



ECL FINANCE LIMITED

Our Company was incorporated in Mumbai, Maharashtra on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956, as ECL Finance Limited and received the certificate of commencement of business from the Registrar of Companies, Maharashtra at Mumbai on August 04, 2005. Our Company is registered as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934. For further details, please refer to the chapter titled “History and certain other Corporate Matters” beginning on page 117 of the Shelf Prospectus.

Registered Office & Corporate Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098, Maharashtra, India | CIN: U65990MH2005PLC154854 | Tel: +91 22 4009 4400 | Fax: +91 22 4086 3759 | Website: <https://eclfinance.edelweissfin.com/>

Company Secretary and Compliance Officer: Mr. Jitendra Maheshwari | Tel: +91 22 4009 4400 | Fax: +91 22 4086 3759 | E-mail: eclfdebtipo@edelweissfin.com

PUBLIC ISSUE BY ECL FINANCE LIMITED (“COMPANY” OR THE “ISSUER”) OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH (“NCDs”) FOR AN AMOUNT OF RS. 1,000 MILLION (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO RS. 4,000 MILLION AGGREGATING UP TO 5,000,000 NCDs AMOUNTING TO RS. 5,000 MILLION (“TRANCHE II ISSUE LIMIT”) (“TRANCHE II ISSUE”) WHICH IS WITHIN THE SHELF LIMIT OF RS. 20,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE II PROSPECTUS DATED OCTOBER 24, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE II ISSUE (“TRANCHE II PROSPECTUS”), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED MAY 6, 2019 (“SHELF PROSPECTUS”) FILED WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA, MUMBAI, STOCK EXCHANGE AND SECURITIES AND EXCHANGE BOARD OF INDIA. THE SHELF PROSPECTUS AND THIS TRANCHE II PROSPECTUS CONSTITUTE THE PROSPECTUS (“PROSPECTUS”).

THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE “SEBI DEBT REGULATIONS”), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTERS

Our promoter is Edelweiss Financial Services Limited. For further details, refer to the chapter “Our Promoter” on page 133 of the Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche II Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled “Risk Factors” beginning on page 18 of the Shelf Prospectus and on page 29 of this Tranche II Prospectus and “Material Developments” beginning on page 192 of Shelf Prospectus and on page 29 of this Tranche II Prospectus, before making an investment in this Tranche II Issue. This Tranche II Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), and the NCDs have not been recommended or approved by SEBI, RBI or the Registrar of Companies, Maharashtra at Mumbai (“RoC”) or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, please refer to the section titled “Terms of the Issue” on page 219 of this Tranche II Prospectus. For details relating to the Eligible Investors, please refer to the chapter titled “Issue Structure” on page 212 of this Tranche II Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche II Prospectus read together with the Shelf Prospectus contains all information regarding the Issuer. The information contained in this Tranche II Prospectus together with the Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche II Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated “CARE AA; Positive” (pronounced as CARE AA with Positive outlook) for an amount of ₹ 20,000 million, by CARE Ratings Limited vide their letter dated April 10, 2019 and revalidated as “CARE AA-; Stable” (pronounced as CARE AA Minus with Stable outlook) by revalidation letters dated July 31, 2019, September 10, 2019 and October 18, 2019 and “CRISIL AA/Stable” (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹ 20,000 million, by CRISIL Limited vide their letter dated April 18, 2019 and revalidated as “CRISIL AA/Negative” (pronounced as CRISIL double A with Negative outlook) vide its revalidation letters dated July 20, 2019 and August 20, 2019 and further revalidated as “CRISIL AA-/Stable” (pronounced as CRISIL double A minus with Stable outlook) vide its letter dated October 07, 2019. The rating of “CARE AA-; Stable” by CARE Ratings Limited and “CRISIL AA-; Stable” by CRISIL Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexures A and B of this Tranche II Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Tranche II Prospectus are proposed to be listed on BSE Limited (“BSE”). Our Company has received an ‘in-principle’ approval for the Issue, from BSE vide their letter no DCS/BM/PI-BOND/1/19-20 dated May 6, 2019. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated April 24, 2019 was filed with the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

DEBENTURE TRUSTEE

			
<p>AXIS BANK LIMITED Axis House, 8th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India Tel.: +91 22 6604 3293 Fax: +91 22 2425 3800 Email: ecl.ncd2019@axisbank.com Website: www.axisbank.com Investor Grievance email: investor.grievance@axisbank.com Contact Person: Mr. Vikas Shinde Compliance Officer: Mr. Sharad Sawant SEBI Registration No.: INM000006104 CIN: L65110GJ1993PLC020769</p>	<p>EDELWEISS FINANCIAL SERVICES LIMITED* Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: ecl.ncd@edelweissfin.com Website: www.edelweissfin.com Investor Grievance email: customerservice.mb@edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650 CIN: L99999MH1995PLC094641</p>	<p>LINK INTIME INDIA PRIVATE LIMITED C- 101, 1st Floor, 247 Park LBS Marg, Vikhroli (West) Mumbai 400083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: eclncd.july2019@linkintime.co.in Investor Grievance email: eclncd.july2019@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan Registration Number: INR000004058 CIN: U67190MH1999PTC118368</p>	<p>BEACON TRUSTEESHIP LIMITED*** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai- 400 051 Tel: +91 22 26558759 Email: compliance@beacontrustee.co.in Investor Grievance e-mail: investorgrievances@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Mr. Vitthal Nawandhar SEBI Registration Number: IND00000569 CIN: U74999MH2015PLC271288</p>

TRANCHE II ISSUE SCHEDULE**

TRANCHE II ISSUE OPENS ON: NOVEMBER 4, 2019

TRANCHE II ISSUE CLOSES ON: NOVEMBER 22, 2019

* In compliance with the proviso to Regulation 21A (1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (“Merchant Bankers Regulations”), Edelweiss Financial Services Limited (“EFSL”) will be involved only in marketing of the Issue.

**The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or duly constituted committee (“Debtentures Committee”) by it authorised by the Board dated April 12, 2019. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche II Issue closure. On the Tranche II Issue Closing Date, the Application Forms for Tranche II Issue will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to the chapter titled “General Information” on page 17 of this Tranche II Prospectus.

*** Beacon Trusteeship Limited pursuant to regulation 4(4) of SEBI Debt Regulations has by its letter dated April 12, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Tranche II Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. For further details please refer to the section titled “General Information - Debenture Trustee” on page 18 and see Annexure C of this Tranche II Prospectus.

