

BOARD'S REPORT

To the Members of ECL Finance Limited,

The Directors hereby present their 12th 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, 2017:-

Financial Highlights

(₹ in million)

Particulars	2016-17	2015-16
Total Income	24,950.39	18,865.83
Total Expenditure	19,020.68	15,077.01
Profit before tax	5,929.71	3,788.82
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	2,026.53	1,288.19
Profit after tax	3,903.18	2,500.63
Add: Profit and Loss account balance brought forward from previous year	7,046.14	6,178.90
Profit available for appropriation	10,949.32	8,679.53
Appropriations		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	780.64	500.13
- Transfer to Debenture Redemption Reserve	417.20	1,133.26
Surplus carried to Balance Sheet	9,751.48	7,046.14

Dividend

Your Directors do not recommend any dividend for the financial year ended March 31, 2017.

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 Circular Nos. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 on Revised Regulatory Framework for NBFC and DNBR (PD) CC. No. 029/03.10.001/ 2014-15 April 10, 2015.

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.

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.

Associate Company

The performance and financial position of the Associate Company as required under the Companies Act, 2013 is provided as Annexure I to the consolidated financial statements.

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. All the Related Party Transactions as required under AS-18 are reported in the Notes to the Financial Statements.

The Company has formulated Related Party Transactions Policy. The Policy is uploaded on www.edelweissfin.com.

Directors and Key Managerial Personnel

i) Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013, Mr. P. N. Venkatachalam is being appointed as the Independent Director for the second term of 5 years, from the conclusion of the ensuing Annual General Meeting. A necessary resolution for the appointment of Mr. Venkatachalam is set out in the Notice convening the Annual General Meeting.

Mr. Biswamohan Mahapatra was appointed as an Additional Director (Independent) with effect from July 18, 2017 and holds office till the conclusion of the ensuing AGM. The approval of members for the appointment of Mr. Biswamohan Mahapatra as an Independent Director, for a term of 5 years, is being sought at the ensuing AGM.

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

ii) Retirement by Rotation of the Directors

Ms. Vidya Shah retires by rotation at the forthcoming AGM and, being eligible, offered herself 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, 2017, the Board met 4 times on May 12, 2016; August 8, 2016; November 8, 2016 and February 8, 2017.

The details of attendance of Directors at the Board Meetings are as under:-

Name of Directors	No of Meetings held during the tenure	No of Meetings attended
Mr. Raviprakash R. Bubna	4	4
Mr. Rashesh Shah	4	4
Mr. Himanshu Kaji	4	4
Ms. Vidya Shah	4	4
Mr. P. N. Venkatachalam	4	4
Mr. Sunil Mitra	4	4
Mr. Biswamohan Mahapatra*	-	-

*Appointed on July 18, 2017

Evaluation of the performance of the Board

The Board has formulated an Evaluation Policy (the Policy) for evaluating the performance of the Board, its Committees, Managing Directors, Executive Directors, Independent Directors and Non-executive Directors. Based on the same, the

performance was evaluated for the financial year ended March 31, 2017. 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 contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

Internal Financial Controls

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

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, 2017 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.

Audit Committee

The Audit Committee of the Board of Directors of the Company comprises of the following Directors:-

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

The majority of the members of the Committee are Independent Directors and have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013.

The details of attendance of Committee Members are as under:-

Name of Members	No of Meetings held during the tenure	No of Meetings attended
Mr. P. N. Venkatachalam	4	4
Mr. Sunil Mitra	4	4
Ms. Vidya Shah	4	4
Mr. Biswamohan Mahapatra*	-	-

*Appointed on July 18, 2017

Nomination and Remuneration Committee

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

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

The constitution and terms of reference of the Committee are in compliance with the requirements of Section 178 of the Companies Act, 2013.

The details of attendance of Committee Members are as under:-

Name of Members	No of Meetings held during the tenure	No of Meetings attended
Mr. P. N. Venkatachalam	1	1
Mr. Sunil Mitra	1	1
Ms. Vidya Shah	1	1
Mr. Biswamohan Mahapatra*	-	-

*Appointed on July 18, 2017

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 (CSR Committee) comprising of the following Directors as its members:-

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

The constitution and terms of reference of the CSR Committee include the matters specified in Section 135 of the Act.

The details of attendance of Committee Members are as under:-

Name of Members	No of Meetings held during the tenure	No of Meetings attended
Mr. Himanshu Kaji	2	2
Mr. P. N. Venkatachalam	2	2
Ms. Vidya Shah	2	2

The CSR Policy of the Company is uploaded on www.edelweissfin.com. Further details in this regard are provided in the Annexure II to this Report.

Remuneration Policy

The Company has framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013. The Policy is provided as Annexure III to this report.

Auditors

The members of the Company at the 9th Annual General Meeting (AGM) of the Company held on July 22, 2014, had appointed B S R & Associates LLP, Chartered Accountants, as the Auditors of the Company till the conclusion of the 12th AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM.

M/s. B S R & Associates LLP has completed a term of 10 years as the Auditors of the Company. A resolution for the appointment of M/s. Price Waterhouse, Chartered Accountants LLP, (Firm's Registration No. 012754N /N500016) in place of B S R & Associates LLP as Auditors is being placed for the approval of the members at the forthcoming AGM.

Secretarial Audit

The Board had appointed M/s. Manish Ghia & Associates, Company Secretaries, as Secretarial Auditor, to conduct the secretarial audit for the financial year ended March 31, 2017. The Report of the Secretarial Auditor is provided as an Annexure IV to this Report.

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, 2017 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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year under review. There was outgo of ₹ 69.96 million (previous year: ₹ 1.98 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, 2017. 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.

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 V to this Report.

Risk Management

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

Whistle Blower Policy/Vigil Mechanism

The Company has adopted Whistle Blower Policy of Edelweiss Financial Services Limited, the Holding Company, for employees to report genuine concerns/grievances. The Policy is uploaded on www.edelweissfin.com. The Policy provides for the adequate safeguards against the victimization of the directors and employees who use vigil mechanism.

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, if applicable, is annexed.

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
Executive Director
DIN: 00009438

August 24, 2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013

(Currency : Indian rupees in millions)

Name of the Associates Company	Aeon Credit Services India Private Limited
Latest Audited Balance Sheet Date	31-03-2017
No. of Shares of Associates held by the Company on the year end	2,27,50,000.00
Amount of Investment in Associates (Rs. in million)	227.50
Extent of Holding %	25%
Description of how there is significant influence	Note-A
Reason why the associate/joint venture is not consolidated	
Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in million)	99.48
Profit/Loss for the year considered in consolidation (Rs. in million)	(46.78)
Profit/ Loss for the year not considered in consolidation (Rs in million)	-
Note -A :- There is significant influence due to percentage (%) of Share Capital	25.00

For and on behalf of the Board of Directors

Sd/-

Raviprakash R. Bubna
Managing Director & CEO
DIN: 00090160

Sd/-

Himanshu Kaji
Executive Director
DIN: 00009438

Sd/-

Nilesh Sampat
Chief Financial Officer

Sd/-

Shekhar Prabhudesai
Company Secretary

Mumbai

August 24, 2017

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17

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

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

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

The CSR Policy of the Company is uploaded on the website www.edelweissfin.com.

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

3. Average net profit of the Company for last three financial years: Rs. 3,571.74 million.
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4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 71.44 million.
-

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: Rs. 71.74 million

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

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

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency*
			(1) Local area or other		Sub - heads:			
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads:		
1.	Agastya International Foundation (Mobile Lab Program)	Education	Maharashtra	13,32,829	12,04,595	1,28,234	13,32,829	Implementing agency - Edelgive Foundation
2.	Agastya International Foundation (Science Centre Program)	Education	Maharashtra	21,96,780	16,91,051	5,05,729	21,96,780	Implementing agency - Edelgive Foundation
3.	Samaritan Help Mission	Education	West Bengal	29,92,000	29,92,000	0	29,92,000	Implementing agency - Edelgive Foundation

4.	Centre for Civil Society	Education	Delhi	29,41,913	26,86,793	2,55,120	29,41,913	Implementing agency - Edelgive Foundation
5.	Ssrishiti	Education	Delhi	31,09,299	27,98,369	3,10,930	31,09,299	Implementing agency - Edelgive Foundation
6.	Adharshila	Education	Madhya Pradesh	8,31,070	8,31,070	0	8,31,070	Implementing agency - Edelgive Foundation
7.	LeapForWord	Education	Maharashtra	23,85,000	18,60,000	5,25,000	23,85,000	Implementing agency - Edelgive Foundation
8.	Riverside Education Foundation	Education	Andhra Pradesh	19,74,512	19,74,512	0	19,74,512	Implementing agency - Edelgive Foundation
9.	Learning Space Foundation	Education	Maharashtra	18,61,561	18,61,561	0	18,61,561	Implementing agency - Edelgive Foundation
10.	The University of Chicago Trust	Education	Delhi	24,75,000	24,75,000	0	24,75,000	Implementing agency - Edelgive Foundation
11.	Pukar	Education	Maharashtra	8,08,550	6,94,550	1,14,000	8,08,550	Implementing agency - Edelgive Foundation

12.	Shoshit Seva Sangh	Education	Bihar	10,00,000	10,00,000	0	10,00,000	Implementing agency - Edelgive Foundation
13.	Raza Educational and Social Welfare Society	Education	Karnataka	22,97,000	21,91,400	1,05,600	22,97,000	Implementing agency - Edelgive Foundation
14.	Gram Mangal	Education	Maharashtra	33,93,221	33,35,221	58,000	33,93,221	Implementing agency - Edelgive Foundation
15.	Baal Jannagraha	Education	Karnataka	25,48,604	25,48,604	0	25,48,604	Implementing agency - Edelgive Foundation
16.	Centre for Unfolding Learning Potentials	Education	Rajasthan	17,07,506	15,93,506	1,14,000	17,07,506	Implementing agency - Edelgive Foundation
17.	AROEHAN	Livelihood	Maharashtra	11,76,168	11,16,168	60,000	11,76,168	Implementing agency - Edelgive Foundation
18.	New Resolution India	Livelihood	Maharashtra	25,58,244	24,63,444	94,800	25,58,244	Implementing agency - Edelgive Foundation
19.	Medha	Livelihood	Uttar Pradesh	34,65,500	33,51,500	1,14,000	34,65,500	Implementing agency - Edelgive Foundation
20.	Vikas Sahyog Pratishthan	Livelihood	Maharashtra	28,33,060	28,33,060	0	28,33,060	Implementing agency -

								Edelgive Foundation
21.	Rajasthan Shram Sarathi Association	Livelihood	Rajasthan	47,80,400	44,54,000	3,26,400	47,80,400	Implementing agency - Edelgive Foundation
22.	Gramin Vikas Vigyan Samiti	Livelihood	Rajasthan	24,02,250	24,02,250	0	24,02,250	Implementing agency - Edelgive Foundation
23.	Ugam Gramin Vikas Sanstha Umra	Livelihood	Maharashtra	59,06,220	57,06,830	1,99,390	59,06,220	Implementing agency - Edelgive Foundation
24.	Utthan Trust	Livelihood	Gujarat	25,51,399	25,51,399	0	25,51,399	Implementing agency - Edelgive Foundation
25.	Action for Food Production	Livelihood	Chattisghar	38,29,157	38,29,157	0	38,29,157	Implementing agency - Edelgive Foundation
26.	Vrutti	Livelihood	Madhya Pradesh	51,09,943	48,49,713	2,60,230	51,09,943	Implementing agency - Edelgive Foundation
27.	Corpus Fund			20,99,000	20,99,000	0	20,99,000	Implementing agency - Edelgive Foundation

28.	Torpa Rural Development Society for Women	Livelihood	Jharkhand	4,33,814	3,13,814	1,20,000	4,33,814	Implementing agency - Edelgive Foundation
29.	Prime Minister Relief Fund		Maharashtra	10,000	10,000	-	10,000	Implementing agency - Edelgive Foundation
30.	HDFC Cancer Fund	Health	Maharashtra	7,34,300	7,34,300	-	7,34,300	Implementing agency - HDFC Cancer Fund
	TOTAL			7,17,44,300			7,17,44,300	

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.

Sd/-

Himanshu Kaji
Executive Director
DIN: 00009438

Sd/-

Vidya Shah
Director
DIN: 00274831

August 24, 2017.

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.

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

Sd/-

Raviprakash R. Bubna
Managing Director & CEO
DIN: 00090160

Sd/-

Himanshu Kaji
Executive Director
DIN: 00009438

August 24, 2017.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

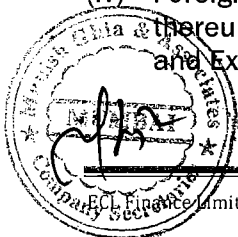
To,
The Members,
ECL Finance Limited
Mumbai

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

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



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-convertible Debentures of the company listed at stock exchanges;
- (vi) The Reserve Bank of India Act, 1934 and Credit Information Companies (Regulation) Act, 2005 and the directions, regulations issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Companies, being laws that are specifically applicable to the Company based on their sector/industry.

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

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

We further report that

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



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

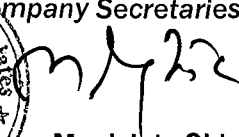
We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

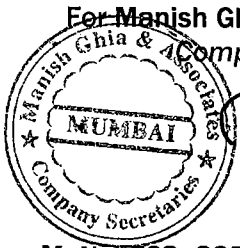
We further report that during the audit period the Company has:

1. allotted 92,796 Secured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.12,269,200,000;
2. redeemed 75,263 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.9450300000/- which was issued by private placement;
3. redeemed 35,74,155 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.357,41,55,000/- which was issued through Prospectus;
4. allotted 9,600 Unsecured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.3,21,00,00,000;
5. obtained the approval of members under Section 42 of the Act by Special Resolution passed at the Extraordinary General Meeting held on March 28, 2017 for issue of Non-convertible Debentures aggregating to Rs.13,000 crores on private placement basis in one or more tranches;
6. filed Draft Red Herring Shelf Prospectus (which was approved by the Board of Directors on November 8, 2016) on December 27, 2016 with Securities and Exchange Board of India for raising funds through public offerings of Secured Redeemable Non-Convertible Debentures of the face value of Rs.1000/- each for an aggregate amount not exceeding Rs.2,000 crores in one or more tranches; and
7. issued international Rupee denominated US Dollar settled Senior Secured Notes (commonly referred to as 'Masala Bonds') carrying a coupon of 9.05% and due 2019 on October 28, 2016 aggregating to Rs.502 crores (equivalent to USD 75 million).

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.

Place : Mumbai
Date: May 16, 2017

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531




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.

