Unsecured	17,715.15	11,610.00	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and other parties)	88,125.53	48,883.65	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	8,062.84	31,222.59	-	-
f) Loan from Bank				
- Working Capital Demand Loan	4,370.00	3,100.00	-	-
- Overdraft	18,235.36	3,872.83	-	-
g) Other loans	27,449.09	20,617.57	-	-

\* As defined in paragraph 3(xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016

### Assets side:

	Amount Outstanding	
	2018	2017
<b>2) Break up of Loans and Advances including bills receivables including Credit substitute</b> (other than those included in (3) below)		
a) Secured	203,189.21	140,109.67
b) Unsecured	16,892.02	30,707.17
<b>3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	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	-	-
<b>4) Break up of Investments</b>		
Current Investments:		
a) Quoted:		
(i) Shares: Equity		66.80
Preference		-
(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 statements (Continued)

(Currency: Indian rupees in millions)

2.60 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2018) - Continued

	Amount Outstanding	
	2018	2017
b) Unquoted:		
(i) Shares: Equity Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-
<b>4) Break up of Investments (Continued)</b>		
Long-Term Investments ( Net of Provision )		
a) Quoted:		
(i) Shares: Equity Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity Preference	1,000.00	1,220.00
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	5,462.19	5,001.79
- Investment in Units of E-STAR Fund	206.37	214.24

### 5) Borrower group-wise classification of assets financed as in (2) and (3) above

As at March 31 2018

Particulars	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
2. Other than related parties	200,799.95	16,891.68	217,691.63
<b>TOTAL</b>	<b>200,799.95</b>	<b>16,891.68</b>	<b>217,691.63</b>

As at March 31 2017

Particulars	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	138,036.08	30,703.38	168,739.46
<b>TOTAL</b>	<b>138,036.08</b>	<b>30,703.38</b>	<b>168,739.46</b>



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

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

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2018	2017	2018	2017
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,000.00	1,447.50	1,000.00	1,447.50
(c) Other related parties	-	-	-	-
2) Other than related parties	5,668.99	5,283.26	5,668.99	5,283.26
<b>TOTAL</b>	<b>6,668.99</b>	<b>6,730.76</b>	<b>6,668.99</b>	<b>6,730.76</b>

\*\* As per Accounting Standard 18 - Related Party Disclosures

### 7) Other Information

Particulars	2018	2017
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	4,015.82	3,155.11
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	1,626.22	1,077.73
c) Assets acquired in satisfaction of debt	-	-

#### Notes:

Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market vale / breakup value or fair value or NAV.

### 2.61 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	2018	2017
PN Venkatachalam	Sitting fees	0.24	0.28
Biswamohan Mahapatra	Sitting fees	0.12	-
Sunil Mitra	Sitting fees	0.12	0.18



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.62 Details of ratings assigned by credit rating agencies

As at March 31 2018

Instrument category	CRISIL	ICRA	CARE	Brickworks	SMERA
i) Long Term Instruments					
Rating	CRISIL AA/Stable	ICRA AA/Stable	CARE AA/Stable	BWR AA+/Stable	SMERA AA+/Stable
Amount	137,600.00	195,000.00	176,252.90	15,000.00 BWR AA/Stable 3,000.00	1500 SMERA AA/Stable 3000
ii) Short term instruments					
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-	-
Amount	96,000.00	76,000.00	36,000.00	-	-
iii) Market linked debentures					
a Short Term					
Rating	CRISIL PP-MLD A1+R	ICRA PP MLD A1+	-	-	-
Amount	12,000.00	9,000.00	-	-	-
b Long Term					
Rating	CRISIL PP MLD AA r/stable	ICRA PP MLD AA/Stable	CARE PP MLD-AA	BWR PP MLD AA+/Stable	-
Amount	22,250.00	26,500.00	7,475.40	1,500.00	-

As at March 31 2017

Instrument category	CRISIL	ICRA	CARE	Brickworks
i) Long Term Instruments				
Rating	AA/Stable	AA	AA	AA+
Amount	133,600.00	190,000.00	122,250.00	33,500.00
ii) Short term instruments				
Rating	A1+	A1+	A1+	-
Amount	36,000.00	37,000.00	36,000.00	-
iii) Market linked debentures				
a Short Term				
Rating	PP-MLD A1+R	PP-MLD A1+	-	-
Amount	12,000.00	9,000.00	-	-
b Long Term				
Rating	PP MLD AA r/stable	PP-MLD AA	PP MLD AA	BWR AA+
Amount	17,250.00	13,500.00	13,000.00	1,500.00

2.63 Disclosure of Penalties imposed by RBI and other regulators- Rs.Nil million in respect of penalty for securities pay in shortage (Previous year - Rs. 0.20 million)

2.64 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 11 2016	3.89	-	3.89
(+) Permitted receipts	-	0.16	0.16
(-) Permitted payments	-	0.09	0.09
(-) Amount deposited in Banks	3.89	0.01	3.90
Closing cash in hand as on 30 12 2016	-	0.06	0.06

Note: The amount in receipts (SBN) represents cash returned by employees given to them as advances to meet expenses on behalf of the Company.

\*For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.



# ECL Finance Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 2.65 Corporate Social Responsibility (CSR)

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

a) Gross Amount required to be spent by the Company during the year was Rs 96.69 million (previous year : Rs 71.43 million).

b) Amount spent during the year on :

Sr No	Particulars	2018		Total	2017		Total
		In cash	Yet to be paid in cash		In cash	Yet to be paid in cash	
i	Construction/ Acquisition of any assets	-	-	-	-	-	-
ii	on purpose other than (i) above	96.72	-	96.72	71.74	-	71.74

2.66 Draw Down from Reserves: Nil

2.67 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

### 2.68 Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### Related Party transactions

Particulars	2018	2017
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

2.69 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 and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

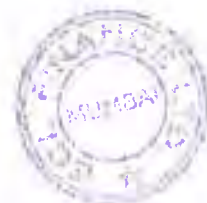
2.70 Registration obtained from other financial sector regulators - None

2.71 Overseas Assets - Nil (Previous year - nil)

2.72 Details of financing of parent company products - None (Previous year - none)

2.73 Off-Balance sheet SPV sponsored - None (Previous year - none)

2.74 Previous year's figures have been regrouped and rearranged wherever necessary confirm to current year's presentation / classification.



**ECL Finance Limited**

**Notes to the financial statements (Continued)**

*(Currency: Indian rupees in millions)*

2.75 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.

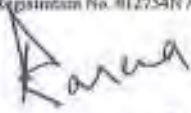
2.76 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

Signature to notes forming part of the Financial Statements

**For Price Waterhouse Chartered Accountants LLP**

*Chartered Accountants*

Firm's Registration No. #12754N / N500016



**Russell I Parera**

*Partner*

Membership No: 42190

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



**Raviprakash R. Bubna**

*Managing Director & CEO*

DIN: 00090160



**Himanshu Kaji**

*Executive Director*

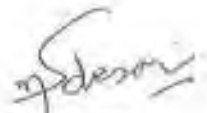
DIN : 00009438



**Nilesh Sampat**

*Chief Financial Officer*

Mumbai  
2 May 2018



**Shekhar Prabhakar**

*Company Secretary*

Mumbai  
2 May 2018