A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the Registrar of Companies, Maharashtra, Mumbai in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the chapter titled “Material Contracts and Documents for Inspection” on page 275 of this Tranche II Prospectus.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche II Prospectus to “the Issuer”, “our Company”, “the Company” or “ECL” or “we” or “us” or “our” are to ECL Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098, Maharashtra, India.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche II Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company Related Terms

Term	Description
₹/Rs./₹/INR/Rupees/ Indian Rupees	The lawful currency of the Republic of India
“Issuer”, “the Company” and “our Company”	ECL Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and having its Registered Office at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai - 400098, Maharashtra
Act/Companies Act	The Companies Act 1956 or the Companies Act 2013, as the case may be
AOA/Articles/Articles of Association	Articles of Association of our Company
Audited Consolidated Financial Statements (under Ind AS)	The Consolidated Balance Sheet of the Company and trusts controlled by the Company as at March 31, 2019 and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the financial years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Audited Financial Statements (under Ind AS)	Audited Standalone Financial Statements (under Ind AS) and Audited Consolidated Financial Statements (under Ind AS)
Audited Standalone Financial Statements (under Ind AS)	The Standalone Balance Sheet of the Company as at March 31, 2019 and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Cash flows and the Standalone Statement of Changes in Equity for the financial years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Board/Board of Directors	The Board of Directors of our Company and includes any Committee constituted by it
Companies Act 2013/2013 Act	The Companies Act, 2013, as amended and to the extent notified by the MCA and read with the rules framed thereunder
Companies Act, 1956/1956 Act	The Companies Act, 1956, as amended, read with the rules framed thereunder
Current Statutory Auditors	Our current statutory auditors being S.R. Batliboi & Co LLP, Chartered Accountants
DIN	Director Identification Number
Edelweiss Group	Edelweiss Financial Services Limited and its subsidiaries
Equity Shares	Equity shares of the face value of ₹1 each of our Company
Interim Condensed Standalone Ind AS Financial Statements June 2019	Interim Condensed Standalone Ind AS Financial Statements as at and for three months period ended June 30, 2019 prepared in accordance with the principles laid down in Indian

Term	Description
	Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended
Memorandum/MOA/Memorandum of Association	Memorandum of Association of our Company
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
Net NPAs	Gross NPAs less provisions for NPAs
NPA/ NPAs	Non-Performing Asset
Promoter	Edelweiss Financial Services Limited
Reformatted Financial Information	(i) standalone reformatted statement of assets and liabilities of our Company as at March 31, 2018 March 31, 2017, March 31, 2016 and March 31, 2015 and March 31, 2014 and the related reformatted statement of profit and loss for the year ended 2018, 2017, 2016, 2015 and 2014 and the reformatted statement of cash flow for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 (“Reformatted Standalone Financial Information”) and (ii) consolidated reformatted statement of assets and liabilities of our Company as at March 31, 2018, March 31, 2017 and March 31, 2016 the related reformatted statement of profit and loss for the year ended 2018, 2017 and 2016 and the reformatted statement of cash flow for the year ended March 31, 2018, 2017 and 2016 (“Reformatted Consolidated Financial Information”)
Specified Cities	Centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate or the Trading Members of the Stock Exchange shall accept ASBA Applications in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot/Allotment/Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue to the successful Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are being Allotted pursuant to the Issue
Applicant/Investor/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Draft Shelf Prospectus, Shelf Prospectus, Tranche II Prospectus, Abridged Prospectus and the Application Form
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Tranche II Issue
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Draft Shelf Prospectus, in terms of the Shelf Prospectus and the Tranche II Prospectus

Term	Description
Application Supported by Blocked Amount/ASBA/ ASBA Application	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
Application/ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and Tranche II Prospectus
ASBA	Application Supported by Blocked Amount
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form by an ASBA Applicant
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Axis	Axis Bank Limited
Bankers to the Issue	ICICI Bank Limited and Axis Bank Limited
Base Issue Size	Rs. 1,000 million
Basis of Allotment	Please refer to the chapter titled “ <i>Issue Procedure</i> ” on page 233 of this Tranche II Prospectus
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Broker Centres	Broker Centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange at www.bseindia.com
BSE	BSE Limited
CARE	Credit Analysis and Research Limited
Category I Investor	<ul style="list-style-type: none"> • Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI; • Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹ 50,000 lakhs as per the last audited financial statements; and • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
Category II Investor	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;

Term	Description
	<ul style="list-style-type: none"> • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III Investor	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue
Category IV Investors	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Coupon Rate	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CARE Ratings Limited and CRISIL Limited
CRISIL	CRISIL Limited
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law
Debenture Trust Deed	Debenture Trust Deed dated May 23, 2019 entered into between our Company and Beacon Trusteeship Limited
Debenture Trustee	Debenture Trustee for the Debenture Holders, in this Issue being Beacon Trusteeship Limited
Debenture Trustee Agreement	Agreement dated April 18, 2019 entered into between our Company and the Beacon Trusteeship Limited
Debt Application Circular	Circular No. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI
Deemed Date of Allotment	The date on which the Board or Debentures Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors or Debentures Committee and notified to the Designated Stock Exchange. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL)
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html

Term	Description
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and the Tranche II Prospectus and the Public Issue Account Agreement
Designated Intermediary(ies)	Collectively, the Lead Managers, the Members of Syndicate, agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Application Forms from the Applicants in the Issue
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange (www.bseindia.com), as updated from time to time)
Designated Stock Exchange/DSE	BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange
DP/Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus/Draft Offer Document	The Draft Shelf Prospectus dated April 24, 2019 filed with the Stock Exchange for receiving public comments in accordance the Regulation 6(2) of the SEBI Debt Regulations and to SEBI for record purpose
Edelweiss	Edelweiss Financial Services Limited
Financial Year/FY/Fiscal Year	Financial Year ending March 31
FIPB	The erstwhile Foreign Investment Promotion Board
FPI	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
ICRA Limited	ICRA Limited
Ind AS/ IND (AS)	Indian accounting standards (Ind AS) as per Indian Companies (Indian accounting standards) rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
Interest/ Coupon Payment Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus.
Issue	Public Issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 Each (“ NCDs ”) aggregating up to Rs. 20,000 million (“ Shelf Limit ”) (“ Issue ”). The NCDs will be issued in one or more tranches up to the shelf limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a “ Tranche Issue ”), which should be read together with the Draft Shelf Prospectus and the Shelf Prospectus
Issue Agreement	Agreement dated April 24, 2019 entered into between our Company and the Lead Managers
Lead Broker Agreement	Lead Broker Agreement dated September 6, 2019 entered into between the Company and Lead Brokers
Lead Brokers	Edelweiss Securities Limited, Axis Capital Limited, HDFC Securities Limited, ICICI Securities Limited, IIFL Securities Limited, Integrated Enterprises (India) Private Limited, JM Financial Services Limited, Karvy Stock Broking Limited, Kotak Securities Limited, RR Equity Brokers

Term	Description
	Private Limited, SMC Global Securities Limited, Tipsons Stock Brokers Private Limited and Trust Securities Services Private Limited.
Lead Managers	Axis Bank Limited and Edelweiss Financial Services Limited
Market Lot	1 (One) NCD
Members of Syndicate	Members of Syndicate includes Lead Managers and Lead Brokers
Members of the Syndicate Bidding Centers	Members of the Bidding Centres established for acceptance of Application Forms
NCD Holder(s)/Debenture Holder(s)/Bond Holder(s)	The holders of the NCDs whose name appears in the database of the Depository (in case of NCDs in the dematerialized form) and/or the register of NCD holders maintained by our Company/Registrar if required under Applicable Law
NCDs/Debentures	Secured redeemable non-convertible debentures of the face value of Rs. 1,000 each
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	The Draft Shelf Prospectus, Shelf Prospectus, Tranche II Prospectus, abridged prospectus and Application Form
Public Issue Account	Account(s) to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for the Tranche II Prospectus
Public Issue Account Agreement	Agreement dated September 6, 2019 entered amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Public Issue Account Bank	ICICI Bank Limited and Axis Bank Limited
Record Date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debentures Committee or such other Committee as the Board of Directors may so designate, from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be</p> <p>In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date</p>
Redemption Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Redemption Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in relevant Tranche Prospectus
Refund Bank	ICICI Bank Limited
Register of NCD Holders	A register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013