Place : Mumbai
Date: May 16, 2017

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2017

[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 - cs@edelweissfin.com 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	<table border="1"><tbody><tr><td>1. Link Intime India Private Limited C-13, Pannalal Silk Mills</td><td>2. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32,</td></tr></tbody></table>	1. Link Intime India Private Limited C-13, Pannalal Silk Mills	2. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32,
1. Link Intime India Private Limited C-13, Pannalal Silk Mills	2. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32,				

			Compound, LBS Marg, Bhandup (West) Mumbai - 400078. Tel No.: +91 22 2594 6970. Fax No.: +91 22 2594 6969.	Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2300 1153
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:-		As per Attachment - A	
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-		As per Attachment - B	
IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)			
	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	INDEBTEDNESS Indebtedness of the Company including interest outstanding/accrued but not due for payment		As per Attachment - H	
VI	Remuneration of Directors and Key Managerial Personnel		As per Attachment - I	
VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:		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	92.65

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

\$ On the basis of Gross Income

Attachment - B

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

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	Edelweiss Financial Services Limited Address: Edelweiss House, Off C.S.T Road, Kalina, Mumbai-400 098.	L99999MH1995PLC094641	Holding	79.28	Section 2(46)
2.	Aeon Credit Service India Private Limited Address: Unit 702, 7th Floor, C&B Square Building Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400059.	U65929MH2011FTC214516	Associate Company	25	Section 2(6)

Attachment - C

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,49,99,59,129	1,49,99,59,129	79.28	-	1,49,99,59,129	1,49,99,59,129	79.28	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	1,49,99,59,129	1,49,99,59,129	79.28	-	1,49,99,59,129	1,49,99,59,129	79.28	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate									
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	1,49,99,59,129	1,49,99,59,129	79.28	-	1,49,99,59,129	1,49,99,59,129	79.28	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-

b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	24,43,93,333	-	24,43,93,333	12.92	24,43,93,333	-	24,43,93,333	12.92	Nil
ii) Overseas	-	14,74,96,000	14,74,96,000	7.80	-	14,74,96,000	14,74,96,000	7.80	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2):-	24,43,93,333	14,74,96,000	39,18,89,333	20.72	24,43,93,333	14,74,96,000	39,18,89,333	20.72	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	24,43,93,333	1,64,74,55,129*	1,89,18,48,462	100	24,43,93,333	1,64,74,55,129	1,89,18,48,462	100	Nil

* 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	79.28	Nil	1,49,99,59,129	79.28	Nil	Nil
	Total	1,49,99,59,129	79.28		1,49,99,59,129	79.28	Nil	Nil

* 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: No change

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	-	-	-	-
	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	-	-	-	-

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	14,74,96,000	7.80
2. Edelweiss Commodities Services Limited	14,69,76,650	7.77	14,69,76,650	7.77
3. Edelweiss Securities Limited	9,74,16,683	5.15	9,74,16,683	5.15

Attachment - G

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

Sl. No.	For Each of the Directors and KMP	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	Nil	Nil	Nil	Nil
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,21,507.12	18,661.22	-	1,40,168.34
ii) Interest due but not paid	-	22.48	-	22.48
iii) Interest accrued but not due	5,288.29	248.09	-	5,536.38
Total (i+ii+iii)	1,26,795.41	18,931.79	-	1,45,727.20
Change in Indebtedness during the financial year				
• Addition	67,98,310.94	4,72,710.25	-	72,71,021.19
• Reduction	(67,99,225.80)	(4,34,232.54)	-	(72,33,458.34)
Net Change	(914.86)	38,477.71	-	37,562.85

Indebtedness at the end of the financial year				
i) Principal Amount	1,21,498.25	56,913.32	-	1,78,411.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,382.30	496.18	-	4,878.48
Total (i+ii+iii)	1,25,880.55	57,409.50	-	1,83,290.05

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	-	9.74	-	9.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.04	-	0.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Bonus)	67.50	65.00	20.00	152.50
	Total (A)	67.50	74.78	20.00	162.28
	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
	Independent Directors	Mr. P. N. Venkatachalam	Mr. Sunil Mitra	
	• Fee for attending board / committee meetings	0.28	0.18	0.46
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	0.28	0.18	0.46
	4. Other Non-Executive Directors			
	• Fee for attending board / committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	0	0	0
	Total (B)=(1+2)	0.28	0.18	0.46
	Total Managerial Remuneration	0.28	0.18	0.46
	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		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	3.44	7.84	11.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03	0.03	0.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-
5.	Others, please specify (Bonus)	2.40	8.00	10.40
	Total	5.87	15.87	21.74

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
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
Executive Director
 DIN: 00009438

Date: August 24, 2017.

ECL Finance Limited (ECLF) FY2016-17

Management Discussion & Analysis Report

MACRO-ECONOMIC ENVIRONMENT

MACRO ECONOMY: REVIEW AND OUTLOOK

FY17 was an eventful year both economically and politically for the global economy. On the political side, Brexit fears and US Presidential elections were two big events though the markets shrugged off these developments soon. Global trade flows have rebounded, Purchasing Managers' Indices (PMIs) have picked up across the board, and consumer & business confidence has recovered globally.

The Indian economy is back on growth trajectory, inflation remains benign and fiscal and current account position remains comfortable. FDI flows continue to remain buoyant at USD 36bn and portfolio flows too have returned to USD 8bn in FY17 after an outflow of USD 2.5bn in FY16. What is most encouraging is that India's exports finally emerged from 2 years of contraction with a 5% growth in FY17 after contracting nearly 16% in FY16.

On the monetary side, RBI has moved to neutral stance from accommodative and hence chances of further rate cut remain low. INR has benefitted from strong FDI flows with RBI staying away from intervention in the forex market.

Overall the macro-fundamentals of the economy remain strong and the business cycle conditions have improved. Rebound in exports, improving corporate earnings, good monsoons and government's continued push towards infrastructure, rural development and affordable housing augur well for FY18.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

Indian banking sector growth slowed during FY17 (non-food credit at ~5%), as capex cycle is yet to pick up and incrementally financing is shifting from banks to financial markets – commercial paper, corporate bond markets etc., which will keep corporate credit growth subdued. Additionally, asset quality pressure

continues unabated. While large part of NPA recognition seems to have been done, the resolution is still a missing link. Hence, the profitability of PSU banks continued to be under strain and will recover only gradually over the medium term.

NBFC Industry

While commercial banks continued to remain dominant source of credit in India, NBFCs are gaining significant ground. While 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 growing relevance and interconnectedness of the NBFC sector also highlights the importance of risk management in the sector. Going ahead, comfortable capitalisation levels and conservative liquidity management will continue to support the credit profile of NBFCs.

Retail Finance

While corporate credit growth continues to be slow, retail segment continues to maintain momentum. NBFCs and HFCs continue to scale up their portfolio focusing on housing finance, LAP, SME finance and consumer finance. Within these segments, housing continues to do well and also presents huge potential given the government thrust for housing for all and supporting demographic factors. The other large opportunity is SME segment which continues to be under-banked and NBFCs are increasingly turning towards this sector. Thus, the potential for NBFCs to scale up their business remains large providing ample growth opportunities to lenders like us.

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 Assets Resolution business, **Franchise businesses** including Wealth Management, Asset Management and Capital Markets, and **Life Insurance**.

Today, ECLF is a Rs.201 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 7 year CAGR for Revenue at 44% and PAT at 26% till the end of FY17.

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 FY17

A summary of our consolidated FY17 financial highlights is as under:

- **Total Revenue Rs.24,950 million** (Rs.18,866 million for FY16), up 32%
- **Profit after Tax Rs.3,903 million** (Rs.2,501 million for FY16), up 56%
- **Networth Rs.22,693 million** (Rs.18,905 million at the end of FY16)*
- **Return on Average Equity 17.98%** (13.45% for FY16)
- **Return on Average Assets 2.04%** (1.67% for FY16)
- **EPS Rs.2.06** (Rs.1.32 for FY16) (FV Rs.1.00 per share)

*Excluding Deferred Tax Assets.

INCOME

Fund Based Revenue

Our fund-based businesses earned revenue of Rs.23,692 million for FY17 (Rs.18,421 million for FY16), a growth of 29%. Out of this, total interest income was Rs.23,117 million (Rs.20,205 million for FY16), up 14%.

Agency Fee & Commission

Our agency fee & commission revenue was Rs.1,224 million for the year, compared to Rs.424 million in FY16, up 189%.

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 FY17 was Rs.1,224 million (Rs.424 million for FY16) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was Rs.10,002 million (Rs.6,768 million for FY16). Thus the total net revenue for FY17 was Rs.11,226 million (Rs. 7,192 million for FY16), up 56%. In addition, the Other Income for FY17 was Rs. 35 million, compared to Rs. 20 million in FY16.

EXPENSES

Our total costs for FY17 was Rs.19,021 million (Rs.15,077 million in FY16), up by 26%. Total revenue during this period has grown by 32%. Within our total costs, operating expenses were Rs. 3,631 million compared to Rs. 1,884 million in FY16. Our employee expenses grew by 11% in FY17 as we added about 39 employees taking our total headcount to 578 at the end of FY17. As regards interest expense which grew by 17% in FY17, our borrowings at the end of FY17 were Rs.178.41 billion compared to Rs.140.17 billion at the end of FY16, up 27%, 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 FY17 was Rs.3,903 million compared to Rs.2,501 million for FY16, a growth of 56%. Our Profit before Tax margin for FY17 was 24% and Profit after Tax margin 16% compared to 20% and 13% respectively for FY16.

The company has not paid any dividend in FY17.

Analysis of Profitability

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

- Our Credit book growth has been significant in FY17 as the total book grew to Rs.170.82 billion at the end of FY17 compared to Rs.121.70 billion at the end of FY16. This improved our interest income from loans.
- Our fee & commission income has recorded robust growth of 189% during FY17 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 FY17. 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.22.69 billion as at the end of FY17 compared to Rs.18.91 billion at the end of FY16. Amount of debt on the Balance Sheet as on March 31, 2017 was Rs.178.41 billion (Rs.140.17 billion as on March 31, 2016), a Gearing Ratio of 7.86 times. Excluding the asset specific borrowings against government securities, the Net Gearing Ratio is ~7.6 times. The gross Balance Sheet size at the end of FY17 was Rs.211.64 billion compared to Rs.171.17 billion a year ago.

BUSINESS SEGMENT-WISE PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY17 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.170.82 billion at the end of this year compared to Rs.121.70 billion at the end of previous year.

The composition of Credit Book as on March 31, 2017 is as under: (Rs. In million)

Product/Segment	Book size as on March 31, 2017	Book size as on March 31, 2016
Agri Commodities	4,630	2,579
Loan against Properties	7,100	6,191
Loan against Securities	46,180	12,139
SME & Others	10,540	13,840
Structured Collateralised Credit	50,050	49,105
Wholesale Mortgages	52,320	37,849
Total Credit Book	170,820	121,703

Total Credit book has grown at 40% during FY17 and its CAGR for the last 8 years is 53%.

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 1.85% and Net NPLs at 0.63% at the end of FY17 compared to 1.88% and 0.48% respectively at the end of FY16. 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 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.6,738 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 four 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, FY17 witnessed ECLF contracting over Rs.11.52 billion of medium to long term debt (NCDs) and Rs.2.50 billion by way of subordinated debt with Mutual Funds, Insurance Companies, Banks, and Pension & Provident Funds. This included our maiden Masala Bonds issue of Rs. 5 billion placed with international investors. The outstanding amount of Structured Products as at the end of FY17 was Rs.16.55 billion which also provides us medium term resources. In addition, our sanctioned lines of credit from a consortium of banks were Rs.91.35 billion at the end of FY17 compared to Rs.60.35 billion at the end of FY16. 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 FY17.

During the year, ECLF also raised Tier II capital of Rs. 2.50 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%. ECLF's CRAR as on March 31, 2017 was 16.14% with a Tier I Ratio of 11.35%. Our CRAR over the period of last eight years is as under:

Particulars as on	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
C R A R prescribed by RBI %	12	12	12	15	15	15	15	15
Total CRAR	49.46%	35.26%	24.60%	18.40%	16.06%	17.72%	16.56%	16.14%
Out of which:								
Tier I	49.09%	35.04%	24.39%	18.17%	15.56%	11.68%	11.34%	11.35%
Tier II	0.37%	0.22%	0.21%	0.23%	0.50%	6.04%	5.22%	4.79%

OPPORTUNITIES

The roll out of GST shortly and the performance of the NDA in recent polls will place the agenda of economic reforms on a firm footing. The global economy is also showing signs of recovery. These developments augur well for growth of financial services in India for firms like Edelweiss. We thus see immense opportunities coming our way in FY18 and beyond as under:

- India is already the fastest growing economy globally and various projections for growth by World Bank or IMF etc. indicate that India will continue to outperform other economies. Further, NBFCs are going to continue to wrest market share in credit business from commercial banks. This would open up vast opportunities for us to grow our business.
- Social, Mobility, Analytics and Cloud Computing (SMAC) are the emerging trends in technology. The Government initiatives in respect of Digital India and move towards formal and cashless economy will also open up new client segments which firms like ours can tap for future growth.
- Government's push towards affordable housing and "Housing for all by 2022" would provide rewarding opportunities for home loan lenders.
- We believe the policy liberalization and regulatory changes for enhancing the ease of

doing business will help create all round opportunities for growth, thus helping providers of financial services grow their business.

THREATS

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

- Slower than expected recovery of macro-economy, domestically as well as globally, or delay in revival of capex cycle can impede the growth.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon or return of the dreaded El Nino can hinder the recovery in rural economy.

OUTLOOK & STRATEGY

- The resilient Indian economy is back on the path to recovery. Going ahead we anticipate growth to improve based on rebound in exports and global economy, introduction of GST, stability in rural economy and government's continued push towards infrastructure, rural development and affordable housing.
- These developments augur well for growth of credit and financial services in India and we believe our strategic approach whose cornerstones are profitability, scalability,

constant focus on risk and growth in adjacent markets, building leadership and maintaining culture, will continue to manifest in constant growth for us.

- The commercial credit sector is expected to grow once the conditions start improving, early signs of which are already visible. Meanwhile, the debt markets hold exciting opportunities as they will become the more dominant source of capital for corporates in future. While the commercial banks are grappling with asset quality issues, the NBFCs are expected to continue to be an effective channel for credit dispensation.

At Edelweiss we believe that we must add significant value by providing cutting edge products and services by focusing on five key vectors in our journey in future – **people management, cost management and risk management technology, customer experience and innovation.**

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. In order to maintain financial soundness of the company, Edelweiss Group has established a proprietary eight risk framework. The framework provides comprehensive risk control by way of identification, monitoring and reporting of all critical risks. Risk is the cornerstone of our business philosophy and it is one of Edelweiss Guiding Principles, “**We will respect risk**”.

ECL Finance has adopted best in class risk monitoring tools to monitor risks in various products or services. We have the business risk team within ECLF which ensures implementation of risk philosophy and practices at business level. We also derive support

from Edelweiss Global Risk Group which is focused towards policy formation and managing risks at the consolidated level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed. The Board of Directors oversee the risk management process at ECLF.

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

The financial services industry is an ever evolving industry with its dynamism and volatility. In such an environment, Edelweiss recognizes the significance of change management and therefore attaches an emphasis to build leadership trait in its talent to manage change effectively. Throughout FY17, we continued to deepen our philosophy through a series of well designed measures.

Leadership Development

The Edelweiss Leadership Programme has been created in the backdrop of Edelweiss' rapid expansion and aspiration to grow further. There has been a renewed rigour around the program and, this year, we have brought in a sharper focus on engagement and development of our very high performing talent pool. We have planned and implemented structured development interventions for our ManCo, Senior Leaders, Business Leaders and Emerging Leaders to help them in their leadership journey at Edelweiss.

Some of the highlights of FY17 are summarised below:

- We ended FY17 with a total headcount of 578, up from 539 at the end of FY16.
- We have added people at all levels, including senior professionals in line with the growth being achieved.

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 CENTRICITY

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, we fully recognise the significance of a great customer experience. To this end, Customer Centricity movement is at our centre stage. This focused attention has helped improve

customer satisfaction scores and customer experience across the board.

Edelweiss Customer Centricity model is based on four pillars: Listen to Understand, Deliver as Promised, Respond Effectively and Go Extra Mile, in other words “**Suno Samjho Suljhao**”.

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	BWR AA+
BWR	Long Term Debt	BWR PP-MLD AA+
CARE	Long Term Debt	CARE AA
CARE	Long Term Debt	CARE PP MLD-AA
Crisil	Long Term Debt	CRISIL AA/Stable
Crisil	Long Term Debt	CRISIL PP MLD AA r/stable
ICRA	Long Term Debt	[ICRA] AA
ICRA	Long Term Debt	PP-MLD [ICRA]AA
CARE	Short Term Debt	CARE A1+
Crisil	Short Term Debt	CRISIL A1+
Crisil	Short Term Debt	CRISIL PP- MLD A1+R
ICRA	Short Term Debt	[ICRA] A1+
ICRA	Short Term Debt	PP-MLD [ICRA]A1+

All ratings are current as on March 31, 2017.

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.