Term	Description
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar Agreement	The agreement dated April 18, 2019 between our Company and the Registrar in connection with the Issue
Registrar to the Issue/Registrar	Link Intime India Private Limited
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Managers, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
SEBI Debt Regulations/Debt Regulations/SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time
SEBI Listing Regulations/Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as notified on September 2, 2015 and as enforced on December 1, 2015, as amended from time to time
Series	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 212 of this Tranche II Prospectus
Shelf Limit	The aggregate limit of the Issue, being Rs. 20,000 million to be issued under the Draft Shelf Prospectus, Shelf Prospectus or Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated May 6, 2019 as filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
SMERA	Acuité Ratings and Research Limited
Specified Cities/Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Stock Exchange	BSE Limited
Syndicate ASBA Application Locations	Syndicate ASBA Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate shall accept ASBA Applications
Syndicate ASBA Application	ASBA Applications through the Members of Syndicate, brokers or the Trading Members of the Stock Exchange or the Designated Intermediaries
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time

Term	Description
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche I Issue	Public Issue by ECL Finance Limited (“ Company ” or the “ Issuer ”) of secured redeemable non-convertible debentures of face value of Rs. 1,000 Each (“ NCDs ”) for an amount of Rs. 1,500 million (“ Base Issue Size ”) with an option to retain oversubscription up to Rs. 1,500 million aggregating up to 3,000,000 NCDs amounting to Rs. 3,000 million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the Shelf Limit of Rs. 20,000 million
Tranche I Prospectus	The Tranche I Prospectus dated May 6, 2019 containing, inter alia, the details of NCDs including interest, other terms and conditions
Tranche II Issue	Public Issue by ECL Finance Limited (“ Company ” or the “ Issuer ”) of secured redeemable non-convertible debentures of face value of Rs. 1,000 each (“ NCDs ”) for an amount of Rs. 1,000 million (“ Base Issue Size ”) with an option to retain oversubscription up to Rs. 4,000 million aggregating up to 5,000,000 NCDs amounting to Rs. 5,000 million (“ Tranche II Issue Limit ”) (“ Tranche II Issue ”) which is within the Shelf Limit of Rs. 20,000 million
Tranche II Issue Closing Date	November 22, 2019
Tranche II Issue Opening Date	November 4, 2019
Tranche II Issue Period	The period between the Tranche II Issue Opening Date and the Tranche II Issue Closing Date inclusive of both days of the Tranche II Prospectus and during which Applicants can submit their Applications as specified in this Tranche II Prospectus
Tranche II Prospectus	This Tranche II Prospectus containing, inter alia, the details of NCDs including interest, other terms and conditions
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue
Transaction Documents	Transaction Documents for Tranche II Issue shall mean, the Issue Agreement, the Registrar Agreement, the Debenture Trustee Agreement, Lead Broker Agreement, Public Issue Account Agreement and the Debenture Trust Deed
Tripartite Agreement(s)	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories have agreed to act as depositories for the securities issued by the Issuer i.e. tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and CDSL and tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and NSDL
Trustees/Debenture Trustee	Trustees for the holders of the NCDs, in this case being Beacon Trusteeship Limited
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such
Working Days / Business Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all

Term	Description
	days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Saturdays and / or Sundays and/or a holiday of commercial banks in Mumbai or a public holiday in India, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai

Business/Industry Related Terms

Term	Description
ALCO	Asset – Liability Management Committee
ALM	Asset Liability Management
Assets under Management (AUM)	Aggregate of receivable from financing business (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances), accrued interest on loans given which has been shown as part of other current assets and quoted and unquoted credit substitute which has been shown as part of securities held for trading
CRAR	Capital-to-Risk-Weighted Assets Ratio
DSA	Direct Sales Agent
Expected Credit Loss /ExCL	ExCL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate
FIR	First Information Report
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short-term loans and advances and long-term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPAs
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
Loan Book as per IGAAP	Aggregate of receivable from financing business (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances), accrued interest on loans given which has been shown as part of other current assets and quoted and unquoted credit substitute which has been shown as part of stock in trade
Loan Book as per Ind AS/Loans excluding provisions	Aggregate of receivable from financing business, accrued interest on loans given, unamortized loan origination cost, less of unamortized processing fee as determined under Ind AS
NBFC	Non-Banking Financial Company
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically Important NBFC-ND with Asset size of more than ₹ 5000 million
SME	Small and Medium Enterprises
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument

Term	Description
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other NBFC and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten percent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: <ul style="list-style-type: none"> (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by the corresponding value at the beginning of that period and raising the result to the power of one divided by the period length and subtracting one from the subsequent result.
CDSL	Central Depository Services (India) Limited
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
FII/FIIs	Foreign Institutional Investor(s)
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP/ IGAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology

Term	Description
IT Act	The Income Tax Act, 1961, as amended from time to time
KYC	Know Your Customer
LTV	Loan to value
MCA	Ministry of Corporate Affairs, Government of India
MIBOR	Mumbai Interbank Offer Rate
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Profit after Tax (PAT)	Profit for the year
Provision for NPAs	Aggregate of provision for non performing assets (which has been shown as part of short term provision and long term provision)
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RM	Relationship Manager
ROC	Registrar of Companies, Maharashtra, Mumbai
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
Secured Loan Book	Secured receivables from financing business (shown as part of short term loans and advances and long term loans and advances), accrued interest on secured loans forming part of other current assets and quoted and unquoted credit substitute which has been shown as part of stock in trade
TDS	Tax Deducted at Source
TNW	Tangible Net worth
TOL	Total Outsider Liabilities
Unsecured Loan Book	Unsecured receivables from financing business (shown as part of short term loans and advances and long term loans and advances) and accrued interest on unsecured loans forming part of other current assets
WDM	Wholesale Debt Market

Notwithstanding the foregoing:

1. In the chapter titled “*Issue Procedure*” beginning on page 233 of this Tranche II Prospectus, defined terms have the meaning given to such terms in that section.
2. In the paragraph titled “*Disclaimer Clause of BSE*” beginning on page 261 of this Tranche II Prospectus, in the chapter “*Other Regulatory and Statutory Disclosures*” beginning on page 260 of this Tranche II Prospectus, defined terms shall have the meaning given to such terms in those paragraphs.
3. In the chapter titled “*Summary of Main Provisions of the Articles of Association*” beginning on page 168 of this Tranche II Prospectus, defined terms have the meaning given to such terms in that section.
4. In the chapter titled “*Financial Information*” beginning on page 211 of this Tranche II Prospectus defined terms have the meaning given to such terms in that chapter.
5. In the chapter titled “*Statement of Tax Benefits*” beginning on page 154 of this Tranche II Prospectus, defined terms have the meaning given to such terms in that chapter.
6. In the chapter titled “*Our Business*” beginning on page 49 of this Tranche II Prospectus, defined terms have the meaning given to such terms in that chapter.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Tranche II Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “ECL Finance Limited”, “Issuer”, “we”, “us”, “our” and “our Company” are to ECL Finance Limited. Unless stated otherwise, all references to page numbers in this Tranche II Prospectus are to the page numbers of this Tranche II Prospectus. Unless stated otherwise, all references to financial numbers are on a standalone basis.

All references to “India” are to the Republic of India and its territories and possessions and all references to the “Government” or the “State Government” are to the Government of India, central or state, as applicable.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under Section 133 of the Companies Act and read with Companies (Indian Accounting Standard) Rules, 2015, as amended and General Circular 8/2014 dated April 4, 2014. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated 18 January 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (“Ind AS”).

The audit reports on the Audited Financial Statements (under Ind AS) as issued by our Company’s Statutory Auditor, S.R. Batliboi & Co LLP, Chartered Accountants, are included in this Tranche II Prospectus in the section titled “Financial Information” beginning at page 211 of this Tranche II Prospectus.

The examination reports on the Reformatted Financial Information as issued by our Company’s Current Statutory Auditor, S. R. Batliboi & Co. LLP, Chartered Accountants, are included in the Shelf Prospectus in the chapter titled “Financial Information” beginning at page 146 of the Shelf Prospectus.

The Interim Condensed Standalone Ind AS Financial Statements as at and for the three months period ended June 30, 2019 “Interim Condensed Standalone Ind AS Financial Statements June 2019”, are included in this Tranche II Prospectus in the chapter titled “Financial Information” beginning at page 211 of this Tranche II Prospectus.

Unless stated otherwise and unless the context requires otherwise, the financial data as at and for the three months period ended June 30, 2019 used in this Tranche II Prospectus is derived from our Company’s Interim Condensed Standalone Ind AS Financial Statements June 2019.

Unless stated otherwise and unless the context requires otherwise, the financial data as at and for the year ended March 31, 2019 used in this Tranche II Prospectus is derived from our Company’s Audited Financial Statements (under Ind AS). Further, the financial data and numbers used in this Tranche II Prospectus and Shelf Prospectus are under IND AS and IGAAP, as specifically mentioned in this Tranche II Prospectus and the Shelf Prospectus and is not strictly comparable.

Unless stated otherwise and unless the context requires otherwise, the financial data as at and for the year ended March 31, 2018 used in this Tranche II Prospectus is derived from comparative presented in our Company’s Audited Financial Statements (under Ind AS).

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Tranche II Prospectus is on a standalone basis.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche II Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been

obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche II Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche II Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Currency and units of Presentation

In this Tranche II Prospectus, all references to 'Rupees'/'Rs.'/'INR'/'₹'/'₹' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Tranche II Prospectus, all figures have been expressed in '₹' in millions. All references to 'million/million/mn.' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lakhs/lacs/lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crores'.

Certain figures contained in the Shelf Prospectus and this Tranche II Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Any industry and market data used in this Tranche II Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL Limited, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche II Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche II Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

FORWARD LOOKING STATEMENTS

This Tranche II Prospectus contains certain statements that are not statements of historical fact and are in the nature of “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “expect”, “estimate”, “intend”, “objective”, “plan”, “potential”, “project”, “will”, “will continue”, “will pursue”, “will likely result”, “will seek to”, “seek” or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Tranche II Prospectus that are not historical facts. Our Company operates in a highly competitive, dynamic and regulated business environment, and a change in any of these variables may necessitate an alteration of our Company’s plans. Further, these plans are not static, but are subject to continuous internal review and policies, and may be altered, if the altered plans suit our Company’s needs better.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

1. Any increase in the levels of Stage 3 assets on our Loan Book as per Ind AS, for any reason whatsoever, would adversely affect our business and results of operations and results of operations;
2. Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
3. Unanticipated turbulence in interest rates or other rates or prices; the performance of the financial and capital markets in India and globally;
4. Changes in political conditions in India;
5. Changes in the value of Rupee and other currency changes;
6. The rate of growth of our Loan Book as per Ind AS;
7. The outcome of any legal or regulatory proceedings we are or may become a party to;
8. Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
9. Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
10. Emergence of new competitors;
11. Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;

12. Our ability to attract and retain qualified personnel; and
13. Other factors discussed in this Tranche II Prospectus, including under the chapter titled “*Risk Factors*” beginning on page 18 of the Shelf Prospectus.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled “*Risk Factors*” and chapters titled “*Outstanding Litigations and Defaults*” and “*Our Business*” beginning on pages 18,77, 228 and 95, respectively of the Shelf Prospectus and page 29, 130 and 49 of this Tranche II Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Tranche II Prospectus. The forward-looking statements contained in this Tranche II Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company or the Lead Managers, nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated in Mumbai, Maharashtra on July 18, 2005 as a public limited company under the provisions of the Companies Act, 1956, as ECL Finance Limited and received the certificate of commencement of business from the Registrar of Companies, Maharashtra at Mumbai on August 04, 2005. Our Company is registered as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934. For further details, please refer to the chapter titled “*History and certain other Corporate Matters*” beginning on page 117 of the Shelf Prospectus.

NBFC Registration

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 without accepting public deposits subject to the conditions mentioned in the certificate of registration.

Registered Office & Corporate Office:

Edelweiss House
Off. C.S.T Road
Kalina, Mumbai
Maharashtra – 400 098
Maharashtra, India
Tel.: +91 22 4009 4400
Fax: +91 22 4086 3759
Website: <https://eclfinance.edelweissfin.com>

Registration

Corporate Identity Number issued by the RoC: U65990MH2005PLC154854 and registration number is 154854.
Legal Entity Identifier: 335800E1LG6WITKCC984.

Chief Financial Officer:

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

Company Secretary and Compliance Officer:

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Mr. Jitendra Maheshwari

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

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Mechanism of the Stock Exchange or through Trading Members may be addressed directly to the Stock Exchange.

Registrar of Companies, Maharashtra at Mumbai

100, Everest House
Marine Lines
Mumbai 400 002
Maharashtra, India

Lead Managers to the Issue

<p>Axis Bank Limited</p> <p>Axis House, 8th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India Tel: +91 22 6604 3293 Fax: +91 22 2425 3800 Email: ecl.ncd2019@axisbank.com Investor Grievance Email: investor.grievance@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vikas Shinde Compliance Officer: Mr. Sharad Sawant SEBI Registration No.: INM000006104</p>	<p>Edelweiss Financial Services Limited*</p> <p>Edelweiss House, Off. CST Road, Kalina, Mumbai 400 098, Maharashtra, India Tel.: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: ecl.sncd@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance Officer: Mr. B Renganathan SEBI Registration No.: INM0000010650</p>
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* In compliance with the proviso to Regulation 21A (1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (“**Merchant Bankers Regulations**”), Edelweiss Financial Services Limited (“**EFSL**”) will be involved only in marketing of the Issue.