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rupees in Millions)	Date of approval by the Board	Amount paid as advances, if any
1	Edelweiss Commodities Services Limited	Sale of Preference Shares to	One year	2,400.00	January 19, 2016	Nil

2	Edelweiss Commodities Services Limited	Loans taken from	One year	64,169.55	January 19, 2016	Nil
3	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Loans taken from	One year	60.34	January 19, 2016	Nil
4	Edelweiss Finance & Investments Limited	Loans taken from	One year	450.00	January 19, 2016	Nil
5	Edelweiss Commodities Services Limited	Loan repaid to	One year	50,836.28	January 19, 2016	Nil
6	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Loan repaid to	One year	208.04	January 19, 2016	Nil
7	Edelweiss Finance & Investments Limited	Loan repaid to	One year	450.00	January 19, 2016	Nil
8	Edelweiss Commodities Services Limited	Loans given to	One year	4,530.32	January 19, 2016	Nil
9	Edelweiss AIF Fund I - EW Clover Scheme – 1	Loans given to	One year	500.00	January 19, 2016	Nil
10	Edelweiss Commodities Services Limited	Repayment of loans by	One year	4,530.32	January 19, 2016	Nil

11	Edelweiss AIF Fund I - EW Clover Scheme – 1	Repayment of loans by	One year	500.00	January 19, 2016	Nil
12	ECap Equities Limited	Redemption - benchmark linked debentures	One year	5,139.20	January 19, 2016	Nil
13	Edelweiss Commodities Services Limited	Sale / redemption of Commercial Papers to	One year	31,818.98	January 19, 2016	Nil
14	ECap Equities Limited	Sale / redemption of Commercial Papers to	One year	635.82	January 19, 2016	Nil
15	Edelweiss Commodities Services Limited	Purchase / Subscription of Commercial Papers from	One year	9,777.26	January 19, 2016	Nil
16	ECap Equities Limited	Purchase / Subscription of Commercial Papers from	One year	588.09	January 19, 2016	Nil
17	Edelweiss Finance & Investments Limited	Purchases of securities (Stock in trade) from	One year	2,588.51	January 19, 2016	Nil
18	ECap Equities Limited	Purchases of securities (Stock in trade) from	One year	722.43	January 19, 2016	Nil
19	Edelweiss Commodities	Purchases of securities	One year	10,741.46	January 19, 2016	Nil

	Services Limited	(Stock in trade) from				
20	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Purchases of securities (Stock in trade) from	One year	414.41	January 19, 2016	Nil
21	Edelweiss Securities Limited	Purchases of securities (Stock in trade) from	One year	767.45	January 19, 2016	Nil
22	Edelcap Securities Limited	Purchases of securities (Stock in trade) from	One year	4,276.33	January 19, 2016	Nil
23	Edelweiss Finance & Investments Limited	Sale of securities (Stock in trade)	One year	11,094.34	January 19, 2016	Nil
24	ECap Equities Limited	Sale of securities (Stock in trade)	One year	496.28	January 19, 2016	Nil
25	Edelweiss Commodities Services Limited	Sale of securities (Stock in trade)	One year	6,006.92	January 19, 2016	Nil
26	Edelweiss Tokio Life Insurance Company Limited	Sale of securities (Stock in trade)	One year	31.08	January 19, 2016	Nil
27	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Sale of securities (Stock in trade)	One year	689.28	January 19, 2016	Nil
28	Edelcap Securities Limited	Sale of securities (Stock	One year	7,526.48	January 19, 2016	Nil

		in trade)				
29	Edelweiss Securities Limited	Margin placed with	One year	1,681.69	January 19, 2016	Nil
30	Edelweiss Custodial Services Limited	Margin placed with	One year	2,206.04	January 19, 2016	Nil
31	Edelweiss Securities Limited	Margin refund received from	One year	2,692.07	January 19, 2016	Nil
32	Edelweiss Custodial Services Limited	Margin refund received from	One year	1,568.44	January 19, 2016	Nil
33	Edelweiss Securities Limited	Amount paid to Broker for trading in cash segment	One year	1,538.69	January 19, 2016	Nil
34	Edelweiss Securities Limited	Amount received from Broker for trading in cash segment	One year	2,131.68	January 19, 2016	Nil
35	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Sale of Securities receipts to	One year	2,007.32	January 19, 2016	Nil

36	Edelweiss Commodities Services Limited	Interest paid on loan	One year	537.47	January 19, 2016	Nil
37	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Interest paid on loan	One year	6.99	January 19, 2016	Nil
38	Edelweiss Finance & Investments Limited	Interest paid on loan	One year	0.86	January 19, 2016	Nil
39	ECap Equities Limited	Interest expense on benchmark linked debentures	One year	895.56	January 19, 2016	Nil
40	Edelweiss Commodities Services Limited	Interest expense on non convertible debentures	One year	48.22	January 19, 2016	Nil
41	Edelweiss Finance & Investments Limited	Interest expense on non convertible debentures	One year	12.58	January 19, 2016	Nil
42	ECap Equities Limited	Interest expense on non convertible debentures	One year	0.57	January 19, 2016	Nil
43	ECap Equities Limited	Interest expense on Commercial Papers	One year	4.36	January 19, 2016	Nil
44	Edelweiss Commodities Services Limited	Interest expense on Commercial Papers	One year	53.84	January 19, 2016	Nil
45	Edelweiss Securities Limited	Interest income on margin placed with	One year	11.15	January 19, 2016	Nil

		brokers				
46	Edelweiss Custodial Services Limited	Interest income on margin placed with brokers	One year	1.53	January 19, 2016	Nil
47	Edelweiss Housing Finance Limited	Interest Income on Commercial Papers	One year	3.53	January 19, 2016	Nil
48	Edelweiss Commodities Services Limited	Interest Income on Commercial Papers	One year	0.01	January 19, 2016	Nil
49	Edelweiss Commodities Services Limited	Interest income on loans given to	One year	58.57	January 19, 2016	Nil
50	Edelweiss AIF Fund I - EW Clover Scheme – 1	Interest income on loans given to	One year	1.15	January 19, 2016	Nil
51	Edelweiss Commodities Services Limited	Dividend received on investments	One year	0.70	January 19, 2016	Nil
52	ECap Equities Limited	Dividend received on investments	One year	1.26	January 19, 2016	Nil
53	Edelweiss Financial Services Limited	Directors nomination deposit refunded	One year	0.20	January 19, 2016	Nil
54	Edelweiss Housing Finance Limited	Arranger fees received from	One year	33.20	January 19, 2016	Nil

55	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Arranger fees received from	One year	22.10	January 19, 2016	Nil
56	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	Management Fees received from	One year	1.56	January 19, 2016	Nil
57	Edelweiss Financial Services Limited	Cost reimbursement paid to	One year	3.21	January 19, 2016	Nil
58	Edelweiss Housing Finance Limited	Cost reimbursement paid to	One year	0.19	January 19, 2016	Nil
59	Edelweiss Commodities Services Limited	Cost reimbursement paid to	One year	9.31	January 19, 2016	Nil
60	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Cost reimbursement paid to	One year	0.74	January 19, 2016	Nil
61	Edelweiss Capital Markets Limited	Cost reimbursement paid to	One year	0.14	January 19, 2016	Nil
62	Edelweiss Asset Reconstruction Company Limited	Cost reimbursement paid to	One year	0.04	January 19, 2016	Nil

63	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	Cost reimbursement paid to	One year	0.15	January 19, 2016	Nil
64	Edelweiss Alternative Asset Advisors Limited	Cost reimbursement paid to	One year	4.83	January 19, 2016	Nil
65	Eternity Business Centre Limited	Cost reimbursement paid to	One year	2.20	January 19, 2016	Nil
66	Edelweiss Broking Limited	Cost reimbursement paid to	One year	0.26	January 19, 2016	Nil
67	Edelcap Securities Limited	Cost reimbursement paid to	One year	0.51	January 19, 2016	Nil
68	Edel Finance Company Limited	Cost reimbursement paid to	One year	4.52	January 19, 2016	Nil
69	Edelweiss Finance & Investments Limited	Cost reimbursement paid to	One year	1.00	January 19, 2016	Nil
70	Edelweiss Finance & Investments Limited	Cost reimbursement received from	One year	0.34	January 19, 2016	Nil
71	Edelweiss Securities Limited	Cost reimbursement received from	One year	0.03	January 19, 2016	Nil

72	Edelcap Securities Limited	Cost reimbursement received from	One year	0.11	January 19, 2016	Nil
73	Edelweiss Asset Reconstruction Company Limited	Cost reimbursement received from	One year	0.22	January 19, 2016	Nil
74	Edelweiss Commodities Services Limited	Cost reimbursement received from	One year	0.48	January 19, 2016	Nil
75	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	Cost reimbursement received from	One year	0.01	January 19, 2016	Nil
76	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	Cost reimbursement received from	One year	0.10	January 19, 2016	Nil
77	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Cost reimbursement received from	One year	0.18	January 19, 2016	Nil
78	Edelweiss Financial Services Limited	Reimbursement paid to	One year	114.80	January 19, 2016	Nil
79	Edelweiss Commodities Services Limited	Reimbursement paid to	One year	203.53	January 19, 2016	Nil

80	Edelweiss Financial Services Limited	Rating support fees paid to	One year	155.70	January 19, 2016	Nil
81	Edelweiss Securities Limited	Clearing charges paid to	One year	0.33	January 19, 2016	Nil
82	Edelweiss Custodial Services Limited	Clearing charges paid to	One year	0.02	January 19, 2016	Nil
83	Edelweiss Securities Limited	Commission and brokerage paid to	One year	0.01	January 19, 2016	Nil
84	Edelweiss Investment Adviser Limited	Commission and brokerage paid to	One year	4.53	January 19, 2016	Nil
85	EdelGive Foundation	Donation to	One year	71.00	January 19, 2016	Nil
86	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Advisory fees paid to	One year	0.69	January 19, 2016	Nil
87	Edelweiss Asset Reconstruction Company Limited	Advisory fees paid to	One year	22.79	January 19, 2016	Nil
88	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated	Collateral management fees paid	One year	9.10	January 19, 2016	Nil

	Commodity Management Limited)					
89	Edelweiss Broking Limited	Rent paid to	One year	2.32	January 19, 2016	Nil
90	Edelweiss Commodities Services Limited	Rent paid to	One year	56.22	January 19, 2016	Nil
91	Eternity Business Centre Limited	Rent paid to	One year	19.32	January 19, 2016	Nil
92	Raviprakash R. Bubna	Remuneration paid to	One year	74.78	January 19, 2016	Nil
93	Himanshu Kaji	Remuneration paid to	One year	20.00	January 19, 2016	Nil
94	Rashesh Shah	Remuneration paid to	One year	67.50	January 19, 2016	Nil
95	Edelweiss Commodities Services Limited	Short term borrowings	One year	14080.73	January 19, 2016	Nil
96	Edelweiss Financial Services Limited	Trade payables	One year	1.14	January 19, 2016	Nil
97	Edelweiss Finance & Investments Limited	Trade payables	One year	0.67	January 19, 2016	Nil

98	Edelweiss Broking Limited	Trade payables	One year	0.16	January 19, 2016	Nil
99	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	Trade payables	One year	0.21	January 19, 2016	Nil
100	Edelweiss Investment Adviser Limited	Trade payables	One year	0.52	January 19, 2016	Nil
101	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	Trade payables	One year	1.39	January 19, 2016	Nil
102	Edelweiss Commodities Services Limited	Trade payables	One year	46.20	January 19, 2016	Nil
103	Edelweiss Alternative Asset Advisors Limited	Trade payables	One year	4.83	January 19, 2016	Nil
104	Edelweiss Capital Markets Limited	Trade payables	One year	0.14	January 19, 2016	Nil
105	Edelcap Securities Limited	Trade payables	One year	0.51	January 19, 2016	Nil
106	Edel Finance Company Limited	Trade payables	One year	5.20	January 19, 2016	Nil

107	Edelweiss Commodities Services Limited	Non convertible debentures (borrowings)	One year	503.20	January 19, 2016	Nil
108	Edelweiss Commodities Services Limited	Commercial Papers (borrowings)	One year	3,758.76	January 19, 2016	Nil
109	Edelweiss Commodities Services Limited	Interest accrued but not due on borrowings	One year	0.03	January 19, 2016	Nil
110	Raviprakash R. Bubna	Remuneration payable	One year	65.00	January 19, 2016	Nil
111	Himanshu Kaji	Remuneration payable	One year	20.00	January 19, 2016	Nil
112	Rashesh Shah	Remuneration payable	One year	67.50	January 19, 2016	Nil
113	Edelweiss Financial Services Limited	Corporate guarantee taken from	One year	5,026.99	January 19, 2016	Nil
114	Aeon Credit Services India Pvt Ltd	Investments in equity shares	One year	227.50	January 19, 2016	Nil
115	Edelweiss Commodities Services Limited	Investments in preference shares	One year	1,000.00	January 19, 2016	Nil
116	Edelweiss Investment Adviser Limited	Investments in preference shares	One year	220.00	January 19, 2016	Nil

117	Edelweiss Housing Finance Limited	Trade receivables	One year	35.12	January 19, 2016	Nil
118	Edelweiss Securities Limited	Trade receivables	One year	3.96	January 19, 2016	Nil
119	Edelcap Securities Limited	Trade receivables	One year	0.11	January 19, 2016	Nil
120	Edelweiss Commodities Services Limited	Trade receivables	One year	0.48	January 19, 2016	Nil
121	Edelweiss Insurance Brokers Limited	Trade receivables	One year	0.06	January 19, 2016	Nil
122	Edelweiss Custodial Services Limited	Trade receivables	One year	0.16	January 19, 2016	Nil
123	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	Trade receivables	One year	23.21	January 19, 2016	Nil
124	Edelweiss Asset Reconstruction Company Limited	Trade receivables	One year	0.19	January 19, 2016	Nil
125	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	Trade receivables	One year	0.12	January 19, 2016	Nil

126	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	Trade receivables	One year	1.71	January 19, 2016	Nil
127	Edelweiss Broking Limited	Advances recoverable in cash or in kind or for value to be received	One year	0.01	January 19, 2016	Nil
128	Edelweiss Finance & Investments Limited	Advances recoverable in cash or in kind or for value to be received	One year	0.22	January 19, 2016	Nil
129	Edelweiss Securities Limited	Margin money balance with	One year	2.19	January 19, 2016	Nil
130	Edelweiss Custodial Services Limited	Margin money balance with	One year	637.61	January 19, 2016	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
Executive Director
DIN: 00009438

Date: August 24, 2017.

B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of ECL Finance Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ECL Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

Independent Auditor's Report (Continued)

ECL Finance Limited

Auditor's responsibility (Continued)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profits and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.38 to the standalone financial statements;

Independent Auditor's Report (Continued)

ECL Finance Limited

Report on other legal and regulatory requirements (Continued)

- ii. the Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 2.72 to the standalone financial statements; and
- iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.65 to the standalone financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited

The Annexure referred to in Independent Auditors' Report to the members of ECL Finance Limited ("the Company") on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The Company has conducted a physical verification of equity shares and other securities relating to Company's stock-in-trade on the basis of actual verification or statement received from depository participants at reasonable intervals. In our opinion, the frequency of such verification is reasonable in relation to the size of the Company and the nature of its business.
- (b) The company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock-in-trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, sales tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, customs duty, excise duty and cess.