Debenture Trustee

BEACON TRUSTEESHIP LIMITED

4C&D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club
Bandra (East), Mumbai- 400 051
Tel: +91 22 26558759
Email: compliance@beacontrustee.co.in
Investor Grievance e-mail: investorgrievances@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Mr. Vitthal Nawandhar
SEBI Registration Number: IND000000569
CIN: U74999MH2015PLC271288

Beacon Trusteeship Limited has pursuant to Regulation 4(4) of SEBI Debt Regulations, by its letter dated April 12, 2019 given its consent for its appointment as the Debenture Trustee to the Issue and for their name to be included in this Tranche II Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Tranche II Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders.

Registrar to the Issue:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200;

Fax: +91 22 4918 6195;

Email: eclncd.july2019@linkintime.co.in

Investor Grievance mail: eclncd.july2019@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

Link Intime India Private Limited has by its letter dated July 23, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Tranche II Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant (“**DP**”) and the collection centre of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

Credit Rating Agencies:

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital
Road, Off. Eastern Express Highway, Sion (E),
Mumbai - 400 022

Tel: +91-22- 6754 3456

Fax: +91-22- 6754 3457 / 67

Email: ravi.kumar@careratings.com

Website: www.careratings.com

Contact Person: Ravi Kumar Dasari

SEBI Registration No: IN/CRA/004/1999

CRISIL Limited

CRISIL House, Central Avenue,
Hiranandani Corporate Park,
Powai, Mumbai 400 076, Maharashtra, India

Tel: +91 22 3342 3000

Fax: +91 22 3342 3050

Email: crisilratingdesk@crisil.com

Website: www.crisil.com

Contact Person: Krishnan Sitaraman

SEBI Registration No.: IN/CRA/001/1999

Disclaimer clause of CARE

CARE’s Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell, or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/ instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by care is based on the capital deployed by the partners/ proprietor and the financial strength of the firm, at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/ proprietors in addition to the financial performance and other relevant factors.

Disclaimer clause of CRISIL

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company / entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL website, www.crisil.com.

Disclaimer of CRISIL Research for Industry Report

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. ECL Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

Legal Counsel to the Issue

Khaitan & Co

One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg, Elphinstone Road,
Mumbai – 400 013, Maharashtra, India.
Tel: + 91 22 6636 5000
Fax: + 91 22 6636 5050

Current Statutory Auditors of our Company

S.R. Batliboi & Co LLP

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar, Mumbai – 400028,
Maharashtra India
Tel: + 91 22 6819 8000
Email: srbc@srb.in

Firm Registration Number: 301003E/E300005

Date of appointment as Statutory Auditors: 23 May 2018 (approved by Members on July 20, 2018)

Banker(s) to the Issue

ICICI BANK LIMITED

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai- 400 020

Tel: +91 22 66818932/23/24

Fax: +91 22 2261138

Contact Person: Mr. Saurabh Kumar

Email: kmr.saurabh@icicibank.com

SEBI Registration: INBI00000004

AXIS BANK LIMITED

Jeevan Prakash Building,
Ground Floor, Sir PM Road
Fort, Mumbai- 400 001

Tel: +91-22 4086 7336/7474

Fax: +91-22 4086 7327/7378

Contact Person: Mr. Mehdiali Fatteh

Email: fort.operationshead@axisbank.com

SEBI Registration: INBI00000017

Refund Bank(s)

ICICI BANK LIMITED

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai- 400 020

Tel: +91 22 66818932/23/24

Fax: +91 22 2261138

Contact Person: Mr. Saurabh Kumar

Email: kmr.saurabh@icicibank.com

SEBI Registration: INBI00000004

Lead Broker(s) to the Issue

Edelweiss Securities Limited Edelweiss House Off. CST Road, Kalina Mumbai-400098 Attention: Mr. Amit Dalvi/Mr Prakash Boricha E-mail: Amit.dalvi@edelweissfin.com / Prakash.boricha@edelweissfin.com Telephone: +91 22 4063 5411 SEBI Registration No: INZ000166136	Axis Capital Limited Axis House, Level 1, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400025, India Attention: Ajay Sheth / Vinayak Ketkar Email: Ajay.sheth@axiscap.in / Vinayak.ketkar@axiscap.in Website: www.axiscapital.co.in Telephone: +91 22 4325 3110 Facsimile: +91 22 4325 3000 SEBI Registration No: INM000012029	HDFC Securities Limited I Think Techno Campus Building- B, "Alpha", Office Floor 8, Opp. Crompton Greaves, Near Kanjurmarg Station Kanjurmarg (East), Mumbai 400 042 India Attention: Mr. Dipesh A Kale/ Dattatray Anpat Email: DipeshA.kale@hdfc.com / Dattatray.anpat@hdfc.com Website: www.hdfcsec.com Telephone: 022 30753400 Fascmile: 022 30753435 SEBI Registration No: INZ000186937
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<p>ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai-400020 Attn: Mr Rajat Rawal Email: rajat.rawal@icicisecurities.com Telephone: +91 22 2277 7626 SEBI Registration No: INM000011179</p>	<p>IIFL Securities Limited 6th and 7th Floor, Akruti Centre Point, Central Road, MIDC, Andheri(E) Mumbai 400093 Attention: Mr Prasad Umarale Email: cs@iifl.com Telephone: +91 22 3929 4000, +91 22 4103 5000 Website: www.indiainfo.com SEBI Registration No: INZ000164132</p>	<p>Integrated Enterprises (India) Private Limited A-123, 12th Floor, Mittal Tower, Nariman Point, Mumbai – 400021 Attention: Mr V. Krishnan Email: krishnan@integratedindia.in Telephone: +91 22 40661800 SEBI Registration No: INZ000095737</p>
<p>JM Financial Services Limited 2,3 & 4 Kamanwala Chambers, Ground Floor, Sir PM Road, Fort, Mumbai 400 001 Attention: Mr Surajit Misra /Mr. Deepak Vaidya / Mr. T.N. Kumar Email: Surajit.misra@jmfl.com / deepak.vaidya@jmfl.com Telephone: 022 6136 3400 SEBI Registration No: INZ000195834</p>	<p>Karvy Stock Broking Limited “Karvy Millennium”, Plot No. 31/P, Financial District, Nanakramguda, Gachibowli,Hyderabad-500032 Attention: Mr. P.B. Ramapriyan E-mail: ksblldist@karvy.com Telephone: +91 40 23312454 Fax: +91 40 66621474 SEBI Registration No: INZ000172733</p>	<p>Kotak Securities Limited 4th Floor, 12BKC, G Block Bandra Kurla Complex Bandra (East) Mumbai-400051 Attention: Mr Umesh Gupta E-mail: umesh.gupta@kotak.com Telephone: +91 22 62185470 SEBI Registration No: INZ000200137</p>
<p>RR Equity Brokers Private Limited 412-422, Indraprakash Building 21, Barakhamba Road New Delhi-110 001 Attn: Mr Jeetesh Kumar Email: ipo@rrfcl.com Telephone: 011 2335 4802 Facsimile: 011 2332 0671 SEBI Registration No: INZ000270435</p>	<p>SMC Global Securities Limited 17, Netaji Subhash Marg, Daryaganj, Delhi, 110002 Attention: Mr. Mahesh Gupta, Mr. Neeraj Khanna Email: mkg@smcindiaonline.com neerajkhanna@smcindiaonline.com Telephone: +91 9818620470, 9810059041 Facsimile: 011-23263297 Compliance Officer: Mr. Alok Garg SEBI Registration No: INZ000199438</p>	<p>Tipsons Stock Brokers Private Limited Sheraton House, 5th Floor, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad, Gujarat, 380015 Attention: Suman Bhagdev Email: suman.bhagdev@tipsons.com Telephone: 079-6682 8000/ 8064/ 8019/ 8120 Facsimile: 079-6682 8001 SEBI Registration No: INB231428039 (NSE) INB 011428035 (BSE)</p>
<p>Trust Securities Services Private Limited 1101, Naman Centre, “G” Block, C-31, Bandra Kurla Complex, Bandra (East), Mumbai,400051 Attention: Mr Pranav Inamdar Email: pranav.inamdar@trustgroup.in Telephone:+91 22 4084 5000 Facsimile: +91 22 4084 5066 SEBI Registration No: INZ000158031</p>		

Bankers to our Company

Union Bank of India

IFB Branch, 1st Floor, Union Bank Bhawan

Nariman Point, Mumbai

Tel: +91 22 22892011

Fax: +91 22 22855037

Email: ksbabu@unionbankofindia.com

Website: <http://www.unionbankofindia.co.in/home.aspx>

Contact Person: Mr. K. Sridhar Babu

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a Member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of the Syndicate at Specified Locations, see the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchange is provided on <https://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities, see the above-mentioned web-link.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche II Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”.

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Underwriting

This Issue has not been underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e INR 750 million). If our Company does not receive the minimum subscription of 75% of Base Issue Size, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Credit Rating

The NCDs proposed to be issued under this Issue have been rated “CARE AA; Positive” (pronounced as CARE AA with Positive outlook) for an amount of ₹ 20,000 million, by CARE Ratings Limited vide their letter dated April 10, 2019 and revalidated as “CARE AA-; Stable” (pronounced as CARE AA Minus with Stable outlook) by revalidation letters dated July 31, 2019 and September 10, 2019 and October 18, 2019 and “CRISIL AA/Stable” (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹ 20,000 million, by CRISIL Limited vide their letter dated April 18, 2019 and revalidated as “CRISIL AA/Negative” (pronounced as CRISIL double A with Negative outlook) vide its revalidation letters dated July 20, 2019 and August 20, 2019 and further revalidated as “CRISIL AA-/Stable” (pronounced as CRISIL double A minus with Stable outlook) vide its letter dated October 07, 2019. The rating of “CARE AA-; Stable” by CARE Ratings Limited and “CRISIL AA-; Stable” by CRISIL Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see

Annexures A and B of this Tranche II Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

For the rationale for these ratings, see Annexure A and B of this Tranche II Prospectus.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please refer to the chapter titled “*Objects of the Tranche II Issue*” on page 26 of this Tranche II Prospectus.

Tranche II Issue Programme

TRANCHE II ISSUE PROGRAMME*	
TRANCHE II ISSUE OPENS ON	NOVEMBER 4, 2019
TRANCHE II ISSUE CLOSES ON	NOVEMBER 22, 2019*

** The Tranche II Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the Issue Period, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debentures Committee authorised by resolution of the Board dated April 12, 2019. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Tranche II Issue Closing Date, the Application Forms for Tranche II Issue will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange.*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) (“**Bidding Period**”) during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche II Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche II Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Tranche II Issue Closing Date. All times mentioned in this Tranche II Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

OBJECTS OF THE TRANCHE II ISSUE

Our Company is in the business of financing, and as part of our business operations, we raise/avail funds for onward lending and for repayment of existing loans.

Our Company proposes to utilise the funds which are being raised through the Tranche II Issue, after deducting the Tranche II Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. For the purpose of onward lending and for repayment of interest and principal of existing loans; and
2. General Corporate Purposes.

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Tranche II Issue and also the activities which our Company has been carrying on till date.

The details of the Proceeds of the Tranche II Issue are set forth in the following table:

(in ₹ million)

Sr. No.	Description	Amount
1.	Gross proceeds of the Tranche II Issue*	5,000.00
2.	(less) Tranche II Issue related expenses**	144.18
3.	Net Proceeds of the Tranche II Issue	4,855.82

**Assuming this Tranche II Issue is fully subscribed and our Company retains oversubscription up to the Tranche II Issue Limit.*

*** The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue and the number of Allottees, market conditions and other relevant factors.*

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche II Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Tranche II Issue	Percentage of amount proposed to be financed from Issue Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company	At least 75%
2.	General Corporate Purposes*	up to 25%
	Total	100%

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche II Issue, in compliance with the Debt Regulations.*

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Management will have the flexibility in deploying the proceeds received from the Tranche II Issue. Pending utilization of the proceeds out of the Tranche II Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Tranche II Issue in accordance with its terms of reference. For the relevant Financial Years commencing from Financial Year 2019-20, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche II Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche II Issue.

Variation in terms of contract or objects in the Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in the Shelf Prospectus or objects for which this Tranche II Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Tranche II Issue expenses

A portion of this Tranche II Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, for the Tranche II Issue:

Particulars	Amount (in millions)	As percentage of Tranche II Issue proceeds (in %)	As percentage of total expenses of the Tranche II Issue (in %)
Lead Managers Fee, Credit Rating Fees, Selling and Brokerage Commission, SCSB Processing Fee	110.18	2.20%	76.42%
Registrar & Debenture Trustee to the Issue	0.70	0.01%	0.49%
Advertising, Marketing, Printing and Stationery Costs	5.50	0.11%	3.81%
Professional Fees	13.50	0.27%	9.36%
Other Miscellaneous Expenses	14.30	0.29%	9.92%
Grand Total	144.18	2.88%	100.00%

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche II Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/Sub-Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹10 per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Other Confirmations

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (b) Details of all monies utilised out of Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our financial statements indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our financial statements indicating the form in which such unutilized monies have been invested;
- (d) We shall utilize the Tranche II Issue proceeds in accordance with the provisions of the Debenture Trust Deed, post receipt of the minimum subscription and receipt of listing and trading approval from Stock Exchange;
- (e) The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property;
- (f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the financial statements till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.
- (g) In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Tranche II Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.
- (h) The Tranche II Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.
- (i) No part of the proceeds from this Tranche II Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter, except payments to be made by way of fees and commission to various Edelweiss Group companies that participate in the Tranche II Issue as SEBI registered intermediaries.
- (j) Our Company confirms that it will not use the proceeds of the Tranche II Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.
- (k) The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

SECTION III-RECENT MATERIAL DEVELOPMENTS

There are no recent material developments in relation to our Company as disclosed in the sections titled “Risk Factors”, “Capital Structure”, “Our Business”, “History and Certain Other Corporate Matters”, “Our Management”, “Financial Indebtedness” “Financial Information”, “Outstanding Litigations and Defaults”, “Material Developments” and “Summary of Main Provisions of Articles of Association” since the date of filing of the Shelf Prospectus and Tranche I Prospectus except as disclosed below.