ECL Finance Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited (*Continued*)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable except the following sales tax dues outstanding for more than six months:

Name of the Statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra VAT	Sales Tax	0.25	Mar-13	30-Apr-13	16-May-17

- (b) According to the information and explanations given to us, there are no provident fund, income tax, service tax, sales tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

ECL Finance Limited

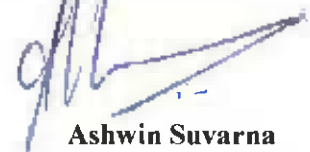
Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of ECL Finance Limited (*Continued*)

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is registered as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231/W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of ECL Finance Limited

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

We have audited the internal financial controls over financial reporting of ECL Finance Limited (the "Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



ECL Finance Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of ECL Finance Limited (*Continued*)

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent limitations of Internal Financial Controls over Financial Reporting

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

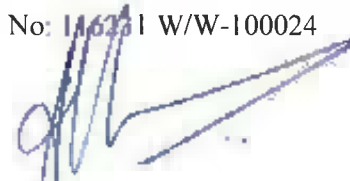
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

Balance Sheet

(Currency : Indian rupees in million)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,891.85	1,891.85
Reserves and surplus	2.2	21,681.45	17,930.45
		<u>23,573.30</u>	<u>19,822.30</u>
Non-current liabilities			
Long-term borrowings	2.3	91,933.54	65,632.49
Other long-term liabilities	2.4	964.81	1,100.41
Long-term provisions	2.5	1,155.56	313.87
Current liabilities			
Short-term borrowings	2.6	58,812.99	47,333.91
Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises			
ii) Total outstanding dues other than micro enterprises and small enterprises	2.7	479.12	1,576.57
Other current liabilities	2.8	32,739.62	33,224.36
Short-term provisions	2.9	1,980.98	2,171.27
TOTAL		<u>211,639.92</u>	<u>171,175.18</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	2.10	246.74	259.68
Intangible assets	2.10	10.02	11.92
Capital work in progress		270.12	
Intangible under development		16.40	1.04
Non-current investments	2.11	6,663.53	8,391.27
Deferred tax assets (net)	2.12	880.39	917.01
Long-term loans and advances	2.13	69,686.33	41,744.73
Other non-current assets	2.14	1,907.18	2,059.41
		<u>79,680.71</u>	<u>53,385.06</u>
Current assets			
Current investments	2.15	67.23	102.32
Stock in trade	2.16	58,975.94	58,745.76
Trade receivables	2.17	1,169.67	600.70
Cash and bank balances	2.18	11,677.78	2,606.69
Short-term loans and advances	2.19	54,178.41	50,627.65
Other current assets	2.20	5,890.18	5,107.00
		<u>131,959.21</u>	<u>117,790.12</u>
TOTAL		<u>211,639.92</u>	<u>171,175.18</u>

Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

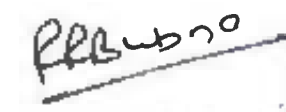
Firm's Registration No. 116231W7W-100024


Aishwini Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Babna
Managing Director & CEO
DIN : 00000160


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesh Sampat
Chief Financial Officer
Mumbai
16 May 2017


Tarun Khurana
Company Secretary
Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Statement of Profit and Loss

(Currency : Indian rupees in million)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee income	2.21	1,223.95	424.00
Income from treasury	2.22	574.50	(1,783.89)
Interest income	2.23	23,117.08	20,205.30
Other income	2.24	34.86	20.42
Total Revenue		24,950.39	18,865.83
Expenses			
Employee benefits expense	2.25	1,657.41	1,499.06
Finance costs	2.26	13,689.69	11,653.57
Depreciation and amortisation	2.10	42.59	40.85
Other expenses	2.27	3,630.99	1,883.53
Total expenses		19,020.68	15,077.01
Profit before tax		5,929.71	3,788.82
(1) Current tax [net of excess provisions of earlier years(s) of Rs 78.28 million (Previous year : Rs 3.08 million)]		1,989.92	1,567.79
(2) Deferred tax (net)		36.61	(279.60)
Profit for the year		3,903.18	2,500.63
Basic and diluted earnings per equity share in Rupees (Face value Re. 1 each)	2.30	2.06	1.32
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

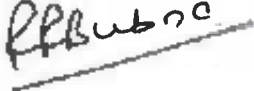
Firm's Registration No. 116231W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090100


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesh Stimpat
Chief Financial Officer


Tarun Khurana
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Cash Flow Statement

(Currency : Indian rupees in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before tax	5,929.71	3,788.82
<i>Adjustments for</i>		
Depreciation and amortisation	42.59	40.85
Provision for compensated absences	(0.34)	4.54
Provision for standard assets	228.56	102.04
Diminution in value of current investments	35.10	65.66
Provision for restructured advance	(38.75)	(54.49)
Provision for non performing assets	378.96	351.81
Provision for credit loss on securitisation	(7.47)	(1.67)
Bad- debts and advances written off	431.13	759.13
Profit on sale of investments	(33.72)	
Dividend on investments	(72.64)	(0.70)
Profit on sale of fixed assets	(0.10)	(0.49)
Amortised loan processing fees	(31.07)	(43.42)
Amortised loan origination cost	35.62	40.23
Operating cash flow before working capital changes	6,897.58	5,052.31
<i>Add / (Less): Adjustments for working capital changes</i>		
Increase in trade receivables	(568.97)	(394.91)
Decrease / (Increase) in stock in trade	18,183.28	(35,271.82)
Increase in receivables from financing business (net) (refer note 1)	(49,544.75)	(2,694.85)
Increase in loans and advances	(49.21)	(45.90)
Increase in other assets	(1,228.07)	(3,821.69)
(Decrease) / Increase in liabilities and provisions	(2,287.91)	6,117.01
Cash used in operations	(28,598.05)	(31,059.85)
Income taxes paid	(2,109.87)	(1,612.60)
Net cash used in operating activities -A	(30,707.92)	(32,672.45)
B Cash flow from investing activities		
Purchase of fixed assets	(28.93)	(33.05)
Increase in Capital Work-in-progress and Intangible under development	(285.68)	(1.04)
Sale of fixed assets	1.28	2.01
Purchase of investments	(5,530.55)	(1,519.91)
Sale of investments	7,292.01	122.00
Dividend on investments	72.64	0.70
Net cash generated from / (used in) investing activities - B	1,520.77	(1,429.29)



ECL Finance Limited

Cash Flow Statement (Continued)

(Currency : Indian rupees)

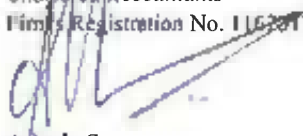
	For the year ended 31 March 2017	For the year ended 31 March 2016
C Cash flow from financing activities		
Proceeds from issue of long term debenture (refer note 1)	4,960.90	11,171.44
Increase in short term borrowing	11,479.08	19,927.73
Proceeds from banks / financial institutions term loan (refer note 1)	19,303.26	2,443.93
Proceeds from issue of non convertible subordinated debt	2,500.00	200.00
Net cash generated from financing activities - C	38,243.24	33,743.10
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	9,056.09	(358.64)
Cash and cash equivalent as at the beginning of the year	1,814.04	2,172.68
Cash and cash equivalent as at the end of the year (refer note 2.18)	10,870.13	1,814.04

Notes:

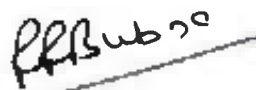
1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116201W/W-100024


Ashwin Suvarna
Partner
Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090163


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesh Sampal
Chief Financial Officer


Tarun Khurana
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Notes to the financial statements

1 Significant accounting policies

1.1 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.

1.2 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.

1.3 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:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- 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.

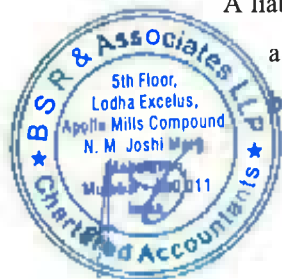
Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.3 Current-non-current classification (Continued)

- 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.

1.4 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 pre-determined tenor arrived on an industry average 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 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.



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.4 Revenue recognition (Continued)

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.

f. Dividend income is recognised when the right to receive payment is established.

1.5 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.

1.6 Securitisation

The Company enters into securitization 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 / assignment.

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

1.7 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.

1.8 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 the Schedule II for calculating the depreciation. The estimated useful lives of the assets are as follows:



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.8 Fixed assets and depreciation / amortisation (Continued)

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.

1.9 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 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.

1.10 Stock-in-trade

- The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- 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.
- 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.
- Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.11 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.

1.12 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.

1.13 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.

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.



ECL Finance Limited

Notes to the financial statements *(Continued)*

1 Significant accounting policies (continued)

1.13 Employee benefits *(Continued)*

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.

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).

1.14 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).

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 of realisation of the assets. 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.

1.15 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.

1.16 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



ECL Finance Limited

Notes to the financial statements *(Continued)*

1 Significant accounting policies (continued)

1.16 Earnings per share (continued)

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.

1.17 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 31 March 2017	As at 31 March 2016
2.1 Share capital		
Authorised :		
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</u>	<u>6,740</u>

Issued, Subscribed and Paid up:

1,891,848,462 (Previous year: 1,891,848,462) equity shares of Re.1 each, fully paid-up	1,891.85	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>1,891.85</u>	<u>1,891.85</u>

a. Movement in share capital :

	31 March 2017		31 March 2016	
	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	-	-	-	-
Outstanding at the end of the year	<u>1,891,848,462</u>	<u>1,891.85</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

	31 March 2017		As at 31 March 2016	
	No of shares	%	No of shares	%
Holding company				
Edelweiss Financial Services Limited	1,499,959,129	79.28%	1,499,959,129	79.28%
Fellow subsidiaries				
Edelweiss Securities Limited	97,416,683	5.15%	97,416,683	5.15%
Edelweiss Commodities Services Limited	146,976,650	7.77%	146,976,650	7.77%
	<u>1,744,352,462</u>	<u>92.20%</u>	<u>1,744,352,462</u>	<u>92.20%</u>

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

	31 March 2017		As at 31 March 2016	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited (Holding Company) #	1,499,959,129	79.28%	1,499,959,129	79.28%
Edelweiss Securities Limited	97,416,683	5.15%	97,416,683	5.15%
Edelweiss Commodities Services Limited	146,976,650	7.77%	146,976,650	7.77%
Waverly Pte Limited	147,496,000	7.80%	147,496,000	7.80%
	<u>1,891,848,462</u>	<u>100.00%</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)

	As at 31 March 2017	As at 31 March 2016
2.2 Reserves and surplus		
Securities Premium Account	6,991.43	7,040.76
Less: Provision for premium payable on redemption of debentures and debenture issue expenses	152.18	49.33
	6,839.25	6,991.43
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 *	2,187.83	1,687.70
Add : Additions during the year	780.64	500.13
	2,968.47	2,187.83
Debenture Redemption Reserve	1,705.05	571.80
Add : Additions during the year	417.20	1,133.25
	2,122.25	1,705.05
Surplus in statement of profit and loss		
Opening Balance	7,046.14	6,178.90
Add: Profit for the year	3,903.18	2,500.63
Amount available for appropriation	10,949.32	8,679.53
Appropriations:		
Transfer to Debenture Redemption Reserve	417.20	1,133.26
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	780.64	500.13
	9,751.48	7,046.14
	21,681.45	17,930.45

* 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 31 March 2017	As at 31 March 2016
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures (refer note 2.41)		
a. Privately Placed Non-convertible debentures	34,166.80	29,992.70
b. Public issue of Non-convertible debentures		
(i) INR denominated USD settled notes (Masala Bonds)	4,994.35	
(ii) In respect of public offer	2,834.31	9,318.60
	<u>41,995.46</u>	<u>39,311.30</u>
Term loans from bank (refer note 2.43)	36,131.99	16,785.66
Term loans from other Parties (refer note 2.43)	2,196.09	1,135.53
	<u>38,328.08</u>	<u>17,921.19</u>
<u>Unsecured</u>		
Non-convertible redeemable debentures (refer note 2.42)		
a. Privately Placed Non-convertible redeemable debentures	710.00	*
b. Privately Placed Non-convertible redeemable subordinated debt	6,900.00	4,400.00
c. Public issue of Non-convertible redeemable subordinated debt	4,000.00	4,000.00
	<u>11,610.00</u>	<u>8,400.00</u>
	<u>91,933.54</u>	<u>65,632.49</u>
2.4 Other long term liabilities		
Unamortised processing fees	32.65	36.57
Interest accrued but not due on borrowings	885.04	995.20
Unrealised gain on loan transfer transactions	47.12	68.64
	<u>964.81</u>	<u>1,100.41</u>
2.5 Long-term provisions		
Provision for employee benefits		
Compensated leave absences	10.68	10.98
Deferred bonus	86.63	96.75
Provision for non performing assets	811.54	22.31
Provision for standard assets	238.34	129.64
Provision on restructured advance		38.36
Provision for credit loss on securitisation	8.37	15.83
	<u>1,155.56</u>	<u>313.87</u>



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.6 Short-term borrowings		
<u>Secured</u>		
Bank overdraft [Secured by charge on receivables from financing business and corporate guarantee from holding company]	3,872.83	8,771.40
Collateralised borrowing and lending obligation and Clearcorp repo order matching system [Secured by pledge of Government securities]	6,536.84	23,551.29
Working capital demand loan [Secured by charge on receivables from financing business and corporate guarantee from holding company]	3,100.00	2,250.00
Non-convertible redeemable debentures (refer note 2.41)	2,500.00	2,500.00
	<u>13,509.67</u>	<u>37,072.69</u>
<u>Unsecured</u>		
Loan from group companies [repayable on demand, at variable rate of interest]	14,080.73	895.16
Commercial paper	31,620.00	9,500.00
Less : Unamortised discount	397.41	133.94
	<u>31,222.59</u>	<u>9,366.06</u>
	<u><u>58,812.99</u></u>	<u><u>47,333.91</u></u>



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.7 Trade Payables		
Payable to :		
Others	479.12	1,576.57
(includes sundry creditors, provision for expenses and customer payables)		
	479.12	1,576.57
2.8 Other current liabilities		
Current maturities of secured long term debt		
Term loan from bank (refer note 2.43)	9,963.50	11,042.10
Term loan from other parties (refer note 2.43)	592.07	617.10
Public issue of Non-convertible debentures (refer note 2.41)	6,484.29	3,574.16
Privately Placed Non-convertible debentures (refer note 2.41)	10,625.18	11,968.58
Interest accrued but not due on borrowings	3,993.44	4,541.18
Interest accrued and due on borrowings	-	22.48
Income received in advance	-	91.27
Other Payables		
Accrued salaries and benefits	496.66	494.36
Withholding taxes, service tax and other taxes payable	33.61	54.86
Book overdraft	325.66	358.27
Unamortised processing fees	22.25	18.88
Premium received on outstanding exchange traded options (including MTM)	70.50	168.99
Unrealised gain on loan transfer transactions	13.69	17.31
Mark to Market on interest rate & currency derivatives	41.15	242.52
Others	77.62	12.30
	32,739.62	33,224.36
2.9 Short-term provisions		
Provision for employee benefits :		
Compensated absences	2.29	2.33
Deferred bonus	188.82	164.62
Others		
Provision for non performing assets	1,265.84	1,676.51
Provision for standard assets	348.48	228.61
Provision for tax	175.55	99.20
(net of advance taxes Rs 3,009.54 million ; previous year :Rs 2,641.23 million)		
	1,980.98	2,171.27



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 1 April 2016	Additions during the year	Deductions during the year	As at 1 April 2016	Charge for the year	Deductions during the year	As at 31 March 2017	As at 31 March 2016
Property, Plant and Equipment								
Building	270.94	2.32	273.26	55.72	10.78	66.50	206.76	215.22
Leasehold improvements	3.47	1.05	4.52	1.43	0.95	2.38	2.14	2.04
Furniture and Fixtures	0.85	0.46	1.28	0.30	0.16	0.43	0.85	0.55
Vehicles	50.88	5.51	53.64	26.82	8.55	33.24	20.40	24.06
Office equipment	7.42	0.86	7.65	4.49	1.42	5.29	2.36	2.93
Computers	35.39	12.20	44.23	20.51	12.30	30.00	14.23	14.88
A	368.95	22.40	384.58	109.27	34.16	137.84	246.74	259.68
Intangible assets								
Software	25.35	6.53	31.88	13.43	8.43	21.86	10.02	11.92
B	25.35	6.53	31.88	13.43	8.43	21.86	10.02	11.92
Total (A+B)	394.30	28.93	416.46	122.70	42.59	159.70	256.76	271.60