RISK FACTORS

A. Risk Factors Relating to our Company

1. *High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, cash flows, results of operations and future financial performance.*

The Stage 3 Assets as on March 31, 2019 was ₹ 5,687.55 million and Stage 3 Provision stood at ₹ 3,358.72 million.

Moreover, as our Company's Loan Book as per Ind AS matures, our Company may experience increased defaults in principal or interest repayments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its Loan Book as per Ind AS may deteriorate, and its results of operations may be adversely affected.

Our Company's Stage 3 Provision was ₹ 3,358.72 million as at March 31, 2019 and its provisioning coverage ratio may not be comparable to that of other similar financial institutions. Moreover, there can be no assurance that there will be no further deterioration in our Company's provisioning coverage ratio or that the percentage of Stage 3 Assets that our Company will be able to recover will be similar to its past experience in recovering the same. In the event of any further deterioration in the quality of our Company's Loan Book as per Ind AS, there could be further adverse impact on its results of operations. Defaults for a period of more than 90 days result in such loans being classified as Stage 3 Assets. If our Company is unable to effectively monitor credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of its Loan Book as per Ind AS, the proportion of Stage 3 Assets in its Loan Book as per Ind AS could increase, which may, in turn, have a material adverse effect on our Company's business, financial condition, cash flows results of operation and future financial performance.

Additionally, as at March 31, 2019 our GNPA's and net NPAs as a percentage of Loan Book as per Ind AS was 1.87% and 0.69% respectively.

2. *Our Company may be impacted by volatility in interest rates which could cause its Gross Spreads to decline, and consequently, affect its profitability.*

Our Company's results of operations are substantially dependent upon the level of its net interest margins. Our Company's total interest income is the largest component of our Company's total revenue from operations and constituted 93.58% of our Company's total revenue operations in the financial year ended March 31, 2019. Our Company borrows and lends funds on both fixed and floating rates. Volatility and mismatch in generally prevailing interest rates can materially and adversely affect our Company's financial performance, especially if the changes are sudden or sharp.

While any reduction in interest rates at which our Company borrows may be passed on to its customers, our Company may not have the same flexibility in passing on any increase in interest rates to its customers who have availed loans on fixed interest rates. In a rising interest rate environment, if the yield on our Company's interest-earning assets does not increase simultaneously with or to the same extent as our Company's cost of funds, and conversely, in a declining interest rate environment, if our Company's cost of funds does not decline simultaneously or to the same extent as the yield on our Company's interest-earning assets, our

Company's net interest income and net interest margin would be adversely impacted. Competition pressures may also require our Company to reduce the interest rates at which it lends to its customers without a proportionate reduction in interest rates at which it raises funds. Furthermore, certain of our Company's customers may prepay their loans to take advantage of a declining interest rate environment. Similarly, an increase in interest rates could result in our Company's customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources. In a declining interest rate environment, especially if the decline is sudden or sharp, our Company could be adversely affected by the decline in the market value of its fixed income securities and reduce its earnings from treasury operations.

Accordingly, our Company's operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions and inflation. An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that our Company will be able to adequately manage its interest rate risk in the future, which could have an adverse effect on income and margins, which could in turn have a material adverse effect on our Company's business, financial condition, cash flows and results of operations.

3. ***Our concentration of advances with our top 20 borrowers is 22.57% of our total Loan Book as per Ind AS as at March 31, 2019. Our inability to maintain relationship with such customers or any default and non-payment in future or credit losses of our single borrower or group exposure where we have a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.***

Our concentration of advances with our top 20 borrowers is 22.57% of our total Loan Book as per Ind AS as at March 31, 2019. Our business and results of operations would be adversely affected if we are unable to maintain or further develop relationships with our significant customers. Our business and results of operations would majorly depend upon the timely repayment of the interest and principal from these large borrowers. We cannot assure you that we will not experience any delay in servicing of the loan or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operation and thereby our profitability. In case we are unable to recover the complete the loan disbursed or any part of thereof, and the collateral is also not sufficient to recover our loan, our financial conditions and cash flows may be adversely affected. We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in our brand name, is essential to our business. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of any significant customer could have a material adverse effect on our results of operations and cash flows. Moreover, failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and/ or financial condition and/ or cash flows.

4. ***Our Company's inability to comply with observations made by the RBI or any adverse action by the RBI may have a material adverse effect on its business, financial condition, cash flows and results of operations.***

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all NBFCs registered with it under the RBI Act. Our Company, being an NBFC-ND-SI, is subject to periodic inspection by the RBI under the provisions of the RBI Act, 1934 (the "RBI Act"), pursuant to which the RBI inspects the books of accounts of our Company and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which our Company may have failed to furnish when being called upon to do so. The RBI in its earlier inspection report for the

fiscal year ended March 31, 2018 made certain observations during the inspection which, among other things, included increasing provisioning requirements in certain cases leading to decrease in CRAR from 17.09% to 16.58%, increase in GNPA and NNPA from 1.85% and 0.64% to 3.03% and 1.96% respectively from March 31, 2017 to March 31, 2018, reviewing the group structure and the need for having multiple NBFCs and unregulated entities having activities akin to NBFCs, submission of board approved plan for reducing our company borrowing dependence on Edelweiss Rural & Corporate Services Limited (“**ERCSL**”), earlier known as Edelweiss Commodities Services Limited (“**ECSL**”), review of credit risk policy, review of the loan appraisal process and sought for certain information and clarifications. Our Company, vide its letter, has inter alia responded to the RBI concerning its observations. Further, the RBI has conducted in its normal course the annual onsite inspection for the fiscal year ended March 31, 2019 and the final report from RBI is awaited. Any adverse action taken by the RBI pursuant to such inspections, or non-compliance by our Company with the RBI’s observations, could materially and adversely affect our Company’s business, operations and cash flows.

5. *Our Company may not be able to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all and as a result, which could adversely affect its financial condition, cash flows and results of operations.*

Our Company’s Secured Loan Book as per Ind AS was ₹ 218,759.95 million, and ₹ 207,893.96 million, as at March 31, 2019 and March 31, 2018, respectively, and represented 89.62 per cent and 92.49 per cent, respectively, of our Company’s total Loan Book as per Ind AS as of those dates. Our Company’s Unsecured Loan Book as per Ind AS were ₹ 25,325.48 million and ₹16,892.02 million, as at March 31, 2019 and March 31, 2018 respectively, and represented 10.38 per cent and 7.51 per cent respectively, of our Company’s total Loan Book as per Ind AS as of those dates. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, our Company may not be able to recover the full value of the collateral for the loans provided by it within the expected timeframe or at all. Further, legal proceedings may have to be initiated by our Company in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our Company’s cash flow.

The value of the security provided by the borrowers to our Company may be subject to a reduction in value on account of various reasons. While our Company’s customers may provide alternative security to cover the shortfall, the realisable value of the security for the loans provided by our Company in the event of a liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of the outstanding credit obligations by our Company’s customers may expose it to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to potential losses. Any such losses could adversely affect our Company’s financial condition, cash flows and results of operations. Furthermore, the process of litigation to enforce our Company’s legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for our Company to recover amounts owed by defaulting customers in a timely manner or at all.