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.10 Fixed assets

Description of Assets	Gross Block				Depreciation			Net Block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Property, Plant and Equipment									
Building	270.94			270.94	44.39	11.33		55.72	226.54
Leasehold improvements	2.30	1.17		3.47	0.73	0.70		1.43	2.04
Furniture and Fixtures	0.43	0.42		0.85	0.18	0.12		0.30	0.55
Vehicles	43.98	11.95	5.05	50.88	20.90	9.45	3.53	26.82	23.08
Office equipment	5.07	2.36	0.01	7.42	2.72	1.77	0.00	4.49	2.35
Computers	21.56	13.83		35.39	10.76	9.75		20.51	10.80
A	344.28	29.73	5.06	368.95	79.68	33.12	3.53	109.17	259.68
Intangible assets									
Software	22.03	3.32	-	25.35	5.70	7.73	-	13.43	11.92
B	22.03	3.32	-	25.35	5.70	7.73	-	13.43	11.92
Total (A+B)	366.31	33.05	5.06	394.30	85.38	40.85	3.53	122.70	271.60



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 17			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.11 Non-current investments						
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	10	22,750,000	227.50
			<u>227.50</u>			<u>227.50</u>
<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
7% Non Cumulative Non Convertible Redeemable Preference Shares of Ecap Equities Limited	-	-	-	10	1,800,000	1,800.00
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	10	220,000	220.00	10	220,000	220.00
11% Non-cumulative Optionally Convertible Preference Shares of Edelweiss Broking Limited	-	-	-	10	600,000	600.00
7% Non Cumulative Non Convertible Redeemable Preference Shares of Styrax Commodities Limited	-	-	-	10	1,800,000	1,800.00
			<u>1,220.00</u>			<u>5,420.00</u>
<i>Investments in securitisation trust securities</i>						
- EARC Trust SC 6	-	-	-	1,000	218,500	217.30
- EARC Trust SC 7	1,000	104,500	94.40	1,000	104,500	94.40
- EARC Trust SC 8	-	-	-	1,000	77,045	130.10
- EARC Trust SC 9	1,000	71,487	92.19	1,000	71,487	94.80
- EARC Trust SC 14	-	-	-	1,000	78,375	188.60
- EARC Trust SC 43	-	-	-	1,000	54,000	54.00
- EARC Trust SC 55	-	-	-	1,000	46,800	46.80
- EARC Trust SC 57	-	-	-	1,000	72,250	59.60
- EARC Trust SC 102	1,000	768,570	748.72	1,000	768,570	748.72
- EARC Trust SC 104	1,000	77,180	28.98	1,000	77,180	63.70
- EARC Trust SC 109	-	-	-	1,000	633,500	526.64
- EARC Trust SC 112	-	-	-	1,000	340,000	335.10
- EARC Trust SC 177	-	-	-	1,000	124,750	125.40
- EARC Trust SC 223	1,000	2,337,500	2,337.50	-	-	-
- EARC Trust SC 251	1,000	1,700,000	1,700.00	-	-	-
<i>Investments in units of fund</i>						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	25,000	214.24	10,000	8,125	58.61
			<u>5,216.03</u>			<u>2,743.77</u>
			<u>6,663.53</u>			<u>8,391.27</u>
Aggregate of unquoted investment						
- At carrying value			6,663.53			8,391.27



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.12 Deferred tax assets (net)		
Deferred tax assets		
Provision for standard assets	203.08	123.99
Provision for credit loss on securitisation	2.89	5.48
Provision for non-performing, restructured and doubtful advances	615.27	602.80
Unamortised processing fees	19.00	19.19
Provision for deferred bonus	95.33	90.45
Provision for Diminution in value of current investments	61.52	49.37
Unrealised loss on Derivatives	-	47.30
Disallowances under section 43B of the Income Tax Act, 1961	4.49	4.61
	1,001.58	943.19
Deferred tax liabilities		
Unamortised loan origination costs	20.94	22.81
Unrealised Gain On Derivatives	83.55	-
Difference between book and tax depreciation	16.70	3.37
	121.19	26.18
	880.39	917.01



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.13 Long-term loans and advances		
<u>Secured</u>		
<i>(Considered good, unless stated otherwise)</i>		
Receivables from financing business		
- considered good	65,889.84	40,859.12
- considered non performing assets	1,486.66	114.21
	67,376.50	40,973.33
<u>Unsecured</u>		
<i>(Considered good, unless stated otherwise)</i>		
Receivables from financing business		
- considered good	1,998.80	530.06
- considered non performing assets	3.27	5.05
	2,002.07	535.11
Capital Advances		3.81
Other loans and advances		
Unamortised loan origination costs	39.31	44.75
Security Deposits	3.95	3.02
Advance income taxes	264.50	184.71
(net of provision for tax Rs.3,473.16 million; Previous year: Rs.2,208.18 million)		
	307.76	236.29
	69,686.33	41,744.73
2.14 Other non-current assets		
Long term bank deposits with banks <i>(refer note 2.32)</i>	80.51	780.51
Future interest receivable on loan transfer transaction	47.12	68.64
Interest Accrued but not due on debt instruments	1,209.66	973.07
Interest Accrued but not due on loans given	538.19	216.77
Contribution to gratuity fund (net) <i>(refer note 2.31)</i>	3.36	0.53
Accrued interest on fixed deposits	28.34	19.89
	1,907.18	2,059.41



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 17			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.15 Current investments						
Investments in equity instruments of other companies (quoted)						
Alok Industries Limited	10	22,642,893	<u>66.80</u> 66.80	10.00	22,642,893	<u>101.89</u> 101.89
Investments in mutual funds (unquoted)						
Edelweiss Short Term Income Fund- Institutional Growth	10	40,799	<u>-0.43</u> 0.43	10	40,777	<u>-0.43</u> 0.43
			<u>67.23</u>			<u>102.32</u>
Aggregate of quoted investment						
- At carrying value			66.80			101.89
- At market value			66.80			101.89
Aggregate of unquoted investment						
- At carrying value			0.43			0.43
- At net asset value			0.71			0.67



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade

7.58% Government Stock 11.01.2026 BONDS	500,000	52.26	806.34
7.94% Government Stock 24.05.2021 BONDS	500,000	52.45	50.38
8.15% Government Stock 11.06.2022 BONDS	1,500,000	158.43	
8.20% Government Stock 15.02.2022 BONDS	5,000,000	506.42	
7.35% Government Stock 22.06.2024 BONDS	500,000	52.31	
8.53% Maharashtra Government Stock 27.10.2020 BONDS	1,000,000	308.94	
8.28% Tamil Nadu State Development Loans 09.09.2019 BONDS			
		6,164.59	24,247.80

(D)

Debtentures and bonds (unquoted)

	As at 31 March 17	Amount	As at 31 March 2016
	Face Value	Quantity	Quantity
Credit Substitute			
18.50% Manyata Developers Private Limited 30.06.2020 NCD	1,000,000	2,167	2,589
18.50% Kamla Landmark Property Leasing & Finance Private Limited 10.06.2018 NCD	734,595	870	870
14.00% SKI Shipyard Holdings Private Limited 21.01.2019 NCD	3,370,000	275	275
14.00% Bce Infrastructures Private Limited 31.05.2021 NCD	1,000,000	2,100	
6.25% Avantha Holdings Limited 28.07.2018 NCD	10,000,000	1,600	1,600
18.00% YGN Developers Private Limited 31.07.2018 NCD	812,692	1,180	1,183
12.25% Smit Textiles Private Limited 21.09.2018 NCD	10,000,000	208	190
9.00% Gombel Coffee Estate Private Limited 14.05.2017 NCD	10,000,000	248	235
13.00% Parsvnath Developers Limited 15.04.2019 NCD	500,000	350	2,500
0.00% Wonder Value Realty Developers Private Limited 22.05.2018 NCD	1,000,000	2,000	2,000
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	1,000,000	1,760	
14.00% Neptune Developers Limited 17.11.2020 NCD	1,000,000	2,350	
18.00% Easy Home Solutions Private Limited 12.11.2019 NCD	1,000,000	250	
0.00% Champalaji Finance Private Limited 28.11.2019 NCD	100,000	630	
15.75% Klp Projects Private Limited 28.02.2021 NCD	823,529	2,550	
10.00% Spenta Enclave Private Limited 28.02.2019 NCD	1,000,000	1,610	1,800
14.00% Saya Homes Private Limited 30.09.2019 Ncd	1,000,000	1,010	
18.00% Krishna Enterprises (Housing & Infrastructures) Private Limited 13.10.2020 NCD	500,000	800	
19.00% Samidhi Infra Square Private Limited 09.12.2020 NCD	500,000	1,100	
17.00% Meeti Developers Private Limited 31.08.2020 NCD			
14.25% Avantha Holdings Limited 06.01.2017 NCD			
12.00% KLP Projects Private Limited 17.08.2019 NCD			
20.00% Geetanjali Effective Realty Solutions Private Limited 30.03.2019 NCD			
16.00% MG Holding Private Limited 02.12.2019 NCD			
12.50% Ativo Economic Zone (Mumbai) Private Limited 30.05.2020 NCD	10,000,000	200	
13.00% Anilme Construction Company Private Limited 30.09.2022 NCD	100,000	5,500	
13.00% Neelkhanth Realtors Private Limited 30.09.2020 NCD	1,000,000	750	
18.00% International Trading & Manufacturing Company Developers Private Limited	500,000	1,500	
31.12.2020 NCD			
18.00% Century Real Estate Holdings Private Limited 22.01.2021 NCD	1,000,000	810	
		29,646.82	820.83

(E)

Mutual funds (quoted)

	As at 31 March 17	Amount	As at 31 March 2016
	Face Value	Quantity	Quantity
ICICI Prudential Liquid - Direct Plan - Growth			
Axis Liquid Fund - Direct - Growth			
DFFL Franconia Intra Cash Plus Fund - Direct Plan - Growth	10	22,471,506	2,231,225
JM High Liquidity Fund - Direct - Growth			297,954
Principal Cash Management Funds - Direct Plan - Growth			2,541,958
Sundaram Money Fund - Direct Plan - Growth			24,158,382
Short Term Bond Fund - Direct - Growth			169,649
Income Plus Fund - Direct - Growth			15,659,402
Short Term Fund - Direct Plan Growth			271,688
Income Plus Fund - Direct - Growth			863,482
Short Term Fund - Direct Plan Growth			10,277,756
For Cancer Cure - 2014			676,703
Bond Fund - Direct - Growth			1,000,000
Bond Fund - Direct - Growth			200,000
Bond Fund - Direct - Growth			10,000,000
		4,810.00	6,460.00

(F)



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade

Equity shares (quoted)

Coal India Limited
Hindustan Zinc Limited

	As at 31 March 17		As at 31 March 2016	
	Face Value	Quantity	Face Value	Quantity
	10	1,915,900		
	2	1,136,000		
				Amount
				560.69
				378.08
				888.77

(A)

Debitures and bonds (quoted)

Credit Substitute

20.00% A B T Investments (India) Private Limited 31.08.2018 NCD
12.00% Future Corporate Resources Limited 28.01.2020 NCD (SR-I)
12.00% Future Corporate Resources Limited 28.01.2020 NCD (SR-II)
5.00% SVL Limited 20.09.2020 NCD
13.50% Nspira Management Services Private Limited 30.06.2020 NCD
15.00% Pantaloon Industries Limited 31.03.2017 NCD
11.75% Reliance Infrastructure Limited 30.05.2018 NCD
12.00% Pantaloon Industries Limited 28.01.2020 NCD
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020 NCD
12.75% Mahaa Synthetic Textiles Private Limited 18.12.2016 NCD
18.00% Omate Spaces Private Limited 28.02.2019 NCD
20.00% Som Infratech Private Limited 31.12.2015 NCD
18.00% Ruparel Homes India Private Limited 13.02.2018 NCD
10.00% Abellon Cleanenergy Limited 02.06.2020 NCD
12.00% Shivakar Infra Private Limited 30.09.2021 NCD
10.00% Nspira Management Services Private Limited 30.09.2020 NCD
14.00% Shelrex Karjat Private Limited 31.03.2022 NCD
14.00% Paritee Realty Private Limited 15.01.2021 NCD
10.00% Unitech Machines Limited 29.02.2024 NCD

Others

7.35% IRFC 2031 (Retail Coupon 7.64%)
7.35% Nabard 2031 (7.64% Retail)
7.35% Nabard 2031
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd
7.35% National Highway Authority Of India 11.01.2031 Bonds
8.65% Indiabulls Housing Finance Limited 26.09.2019 Bonds
9.75% Sri Equipment Finance Limited 17.01.2022 Bonds
8.35% National Insurance Company Limited 26.05.2027 Bonds
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds
8.41% National Thermal Power Corporation Limited 16.12.2023 NCD
8.50% National Highways Authority Of India 05.02.2029 Bonds

Government bonds (quoted)

10.03% Government Stock 09.08.2019 BONDS
6.35% Government Stock 02.01.2020 BONDS
8.40% Government Stock 28.07.2024 BONDS
7.80% Government Stock 03.05.2020 BONDS
8.27% Government Stock 09.06.2020 BONDS
8.13% Government Stock 22.06.2045 BONDS
8.15% Government Stock 24.11.2026 BONDS
8.19% Government Stock 16.01.2020 BONDS
5.64% Government Stock 02.01.2019 BONDS
6.90% Government Stock 13.07.2019 BONDS
7.61% Government Stock 09.05.2024 BONDS
7.68% Government Stock 15.11.2024 BONDS
8.13% Government Stock 21.07.2024 BONDS
8.08% Government Stock 11.07.2024 BONDS
7.80% Government Stock 11.07.2024 BONDS
8.12% Government Stock 11.07.2024 BONDS
8.79% Government Stock 11.07.2024 BONDS
7.72% Government Stock 11.07.2024 BONDS
8.35% Government Stock 11.07.2024 BONDS
7.88% Government Stock 11.07.2024 BONDS

	As at 31 March 17		As at 31 March 2016	
	Face Value	Quantity	Face Value	Quantity
				Amount
				500.00
				350.00
				1,250.00
				386.56
				387.00
				500.00
				1,815.00
				1,000.00
				2,715.00
				800.00
				1,350.00
				281.25
				1,103.62
				217.00
				2,000.00
				129.00
				900.00
				2,100.00
				2,500.00
				16,749.56
				6.97
				47.76
				0.32
				1.58
				2.95
				12.88
				80.45
				4.00
				16.64
				7.01
				17.34
				142.85
				214.98
				540.63
				107.95
				3,199.57
				363.31
				362.53
				156.16
				311.15
				104.50

(B)

(C)



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March, 17		As at 31 March, 2016	
	Face Value	Quantity	Face Value	Quantity
2.16 Stock in trade				
T-Bills (Quoted)	100	3,000,000	282.41	
T-BILL 15 02 2018 (364 DAYS)	100	3,000,000	290.94	
T-BILL 24 08 2017 (182 DAYS)			573.35	
Total			<u>58,975.94</u>	<u>58,745.76</u>
Aggregate of stock-in-trade in quoted Equity shares	At carrying value	888.77		
	At market value	888.77		
Aggregate of stock-in-trade in quoted debentures and Government bonds & T-Bills	At carrying value	23,630.35	46,545.59	
	At market value	23,639.49	46,713.17	
Aggregate of stock-in-trade in unquoted debentures and bonds	At carrying value	29,646.82	5,740.17	
Aggregate of stock-in-trade in units of quoted mutual fund	At carrying value	4,810.00	6,460.00	
	At net asset value	4,811.61	6,460.50	

(G)

(A+B+C+D+E+F+G)

At carrying value

At market value

At carrying value

At market value

At carrying value

At carrying value

At net asset value



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.17 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	4.62	4.62
Less : Provision for doubtful debts	4.62	4.62
Other debts		
Unsecured, considered good	1,169.67	600.70
	1,169.67	600.70
2.18 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	0.02	0.03
Balances with banks		
- in current accounts	10,850.11	1,707.71
- in fixed deposits with original maturity less than 3 months (refer note 2.32)	20.00	106.30
	10,870.13	1,814.04
Other bank balances		
- Short term deposits with banks (refer note 2.32) (other bank deposits with maturity less than 12 months)	807.65	792.65
	11,677.78	2,606.69



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.19 Short-term loans and advances

Secured

(Considered good, unless stated otherwise)

Receivables from financing business

- considered good

- considered non performing assets

As at
31 March 2017

As at
31 March 2016

24,002.67

44,977.75

1,182.25

1,801.51

25,184.92

46,779.26

Unsecured

(Considered good, unless stated otherwise)

Receivables from financing business

- considered good

- considered non performing assets

28,130.64

3,243.73

482.93

363.16

Other loans and advances

Deposits placed with/exchange/depositories

Deposits- others^

Prepaid expenses

Unamortised loan origination costs

Loans and advances to employees

Vendor Advances

Input tax credit

Advance income taxes

(net of provision for tax Rs 1,479.91 million ; previous year : Rs

1,318.23 million)

Advances recoverable in cash or in kind or for value to be received

91.05

116.05

-

-

5.44

5.18

21.21

21.15

5.54

4.00

55.87

16.61

-

35.52

138.53

22.02

62.28

20.97

28,993.49

3,848.39

54,178.41

50,627.65

2.20 Other current assets

Accrued interest on fixed deposits

Accrued interest on debt instruments

Accrued interest on loans given

Accrued interest on margin

Accrued interest on Investments

Interest Accrued but not due on loans given

Interest Accrued but not due on debt instruments

Mark to market on interest rate swap & Currency derivatives

Margin placed with Counterparty for derivatives

Premium paid on outstanding exchange traded options (including MTM)

Future interest receivable on loan transfer transaction

Margin placed with broker

Others

0.21

5.88

114.52

-

1,243.40

1,825.71

0.32

0.54

-

0.58

1,390.83

795.07

1,597.06

1,169.54

33.64

154.51

45.10

74.44

723.34

50.85

13.69

17.31

696.90

1,012.57

31.17

-

5,890.18

5,107.00

^ Amount is less than Rs 0.01 million



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	for the year ended 31 March 2017	for the year ended 31 March 2016
2.21 Fee income		
Loan processing and other fees	1,223.95	424.00
	1,223.95	424.00
2.22 Income from treasury		
Profit on trading of securities (net)	2,148.18	266.02
Profit / (loss) on equity derivative instruments (net)	501.85	(262.07)
Profit on trading in currency derivative instruments (net)	47.72	40.06
Loss on interest rate derivative instruments (net)	(217.87)	(277.23)
Profit on sale of long term investment	33.72	-
Dividend	72.64	20.03
Interest on interest rate swap	(23.37)	26.07
Cost of benchmark linked debentures	(1,988.37)	(1,596.77)
	574.50	(1,783.89)
2.23 Interest Income		
On loans and Credit substitute	20,647.17	17,850.21
On fixed deposits	89.00	88.78
On debt instruments	2,338.07	2,248.89
On margin with brokers	12.68	13.05
On collateralised borrowing and lending operations	25.11	0.75
On others	5.05	3.62
	23,117.08	20,205.30
2.24 Other income		
Profit on sale of fixed assets (net)	0.10	0.49
Miscellaneous income	34.76	19.93
	34.86	20.42



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended
31 March 2017

for the year ended
31 March 2016

2.25 Employee benefit expenses

Salaries and wages (refer note 2.39)	1,585.10	1,431.07
Contribution to provident and other funds (refer note 2.31)	47.16	45.49
Staff welfare expenses	25.15	22.50
	1,657.41	1,499.06

2.26 Finance costs

Interest cost :		
Interest on debentures	4,501.98	3,554.15
Interest on subordinated debt	1,199.86	977.05
Interest on Inter-corporate deposits	-	0.96
Interest on term loan	3,142.04	3,191.52
Interest on bank overdraft	161.90	60.30
Interest on loan from holding company	-	172.05
Interest on loan from fellow subsidiaries	545.31	295.97
Interest on collateralised borrowing and lending operations	680.15	1,359.77
Interest on clearcorp repo order matching system	964.23	465.71
Interest on working capital demand loan	171.13	58.57
Interest - others	21.20	5.81
Other borrowing cost :		
Discount on commercial paper and debentures	1,934.41	1,095.69
Financial and bank charges	367.48	416.02
	13,689.69	11,653.57



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended
31 March 2017

for the year ended
31 March 2016

2.27 Other expenses

Advertisement and business promotion	21.34	15.21
Auditors' remuneration (<i>refer note below</i>)	9.06	3.47
Bad- debts and advances written off	431.13	759.13
Commission and brokerage	0.39	14.19
Communication	20.31	15.56
Computer expenses	4.57	2.90
Corporate social responsibility -Donation	71.74	56.47
Clearing & custodian charges	0.72	0.62
Dematerialisation charges	0.92	0.67
Diminution in value of current investments	35.10	65.66
Directors' sitting fees	0.46	0.46
Electricity charges (<i>refer note 2.39</i>)	12.22	6.85
Insurance	0.24	0.49
Legal and professional fees	248.50	144.63
Loss on sale of non performing assets	1,740.94	-
Loan origination costs amortised	35.62	40.23
Membership and subscription	2.78	2.92
Office expenses	14.34	4.01
Printing and stationery	5.37	3.45
Provision for standard assets	228.56	118.25
Provision for standard restructured assets and others	(38.75)	(70.70)
Provision for non performing assets	378.96	351.81
Provision for credit loss on securitisation	(7.47)	(1.67)
Rates and taxes	3.67	3.26
Rating support fees	155.70	185.00
Rent (<i>refer note 2.39</i>)	85.23	35.26
Repairs and maintenance	1.67	0.72
Securities transaction tax	9.85	4.45
Service tax expenses	85.62	57.25
Stamp duty	15.79	15.24
Travelling and conveyance	46.38	43.02
Miscellaneous expenses	10.03	4.72
	3,630.99	1,883.53

Auditors' remuneration:

For Statutory audit and limited review	4.38	3.10
For other services (Certification)	4.10	0.23
For reimbursement of expenses	0.58	0.14
	9.06	3.47



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 31 March 2017	As at/ For the year ended 31 March 2016
I Segment Revenue		
a) Capital based business	4,234.26	2,161.22
b) Financing business	20,715.51	16,703.81
c) Unallocated	0.62	0.80
Total Income	24,950.39	18,865.83
II Segment Results		
a) Capital based business	606.48	(798.92)
b) Financing business	5,422.94	4,657.06
c) Unallocated	(99.71)	(69.32)
Profit before taxation	5,929.71	3,788.82
Less : Provision for taxation	2,026.53	1,288.19
Profit after taxation	3,903.18	2,500.63
III Segment Assets		
a) Capital based business	29,598.44	41,842.75
b) Financing business	180,756.05	128,172.71
c) Unallocated	1,285.43	1,159.72
Total	211,639.92	171,175.18
IV Segment Liabilities		
a) Capital based business	28,831.55	40,597.82
b) Financing business	159,023.71	110,599.72
c) Unallocated	211.36	155.34
Total	188,066.62	151,352.88
V Capital expenditure (Including intangibles under development)		
a) Capital based business	-	4.15
b) Financing business	315.45	33.67
c) Unallocated	-	0.06
Total	315.45	37.88
VI Depreciation and amortisation		
a) Capital based business	7.25	4.47
b) Financing business	35.21	36.31
c) Unallocated	0.13	0.07
Total	42.59	40.85
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	35.04	66.16
b) Financing business	992.16	1,150.83
c) Unallocated	-	0.01
Total	1,027.20	1,227.02



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"

(Rupees in Millions)

i. List of related parties and relationship:

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited - Holding company
Associates	Aeon Credit Services India Pvt Ltd
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited (Formerly known as Arum Investments 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 (Formerly known as Edelweiss Integrated Commodity Management Limited) Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss AIF Fund I - EW Clover Scheme - 1 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

ii. Transactions with related parties:

Nature of Transaction	Related Party Name	2017	2016
Capital account transactions			
Investment in Equity Shares of	Aeon Credit Services India Pvt Ltd	-	125.00
Sale of Preference Shares to	Edelweiss Commodities Services Limited	2,400.00	-
Loans taken from (refer note-2 below)	Edelweiss Financial Services Limited	-	14,412.29
	Edelweiss Commodities Services Limited	64,169.55	17,338.01
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	60.34	147.70
	Edelweiss Finance & Investments Limited	450.00	-
Loan repaid to (refer note-2 below)	Edelweiss Financial Services Limited	-	14,463.75
	Edelweiss Commodities Services Limited	50,836.28	16,590.56
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	208.04	-
	Edelweiss Finance & Investments Limited	450.00	-
Loans given to (refer note-2 below)	Edelweiss Commodities Services Limited	4,530.32	2,950.00
	Edelweiss Financial Services Limited	-	21.91
	Ravi R Bubna HUF	-	58.35
	Vidya Shah	-	335.14
	Edelweiss AIF Fund I - EW Clover Scheme I	500.00	-
Repayment of loans by (refer note-2 below)	Edelweiss Commodities Services Limited	4,530.32	4,450.00
	Edelweiss Financial Services Limited	-	21.91
	Ravi R Bubna HUF	-	22.63
	Vidya Shah	-	428.68
	Edelweiss AIF Fund I - EW Clover Scheme I	500.00	-
	ECap Equities Limited	5,139.20	7,388.00
	Edelweiss Commodities Services Limited	-	5,000.00
	Edelweiss Commodities Services Limited	31,818.98	8,506.97
	ECap Equities Limited	115.12	100.00



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

2.22 Disclosure of related parties as required under AS 18 - "Related Party Disclosures" (Company)		2017	2016
Nature of Transactions	Related Party Name		
Purchase / Subscription of Commercial Papers from	Edelweiss Commodities Services Limited ECap Equities Limited	9,777.26 588.09	23,852.99
Purchase of debt instruments from	Edelweiss Commodities Services Limited		50.00
Purchases of securities (Stock in trade) from	Edelweiss Finance & Investments Limited ECap Equities Limited Edelweiss Commodities Services Limited Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) Edelweiss Securities Limited Edelcap Securities Limited	2,588.51 722.43 10,741.46 414.41 767.45 4,276.33	1,266.35 3,002.52 9,666.41 627.87
Purchase of certificate of deposit from	Edelweiss Commodities Services Limited		738.13
Sale of securities (Stock in trade)	Edelweiss Finance & Investments Limited ECap Equities Limited Edelweiss Commodities Services Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) Edelcap Securities Limited	11,094.34 496.28 6,006.92 31.08 689.28 7,526.48	8,779.22 2,253.00 1,669.28 634.07
Margin placed with (refer note -2 below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	1,681.69 2,206.04	1,988.66
Margin refund received from	Edelweiss Securities Limited Edelweiss Custodial Services Limited	2,692.07 1,568.44	1,369.09
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	1,538.69	-
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	2,131.68	-
Sale of Securities receipts to	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	2,007.32	-
Interest paid on loan	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) Edelweiss Finance & Investments Limited	537.47 6.99 0.86	172.05 295.93 0.04
Interest expense on non convertible debentures	ECap Equities Limited	895.56	1,726.18
Interest expense on Commercial Papers	Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited ECap Equities Limited	48.22 12.58 0.57	8.16 0.51
Interest expense on margin placed with brokers	Edelweiss Securities Limited Edelweiss Custodial Services Limited	11.15 1.53	13.05
Interest income on Commercial Papers	Edelweiss Housing Finance Limited Edelweiss Commodities Services Limited	3.53 0.01	-
Interest income on loans given to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Ravi R. Bubna HUF Edelweiss AIF Fund I - EW Clover Scheme I Vidya Shah	58.57 1.15	0.97 71.82 2.72 1.38
Dividend received on investments	Edelweiss Commodities Services Limited ECap Equities Limited	0.70 1.26	0.70
Director nomination deposit received	Edelweiss Financial Services Limited		0.20
Directors nomination deposit refunded	Edelweiss Financial Services Limited	0.20	-
Arranger fees received from	Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	33.20 22.10	-
Management Fees received from	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	1.56	-
	Edelweiss Financial Services Limited Edelweiss Housing Finance Limited Edelweiss Commodities Services Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss Capital Markets Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Retail Finance Limited Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited) Edelweiss Alternative Asset Advisors Limited	3.21 0.19 9.31 0.74 0.14 0.04	28.42 0.70 28.22 0.54
		2.20	1.17



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)		2017	2016
Nature of Transaction	Related Party Name		
Cost reimbursement paid to (continued)	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.11
	Edelweiss Broking Limited	0.26	-
	Edelcap Securities Limited	0.51	-
	Edel Finance Company Limited	4.52	-
	Edelweiss Finance & Investments Limited	1.00	-
Cost reimbursement received from	Edelweiss Finance & Investments Limited	0.34	-
	Edelweiss Securities Limited	0.03	0.80
	Edelweiss Broking Limited	-	0.18
	Edelcap Securities Limited	0.11	-
	Edelweiss Asset Reconstruction Company Limited	0.22	-
	Edelweiss Commodities Services Limited	0.48	-
	Edelweiss Housing Finance Limited	-	0.08
	Edelweiss Financial Services Limited	-	1.48
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management 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)	0.18	-
Reimbursement paid to	Edelweiss Securities Limited	-	4.63
	Edelweiss Financial Services Limited	114.80	858.39
	Edelweiss Commodities Services Limited	203.53	0.40
Rating support fees paid to	Edelweiss Financial Services Limited	155.70	185.00
Clearing charges paid to	Edelweiss Securities Limited	0.33	0.37
	Edelweiss Custodial Services Limited	0.02	-
Commission and brokerage paid to	Edelweiss Securities Limited	0.01	0.03
	Edelweiss Investment Adviser Limited	4.53	4.02
Donation to	EdelGive Foundation	71.00	56.00
Advisory fees paid to	Edelweiss Housing Finance Limited	-	23.04
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.69	-
	Edelweiss Asset Reconstruction Company Limited	22.79	-
Collateral management fees paid	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	9.10	9.63
Rent paid to	Auris Corporate Centre Limited	-	3.06
	Burlington Business Solutions Limited	-	4.13
	Edelweiss Broking Limited	2.32	-
	Edelweiss Commodities Services Limited	56.22	-
	Eternity Business Centre Limited	19.32	-
Remuneration paid to	Raviprakash R. Bubna	74.78	99.77
	Himanshu Kaji	20.00	-
	Rashesh Shah	67.50	45.00
Balances with related parties			
	Short term borrowings		
Trade payables	Edelweiss Commodities Services Limited	14,080.73	747.46
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	147.70
	Edelweiss Financial Services Limited	1.14	274.66
	Edelweiss Finance & Investments Limited	0.67	14.29
	Edelweiss Housing Finance Limited	-	25.00
	Edelweiss Broking Limited	0.16	0.49
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.21	1.07
	Edelweiss Investment Adviser Limited	0.52	0.66
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	1.39	0.57
	Edelweiss Commodities Services Limited	46.20	-
	Edelweiss Alternative Asset Advisors Limited	4.83	-
	Edelweiss Capital Markets Limited	0.14	-
	Edelcap Securities Limited	0.51	-
	Edel Finance Company Limited	5.20	-
	Non convertible debentures (borrowings)	Edelweiss Commodities Services Limited	503.20
Edelweiss Finance & Investments Limited		-	72.30
Edelweiss Tokio Life Insurance Company Limited		-	12.67
ECap Equities Limited		-	92.20
Commercial Papers (borrowings)	Edelweiss Commodities Services Limited	3,758.76	-
	Edelweiss Commodities Services Limited	-	11.47
	Edelweiss Broking Limited	-	1.17
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.11
	Burlington Business Solutions Limited	-	4.31
	Auris Corporate Centre Limited	-	3.20
	Edelweiss Commodities Services Limited	-	22.44
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.04
	Edelweiss Commodities Services Limited	-	52.41
	ECap Equities Limited	-	28.28



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

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

Category of Transaction	Related Party Name	2017	2016
Remuneration payable	Raviprakash R. Bubna	65.00	90.00
	Himanshu Kaji	20.00	-
	Rashesh Shah	67.50	45.00
Corporate guarantee taken from	Edelweiss Financial Services Limited	5,026.99	33,881.70
Investments in equity shares	Aeon Credit Services India Pvt Ltd	227.50	227.50
Investments in preference shares	Edelweiss Commodities Services Limited	1,000.00	1,000.00
	Ecap Equities Limited	-	1,800.00
	Edelweiss Investment Adviser Limited	220.00	220.00
	Edelweiss Broking Limited	-	600.00
Trade receivables	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.58
	Edelweiss Financial Services Limited	-	1.58
	Edelweiss Housing Finance Limited	35.12	0.74
	Edelweiss Finance & Investments Limited	-	0.25
	Edelweiss Securities Limited	3.96	598.38
	Edelcap Securities Limited	0.11	-
	Edelweiss Commodities Services Limited	0.48	-
	Edelweiss Insurance Brokers Limited	0.06	-
	Edelweiss Custodial Services Limited	0.16	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	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	-
	Loans and advances	Ravi R Bubna HUF	-
Short-term loans and advances	Edelweiss Broking Limited	0.01	0.18
	Edelweiss Financial Services Limited	-	1.48
	Edelweiss Securities Limited	-	0.80
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	-	0.01
	Edelweiss Finance & Investments Limited	0.22	-
Other current assets	Accrued interest on margin	-	0.38
Margin money balance with	Edelweiss Securities Limited	2.19	1,012.57
	Edelweiss Custodial Services Limited	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.

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 2017.

Disclosure of loans and advances pursuant to regulation 53 of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:

Rs Nil (Previous year: Nil) due from Edelweiss Financial Services Limited (maximum amount due at any time during the year Rs. Nil million; Previous year: Rs 21.91 million)

2.30 Earnings per share

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

Particulars	2017	2016
a) Shareholders earnings (as per statement of profit and loss)	3,903.18	2,500.63
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	-	-
Number of equity shares outstanding at the end of the year	1,891.85	1,891.85
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,891.85	1,891.85
Basic and diluted earnings per share (in rupees) (a/b)	2.06	1.32

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

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

Amount of Rs. 42.60 million (previous year: Rs.31.64 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 recognized in the Profit and Loss Account

	2017	2016
Current service cost	10.27	8.66
Interest cost	2.76	2.37
Expected Return on plan assets	(3.30)	(2.27)
Actuarial loss	(5.24)	5.07
Employer expense	4.49	13.83

Balance Sheet

Reconciliation of Defined Benefit Obligation (DBO)

	2017	2016
Present value of DBO at start of year	44.64	29.87
Interest cost	2.76	2.37
Current service cost	10.27	8.66
Transfer In	(7.32)	0.55
Benefits paid	(1.18)	(1.31)
Actuarial (Gain) / Loss	(3.82)	4.50
Present value of DBO at end of year	46.95	44.64

Reconciliation of Fair Value of Plan Assets

	2017	2016
Fair value of plan assets at start of year	45.17	29.79
Expected Return on Plan Assets	3.30	--
Contributions by Employer	--	15.01
Benefits paid	(1.18)	(1.31)
Actuarial (loss)/ gain:	3.02	(0.59)
Fair value of plan assets at end of the year	50.31	45.17

Net Liabilities / (Assets) recognized in Balance Sheet

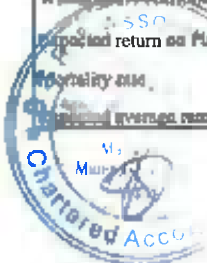
Particulars	2017	2016	2015	2014	2013
Present value of DBO	46.95	44.64	29.87	19.38	11.54
Fair value of plan assets	50.31	45.17	29.79	12.23	5.12
Net (Assets) / Liabilities	(3.36)	(0.33)	0.08	7.15	6.42

Experience Adjustments

Particulars	2017	2016	2015	2014	2013
On Plan Liabilities: (Gain)/ Loss	(3.77)	3.74	0.03	2.33	4.06
On Plan Assets: Gain/ (Loss)	2.84	(0.64)	2.68	0.65	(0.22)
Estimated contribution for next year	-	-	-	7.00	(6.50)

Actuarial assumptions

	2017	2016
Discount rate	6.80%	7.40%
Salary Growth Rate	7%	7%
Withdrawal/ Surrender Rate (based on categories)	13%-25%	13%-25%
Expected return on Plan Assets	7.40% p.a.	7.8% p.a.
Actuarial valuation method	IALM 2006-08 (Utl.)	IALM 2006-08 (Utl.)
Assumed 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

- i) Fixed deposit of Rs. Nil million (Previous Year: Rs. 97.00 million) have been pledged with HDFC bank and Rs. Nil million (previous year : Rs 9.30 million) with Standard Chartered bank for meeting margin requirement for trading in interest rate swaps.
- ii) Fixed deposit of Rs. Nil million (Previous Year: Rs.455.00 million) have been pledged with ICICI bank and Rs. Nil million (Previous year : Rs 185.00 million) with Axis Bank for meeting margin requirement for trading in cross currency swap and forward margin.
- iii) Fixed deposit of Rs. 20 million (Previous Year: Rs.45.00 million) have been pledged with Bank of India for bank guarantee for Non convertible debenture listing.
- iv) Fixed deposit of Rs. 50 million (Previous Year: Rs.50.00 million) have been pledged with Ratnakar bank for bank guarantee for Non convertible debenture listing.
- v) Fixed deposit of Rs. 80.51 million (Previous Year : Rs.80.51 million) have been pledged with ING Vyasa for Securitization.
- vi) Fixed deposit of Rs. 57.64 million (Previous Year : Rs.57.64 million) have been pledged with Yes Bank for Securitization.
- vii) Fixed deposit of Rs. Nil million (Previous Year : Rs.1.80 million) have been pledged with Bank of Baroda against Bank Overdraft.

2.33 Open interest in equity index/ stock futures

Long Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Nifty	Hedging	29-Jun-17	343	25,725
2	Nifty	Hedging	25-May-17	681	51,075
3	Nifty	Hedging	22-Apr-17	1,298	172,350

Short Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Stock Future	Hedging	27-Apr-17	1482	3,051,980

Long Position as at 31 March 2016

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Nifty	Hedging	26-May-16	1,174	88,050
2	Nifty	Hedging	28-Apr-16	1,329	249,675

Short Position as at 31 March 2016

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Bank Nifty	Hedging	28-Apr-16	2,650	79,500

Open interest in Currency derivatives with cash/collateral

Long Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	USDINR	Hedging	28-Apr-17	10,000	10,000,000

Long Position as at 31 March 2016

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	USDINR	Hedging	27-Apr-16	45,000	45,000,000

Open interest in Interest rate derivatives with cash/collateral

Short Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	FUTIRC	Hedging	27-Apr-17	938	1,876,000

Long Position as at 31 March 2016

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	FUTIRC	Hedging	28-Apr-16	322	644,000



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

2.34 Option contracts outstanding:

Index		Purpose	Total premium carried forward (net of provision made) as at	
No.	Name of the option – Index		31 March 2017	31 March 2016
1	Purchase of option- Nifty	Hedging	723.34	50.85
2	Sale of option- Nifty	Hedging	70.50	168.99

2.35 Open interest in interest rate derivatives other than exchanges:

Benchmark	Purpose	Notional Principal (in million)	Terms
<i>As at 31 March 2017</i>			
MIBOR	Hedging	7,250.00	Pay fixed vs receive floating
MIBOR	Hedging	24,500.00	Pay floating vs receive fixed
<i>As at 31 March 2016</i>			
MIBOR	Hedging	18,600.00	Pay fixed vs receive floating
MIBOR	Hedging	10,000.00	Pay floating vs receive fixed

2.36 Open interest in currency derivatives other than exchanges:

Particulars	Purpose	Notional Principal as at 31 March 2017	Notional Principal as at 31 March 2016
USD INR	Hedging	64.93	7,193.31

2.37 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2017 aggregated to Rs. 7.37 million (Previous year: Rs. 6.51 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:

	2017	2016
Minimum lease payments for non cancellable lease		
- Not later than one year	-	0.01
- later than one year and not later than five years	-	-
- later than five years	-	-
Total	-	0.01

2.38 Contingent liabilities and commitments

Contingent liabilities

- Taxation matters of Assessment year 2008-09 and Assessment year 2010-11 in respect of which appeal is pending Rs. 0.54 million (Previous year: Rs. 0.54 million).
- Litigation pending against the Company amounting to Rs. 10.31 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

- Uncalled liabilities on non-current investment of Rs. Nil million as at balance sheet date (Previous year: Rs. 168.75 million).
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 54.55 million (Previous year: Rs. 1.24 million).
- Undrawn committed credit lines Rs. 20,354.19 million as at balance sheet date (Previous year: Rs. 13,755.18 million).



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.39 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2015-16), 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.

2.40 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.

2.41 Details of Secured Debentures

Details of the Secured Debentures as at 31 March 2017

- 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. 4,000** million (previous year : Rs 4,000 million) by way of charge on immovable property, floating charge on movable properties in the form of receivables.
- 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. 572.50** million (previous year Rs 3,429.60 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.
- The Company has an asset cover in excess of 120% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 16,397.58** million (previous year Rs 1,714.70 million) by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- 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. 26,929.22** million (previous year Rs 24,599.50 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. 26,929.22** million (previous year : Rs 24,599.50 million) includes Rs. 4,994.35 million (previous year : Rs Nil million) of Masala Bonds issued during the year.
- 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. 11,205.63** million (previous year : Rs 23,610.26 million) by way of charge on immovable property and floating charge on movable properties in the form of receivables. The above **Rs. 11,205.63** million (previous year : Rs 23,610.26 million) includes **Rs. Nil** million (previous year : Rs 12,892.76 million) public issue.
- In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).
- During the year, the Company has raised **Rs.4,981.77** (Previous year : Rs Nil million) (net of issue expenses) ("net proceeds") through issue of 50,200 (previous year : Nil) 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 2017 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.
- Debt Equity and Asset cover Ratio:

Debt Equity Ratio		
	2017	2016
Shareholder's fund		
Paid up capital	1,891.85	1,891.85
Add: Reserve and surplus	21,681.45	17,930.45
Less: Deferred tax asset	880.39	917.01
Equity (A)	22,692.91	18,905.29
Debt		
Long-term borrowings	91,933.54	65,632.49
Short-term borrowings	58,812.99	47,333.91
Current maturities of long term debt	27,663.04	27,201.94
Total Debt (B)	178,411.57	140,168.34
Debt equity Ratio (B/A)	7.86	7.41

Asset cover Ratio		
	2017	2016
Assets available		
Loans and advances ^(a)	170,816.84	121,703.22
Stock in trade	12,579.56	30,762.84
Total (A)	183,396.40	152,466.06
Secured debt		
Long-term Secured borrowings	80,323.54	57,232.49
Short-term Secured borrowings	13,509.67	37,072.69
Current maturities of secured long term debt	27,663.04	27,201.94
Total (B)	121,498.25	121,507.12
Asset cover (A/B)	1.51	1.25

^(a) Includes debentures in the nature of loan and advances, hereinafter referred to as loans and advances



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

2.41 *Details of Secured Debentures (Continued)*

(i) Maturity profile and rate of interest of Long term NCDs are as set out below

As at 31 March 2017

Rate	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
8%-9%	1,775.77	-	250.00	107.00	-	-	500.00	-	-	5,000.00
9%-10%	571.47	2,000.00	6,644.35	1,915.00	-	-	-	-	3,925.00	425.00
10%-11%	6,957.83	2,600.00	4,033.47	4,000.00	-	-	-	350.00	-	-
11%-12%	-	1,752.85	470.00	-	-	-	-	-	-	-
Benchmark linked Debentures	7,804.40	3,891.92	2,948.64	559.23	85.00	-	-	-	518.00	20.00
Total	17,109.47	10,244.77	14,346.46	6,581.23	85.00	-	500.00	350.00	4,443.00	5,445.00

As at 31 March 2016

Rate	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
8%-9%	-	-	2,000.00	1,650.00	1,700.00	-	-	-	-	-
9%-10%	-	571.47	2,000.00	4,033.47	4,000.00	-	-	-	-	3,925.00
10%-11%	5,510.00	6,957.83	2,600.00	470.00	-	-	-	-	350.00	-
11%-12%	3,574.16	1,714.69	1,752.85	696.68	10.00	-	-	-	-	-
Benchmark linked Debentures	8,958.58	5,374.34	966.97	7,319.82	5,710.00	20.00	-	-	350.00	518.00
Total	18,042.74	14,618.33	7,319.82	6,850.15	5,710.00	20.00	-	-	350.00	4,443.00

2.42 *Details of unsecured debentures*

Details of unsecured debentures as at 31 March 2017

As at 31 March 2017

Rate	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
8%-9%	-	-	-	-	-	-	-	-	-
9%-10%	-	-	-	-	-	-	-	200.00	2,500.00
10%-11%	-	-	-	-	-	-	-	3,000.00	-
11%-12%	-	-	4,700.00	-	500.00	-	-	-	-
Benchmark linked Debentures	-	600.00	-	-	-	-	-	-	110.00
Total	-	600.00	4,700.00	-	500.00	-	-	3,200.00	2,610.00

As at 31 March 2016

Rate	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
8%-9%	-	-	-	-	-	-	-	-	-	-
9%-10%	-	-	-	-	-	-	-	-	-	-
10%-11%	-	-	-	-	-	-	-	-	-	-
11%-12%	-	-	-	4,700.00	-	500.00	-	-	-	-
Benchmark linked Debentures	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	4,700.00	-	500.00	-	-	3,200.00	-



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 31 March 2017

Rate	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
8%-9%	250.00	250.00	250.00	250.00	250.00	-
9%-10%	7,682.66	7,998.78	10,699.20	8,393.22	7,307.50	100.00
10%-11%	2,622.91	1,802.87	814.01	212.50	-	-
Total	10,555.57	10,051.65	11,763.21	8,855.72	7,557.50	100.00

As at 31 March 2016

Rate	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
10%-11%	10,828.46	6,749.20	5,987.64	3,559.30	998.61
11%-12%	830.75	380.38	89.47	89.47	67.11
Total	11,659.21	7,129.58	6,077.11	3,648.77	1,065.72

All the above term loans are secured by charge on receivables from financing business. Of the above, term loans amounting to **Rs. 3,843.75** million (Previous year : Rs 19,641.40 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

	2017	2016
Opening stock		
Equity shares	-	-
Preference shares	-	277.65
Debt instruments	52,285.77	23,186.29
Mutual Fund	6,460.00	10.00
Total	58,745.77	23,473.94
Purchase		
Equity shares	1,047.23	27.69
Preference shares	-	871.57
Debt instruments	1,042,451.29	360,176.31
Mutual Fund	1,381,385.70	271,470.00
Total	2,295,081.22	632,545.57
Sales		
Equity shares	74.48	27.63
Preference shares	-	1,148.75
Debt instruments	1,043,049.79	331,138.71
Mutual Fund	1,283,874.96	265,224.61
Total	2,296,999.23	597,539.76
Closing stock		
Equity shares	888.77	-
Preference shares	-	-
Debt instruments	53,277.17	52,285.77
Mutual Fund	6,810.00	6,460.00
Total	58,975.94	58,745.77
Profit/(loss) on sale of securities	2,148.18	266.02



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

2.45 Key Ratios

The following table sets forth, for the periods indicated, the key financial ratios

	2017	2016
Gross NPAs as a percentage of Total Loans and Advance ¹	1.85%	1.88%
Net NPAs as a percentage of Total Advance ¹	0.63%	0.48%
Book Value per share (Rs.) ²	12.46	10.48
Current Ratio ³	1.40	1.40
Debt to Equity Ratio (refer note 2.41)	7.86	7.41
Return on average Equity ⁴ (%)	17.99%	13.45%
Return on average assets ⁵ (%)	2.04%	1.67%

1. Loans and Advance include debentures in the nature of loan
2. Book Value per share = Equity share capital and reserves and surplus / Number of equity shares
3. Current ratio is the ratio of current assets to current liabilities.
4. Return on average equity is the ratio of the profit for the year to the annual average equity share capital and reserves and surplus.
5. Return on average assets is the ratio of the profit for the year to the annual average total assets.

2.46 Banking facilities

The Company has obtained borrowing facilities from below mentioned banks:

- | | |
|------------------------------|---|
| 1 Abu Dhabi Commercial Bank | 19 Punjab & Sind Bank |
| 2 Allahabad Bank | 20 Punjab National Bank |
| 3 Andhra Bank | 21 RBL Bank |
| 4 Bank of Baroda | 22 Small Industries Development Bank of India |
| 5 Bank of India | 23 State Bank of Bikaner & Jaipur |
| 6 Bank of Maharashtra | 24 State Bank of Hyderabad |
| 7 Canara Bank | 25 State Bank of India |
| 8 Central Bank of India | 26 State Bank of Travancore |
| 9 Corporation Bank | 27 Syndicate Bank |
| 10 Dena Bank | 28 Tamilnad Mercantile Bank |
| 11 DCB Bank | 29 The Catholic Syrian Bank |
| 12 Federal Bank | 30 UCO Bank |
| 13 IDBI Bank | 31 Union Bank of India |
| 14 IndusInd Bank | 32 Vijaya Bank |
| 15 Kotak Mahindra Bank | 33 Yes Bank |
| 16 Karnataka Bank | 34 CITI Bank |
| 17 Lakshmi Vilas Bank | 35 HDFC Bank |
| 18 Oriental Bank of Commerce | 36 State Bank of Patiala |
| | 37 South Indian Bank |

2.47 Investments

	2017	2016
1) Value of Investments		
i) Gross Value of Investments		
a) In India	6,730.76	8,493.59
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments	6,730.76	8,493.59
a) In India	-	-
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Provisions made during the year	-	-
iii) Write-off / write-back of excess provisions during the year	-	-



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

2.48 Foreign currency

The Company has undertaken the following transactions in foreign currency

	2017	2016
Expenditure incurred in foreign currency (on accrual basis)		
Membership and subscription	1.71	1.50
Legal & Professional Fees	67.55	0.48
Travelling expenses	0.13	-
Miscellaneous expenses	0.57	-
Total	69.96	1.98

2.49 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2017	2016
i) The notional principal of swap agreements	31,750.00	28,600.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	32.17	14.87
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 bank	(2.93)	(222.65)

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

B) Exchange Traded Interest Rate (IR) Derivatives

	2017	2016
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	2,763.00	4,383.20
ii) Notional principal amount of exchange traded IR derivatives outstanding	187.60	64.40
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

	2017		2016	
	Currency Derivative	Interest Rate Derivatives	Currency Derivative	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging	1,297.69	31,937.60	10,178.29	28,664.40
ii) Marked to Market Positions				
a) Assets (+)	1.47	32.17	139.64	14.87
b) Liability (-)	-	(41.15)	-	(242.52)
iii) Credit Exposure	12.99	292.50	143.87	276.00
			111.64	



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

2.50 Capital to Risk Assets Ratio (CRAR)

	2017	2016
i) CRAR (%)	16.14%	16.56%
ii) CRAR - Tier I capital (%)	11.35%	11.34%
iii) CRAR - Tier II Capital (%)	4.79%	5.22%
iv) Amount of subordinated debt raised as Tier-II capital	2,500.00	8,400.00
Amount raised by issue of Perpetual Debt Instruments	-	-

2.51 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:

	2017	2016
Total number of loan assets under par structure	-	-
Total book value of loan assets	-	-
Sales consideration received	-	-

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

	2017	2016
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	271.96	445.83
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	27.20	44.58
a) Off-balance sheet exposures	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures	27.20	44.58
- First loss	-	-
- Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	110.96	93.58
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	110.96	93.58
i) Exposure to own securitisations	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations	-	-
- First loss	-	-
- Others	-	-

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

	2017	2016
i) No. of accounts	5	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	5,009.45	-
iii) Aggregate consideration realized in respect of accounts transferred in earlier years	5,050.00	-
iv) Aggregate (loss) over net book value	40.55	-



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

2.51 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

	2017	2016
Total number of loan assets under par structure	50	50
Total book value of loan assets	322.18	322.18
Sales consideration received	322.18	322.18

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:

	2017	2016
1 No. of transactions assigned by the NBFC	4	4
2 Total amount outstanding	325.68	685.23
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	36.19	76.14
a) Off-balance sheet exposures		
- First loss		
- Others		
b) On-balance sheet exposures		
- First loss		
- Others	36.19	76.14
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.

	2017	2016
i) No. of accounts	50	50
ii) Aggregate value (net of provisions) of accounts sold	322.18	322.18
iii) Aggregate consideration	322.18	322.18
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)

2.52 Exposure to real estate sector, both direct and indirect

	2017	2016
A Direct Exposure		
(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)	4,756.06	4,022.49
(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.	53,247.75	33,956.39
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential		
- Commercial Real Estate		
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
C Others (not covered above)	11,992.02	8,515.45

2.53 Exposure to Capital Market

	2017	2016
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	-	329.39
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	17,118.13	9,941.43
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	34,294.43	34,722.31
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	1,461.46	1,072.19
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,380.67	314.22
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		
loans to Venture Capital Funds (both registered and unregistered)		
Others (not covered above)	5,443.93	2,820.79



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

2.54 **Asset Liability Management**
Maturity pattern of certain items of assets and liabilities
As at 31 March 2017

Particulars	Liabilities			Assets	
	Borrowings from Banks	Other Borrowings	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	1,461.91	22,087.64	27,468.55	0.43	6,582.00
Over One months to 2 months	191.67	16,713.48	4,317.72	-	5,108.79
Over 2 months up to 3 months	3,294.47	14,065.06	6,123.62	-	888.77
Over 3 months to 6 months	2,524.40	4,228.69	3,061.00	66.80	-
Over 6 months to 1 year	9,463.88	12,446.83	18,813.32	-	-
Over 1 year to 3 years	20,636.47	26,370.17	64,034.36	-	-
Over 3 years to 5 years	15,495.52	12,283.33	33,993.63	5,216.03	-
Over 5 years	-	17,148.05	13,004.64	1,447.50	-
Total	53,068.32	125,343.25	170,816.84	6,730.76	12,579.56

As at 31 March 2016

Particulars	Liabilities			Assets	
	Borrowings from Banks	Other Borrowings	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	279.17	25,075.65	16,568.77	-	27,328.05
Over One months to 2 months	1,041.67	7,517.20	4,456.18	-	1,000.00
Over 2 months up to 3 months	2,263.64	3,384.59	3,436.33	-	-
Over 3 months to 6 months	2,096.97	3,640.31	2,797.14	102.32	2,434.78
Over 6 months to 1 year	16,382.04	12,854.61	28,272.02	-	-
Over 1 year to 3 years	12,228.99	22,925.07	44,397.12	-	-
Over 3 years to 5 years	4,556.68	17,416.85	13,887.54	2,742.77	-
Over 5 years	-	8,504.90	7,888.13	5,648.50	-
Total	38,249.16	101,319.19	121,703.22	8,493.59	30,762.82

2.55 **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

	2017	2016
i) Net NPAs to Net advances (%)	0.64%	0.49%
ii) Movement of Gross NPAs		
a) Opening Balance	2,283.93	1,641.05
b) Additions during the year	2,961.25	1,810.07
c) Reductions during the year*	(2,090.07)	(1,167.19)
d) Closing balance	3,155.11	2,283.93
iii) Movement of Net NPAs		
a) Opening Balance	585.11	294.26
b) Additions during the year	1,036.65	512.27
c) Reductions during the year	(544.03)	(221.42)
d) Closing balance	1,077.73	585.11
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	1,698.82	1,346.79
b) Additions during the year	1,924.60	1,297.79
c) Reductions during the year	(1,546.04)	(945.76)
d) Closing balance	2,077.38	1,698.82



* Written off during the year Rs. 322.45 million (Previous year: Rs 759.13 million)

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

2.56 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss	2017	2016
i) Provisions for depreciation on Investment		
ii) Provision towards NPA	378.96	351.81
iii) Provision made towards Income tax	2,026.53	1,288.19
iv) Provision for Standard Assets including restructured and others	189.81	47.55
v) Other Provision and Contingencies		
a) Provision for doubtful debts		
b) Provision for credit loss on securitisation	(7.47)	(1.67)

2.57 Concentration of Deposits, Advances, Exposures and NPAs

	2017	2016
A) Concentration of Advances		
Total Advances to twenty largest borrowers	47,681.00	41,452.66
% of Advances to twenty largest borrowers to Total Advances	27.91%	34.06%
B) Concentration of Exposures ⁵		
Total Exposures to twenty largest borrowers / Customers	47,681.00	43,252.66
% of Exposures to twenty largest borrowers / Customers to Total Advances	27.91%	35.59%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	1.48%	1.75%
D) Sector-wise NPAs		
	% of NPAs to Total Advances in that sector	
Sectors/Particulars	2017	2016
1 Agriculture & allied activities	0.01%	0.00%
2 MSME	0.00%	0.00%
3 Corporate borrowers	1.34%	2.86%
4 Services	10.47%	0.00%
5 Unsecured personal loans	0.00%	0.15%
6 Auto loans	0.00%	0.00%
7 Other personal loans	1.37%	0.82%

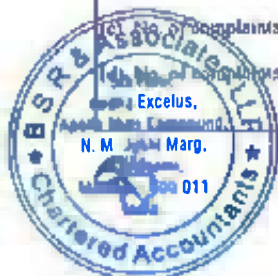
\$ - includes Loans and advances and investments

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

During the year ended 31 March 2017 and 31 March 2016, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

2.59 Customer Complaints

	2017	2016
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	27	18
(c) No. of complaints redressed during the year	27	18
(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)

2.60 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 ME Debt Restructuring Mechanism				Others				Total					
		Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss		
	Details																		
1	Restructured accounts as on 1st April, 2016 (Opening figures)																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
2	Fresh restructuring during the year																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
3	Upgradations of restructured accounts to Standard category*																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
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 advances at the beginning of the next financial year**																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
5	Downgradations of restructured accounts during the year																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
6	Write-offs of restructured accounts during the year																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		
7	Restructured accounts as on 31st Mar, 2017 (Closing figures)																		
	No. of borrowers																		
	Amount outstanding																		
	Provision thereon																		

Note:

*Includes recovery made during the year from the Sub-standard restructure accounts

**Includes recovery made during the year from the standard restructure accounts.



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

2.60 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	Asset Classification Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2015 (Opening figures)						6	620.51	197.13	817.64	7	620.51	197.13	817.64			
							93.08	29.57	122.65			93.08	29.57	122.65			
2	Fresh restructuring during the year																
3	Upgradations of restructured accounts to Standard category																
4	Restructured accounts which failed to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need to be shown as restructured standard advances at the beginning of the next financial year																
5	Downgradations of restructured accounts during the year																
6	Write-offs of restructured accounts during the year																
7	Restructured accounts as on 31st Mar, 2016 (Closing figures)						38.36	255.72	59.30	315.02	2	255.72	59.30	315.02			
							38.36	6.23	44.59			38.36	6.23	44.59			



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.61 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, 2007. (Figures are as at 31 March 2017)

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2017	2016	2017	2016
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures: (other than those falling within the meaning of Public deposit)*				
(i) Secured	59,104.93	62,471.40	-	-
(ii) Unsecured	11,610.00	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	48,883.65	29,715.99	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	31,222.59	9,366.07	-	-
f) Other loans	20,617.57	33,117.02	-	-
(i) Loan from Bank				
- Working Capital Demand Loan	3,100.00	2,262.23	-	-
	1,872.49	8,794.49		

* Please see Note 1 below

Assets side:

	Amount Outstanding	
	2017	2016
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	140,109.67	117,561.22
b) Unsecured	30,707.17	4,142.00
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity Preference	66.80	101.89
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	0.43	0.43
(iv) Government Securities	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.61 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, 2007. (Figures are as at 31 March 2017) - Continued

	Amount Outstanding	
	2017	2016
b) Unquoted:		
(i) Shares: Equity Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-
4) Break up of Investments (Continued)		
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	227.50	227.50
(ii) Debentures and Bonds	1,220.00	5,420.00
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	5,001.79	2,685.16
- Investment in Units of E-STAR Fund	214.21	58.61

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

As at 31 March 2017

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

As at 31 March 2016

Particulars	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	116,136.75	3,867.67	120,004.41
TOTAL	116,136.75	3,867.67	120,004.41



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)	
	2017	2016	2017	2016
1) Related parties**				
(a) Subsidiaries		-		
(b) Companies in the same group	1,447.50	3,847.50	1,447.50	3,847.50
(c) Other related parties				
2) Other than related parties	5,283.26	4,646.34	5,283.26	4,646.09
TOTAL	6,730.76	8,493.84	6,730.76	8,493.59

** As per Accounting Standard 18 - Related Party Disclosures

7) Other Information

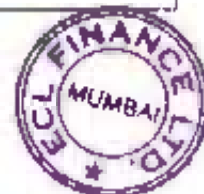
Particulars	2017	2016
a) Gross Non-Performing Assets		
1) Related parties		
2) Other than related parties	3,155.11	2,283.93
b) Net Non-Performing Assets		
1) Related parties		
2) Other than related parties	1,077.73	585.12
c) Assets acquired in satisfaction of debt		

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- 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 value / breakup value or fair value or NAV.

2.62 Details of transaction with non executive directors

Name of the Non executive director	Nature of Transaction	2017	2016
Rujan Panjwani (up to 19 Jan 16)	Loans given		14.17
	Loans repaid		29.86
	Interest received on loan		0.54
Vidya Shah	Loans given		335.14
	Loans repaid		428.68
	Interest on loan		1.38
PN Venkatachalam	Sitting fees	0.28	0.26
Sunil Mitra	Sitting fees	0.18	0.20



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.63 Details of ratings assigned by credit rating agencies

As at 31 March 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

As at 31 March 2016

Instrument category	CRISIL	ICRA	CARE	Brickworks
i) Long Term Instruments				
Rating	AA-/Stable	AA	AA	AA+
Amount	35,600.00	107,000.00	105,250.00	13,500.00
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 [ICRA]A1+		
Amount	12,000.00	9,000.00		
b Long Term				
Rating	PP MLD AA -r/stable	PP-MLD [ICRA]AA	PP MLD-AA	
Amount	12,250.00	6,000.00	8,000.00	

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

2.65 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.

2.66 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 71.43 million (previous year : Rs 55.96 million).

b) Amount spent during the year on :

Particulars	2017			2016		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Acquisition of any assets (i) above	71.74	-	71.74	56.47	-	56.47



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

- 2.67 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.
- 2.68 Registration obtained from other financial sector regulators None
- 2.69 Overseas Assets - Nil (Previous year - nil)
- 2.70 Details of financing of parent company products - None (Previous year - none)
- 2.71 Off-Balance sheet SPV sponsored - None (Previous year - none)
- 2.72 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.

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W ANJ-00024


Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

16 May 2017

For and on behalf of the Board of Directors


Raviprakash R. Bubna

Managing Director & CEO

DIN: 00090160


Nilesh Sampat

Chief Financial Officer

Mumbai

16 May 2017


Himanshu Kaji

Executive Director

DIN: 00009438


Tarun Kburana

Company Secretary