6. *Our Company extends margin funding loans or loans against securities to our Company’s clients and any default by a client coupled with a downturn in the stock markets could result in substantial losses for our Company.*

Our Company extends “loans against securities” or margin funding loans which constituted 18.23 % of our Company’s total Loan Book as per Ind AS as at March 31, 2019. These loans are secured by liquid, marketable securities at an appropriate or predetermined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral which secures the

loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Customers could default on their obligations to our Company as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. As a result, it may be difficult to carry out a precise credit risk analysis on such clients. Although our Company uses a technology-based risk management system and follows strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, assessing the quality of collateral provided by the client and pre-determined margin call thresholds, there can be no assurance that in the event the financial markets witness a significant adverse event or a general downturn, our Company's financial condition, cash flows and results of operations would not be adversely affected.

7. *Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity, financial condition and cash flows.*

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our Company's funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as equity capital raised through private equity investment. Our Company is also in the process of diversifying its sources of funding by securitising its loan portfolio. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, cash flows, capital adequacy levels, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through securitisation or direct assignment transactions or through private placements of non-convertible debentures can disrupt its sources of funding and as a consequence, could have a material adverse effect on our Company's liquidity, financial condition and cash flows.

Out of our Company's total borrowings of ₹ 228,153.89 million as at March 31, 2019, an amount of ₹ 84,044.69 million will mature during the next twelve months. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of a volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity, financial condition and cash flows.

8. *Our Company's significant indebtedness and the conditions and restrictions imposed by its financing arrangements could restrict its ability to conduct its business and operations in the manner our Company desires.*

As at March 31, 2019, our Company had secured borrowings of ₹ 200,612.23 million and unsecured borrowings of, ₹ 27,541.66 million. Our Company will continue to incur additional indebtedness in the future. Most of our Company's borrowings are secured by its business receivables.

Certain of our Company's financing agreements also include certain conditions and covenants that require it to maintain certain financial ratios, maintain certain credit ratings and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant consequences

on our Company's business and operations. Under certain of our Company's financing agreements, our Company requires, but may be unable to obtain, consents from the relevant lenders for, among others, the following matters: to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year, to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking, to create or permit any charges or lien, or dispose off any encumbered assets, to amend its Memorandum of Association and Articles of Association. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that our Company may propose to take from time to time. Furthermore, our Company's lenders may recall certain working capital loans availed by our Company at any time. For details relating to our Company's borrowings, please see "*Financial Indebtedness*" on page 84 of this Tranche II Prospectus.

9. *Our Company may not be able to successfully sustain its growth rate. Our Company's inability to implement its growth strategy effectively could adversely affect its business and financial results.*

In recent years, our Company's growth has been fairly substantial. Our Company's growth strategy includes growing our Company's secured lending and expanding our Company's retail customer base. There can be no assurance that our Company will be able to sustain its growth plan successfully or that our Company will be able to expand further or diversify its portfolio of products. A principal component of our Company's strategy is to continue diversifying the development of its new portfolio of products to suit customers' needs. This growth strategy will place significant demands on our Company's management, financial and other resources and will require our Company to continuously develop and improve its operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our Company's culture, values and entrepreneurial environment as well as developing and improving our Company's internal administrative infrastructure. Our Company also faces a number of operational risks in executing its growth strategy. While our Company previously experienced rapid growth in its structured collateralised debt portfolio and retail mortgages - loans against property businesses, this exposes our Company to a wide range of increased risks, including business and operational risks, such as the possibility of increased NPAs, fraud risks as well as regulatory and legal risks.

Our Company's ability to sustain its rate of growth also depends, to a large extent, upon its ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products which are relevant to its target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. Our Company will need to recruit new employees, who will have to be trained and integrated into our Company's operations. Our Company will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our Company's employees properly may result in an increase in employee attrition rate, a need to hire additional employees, an erosion in the quality of customer service, a diversion of the management's resources, an increase in our Company's exposure to high-risk credit and an increase in costs for our Company. If our Company grows its Loan Book as per Ind AS too rapidly or fails to make proper assessments of credit risks associated with new customers, a higher percentage of our Company's loans may become non-performing, which would have a negative impact on the quality of our Company's assets, its financial condition and cash flows. Our Company's inability to manage such growth could disrupt its business prospects, impact its financial condition and adversely affect its results of operations including its cash flows.

- 10. Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business and results of operations and may correspondingly adversely affect our goodwill, operations and profitability.**

As on the date of this Tranche II Prospectus, our Promoter, along with its subsidiaries, hold the entire paid up share capital of our Company (other than 1,000 equity shares, which are held by CDPQ Private Equity Asia Pte. Ltd.). Our Company is dependent on the goodwill and brand name of the Edelweiss Group. Our Company believes that this goodwill contributes significantly to its business. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. There can be no assurance that the "Edelweiss" brand, which our Company believes is a well recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company's control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source.

If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Edelweiss" and our goodwill as a part of the Edelweiss Group of companies may be adversely affected, which in turn could adversely affect our business and results of operations.

In the event Edelweiss Group is unable to maintain the quality of its services or its goodwill deteriorates, our Company's business and results of operations may be adversely affected. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

Any disassociation of our Company from the Edelweiss Group and/or our inability to have access to the infrastructure provided by other companies in the Edelweiss Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

- 11. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.**

The RBI vide its Notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

- 12. As at 31 March 31, 2019, wholesale mortgage financing and retail mortgages-loans against property amounted to ₹ 95,264.00 million and ₹ 29,920.00 million, respectively, and constituted 39.03%, and 12.26%, respectively, of our Company's Loan Book as per Ind AS. Any adverse development in the real estate sector would adversely affect the Company's results of operations.**

Retail mortgages - loans against property constituted a significant portion of our Company's total loans. As at March 31, 2019, our Company's total Loan Book as per Ind AS was ₹ 244,085.43 million. Wholesale mortgage financing and retail mortgages - loans against property constituted 39.03%, and 12.26%, respectively, of our Company's total Loan Book as per Ind AS as at March 31, 2019.

In addition, a significant portion of our Company's secured lending to SMEs is also secured by collateral in the form of real estate properties. The demand for these loan products is generally affected by developments in the real estate sector. Any decline in conditions of the real estate markets could have an adverse impact on our Company's financial condition, cash flows and results of operations. Further, deterioration in the housing and property market may result in reversing the growth of our Company's Loan Book as per Ind AS, which in turn could result in a material adverse effect on its business, financial condition, cash flows and results of operations.

Further, as the underlying security on these loans is primarily mortgages or other form of security over the customers' other residential or commercial property, a significant portion of our Company's Loan Book as per Ind AS is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, our Company may not be able to realise the value of the collateral or recover its principal and interest in the event of a default. Also, if any of the projects which form part of the collateral are delayed for any reason, it may affect our Company's ability to enforce the security, thereby effectively diminishing the value of such security. There can be no assurance that our Company will be able to foreclose on collateral on a timely basis, or at all, and if it is able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to our Company which may result in a material adverse effect on its business, results of operations, financial condition and cash flows.

- 13. *Our Company's inability to recover the amounts due from customers to whom it has provided unsecured loans in a timely manner, or at all, and its customers failure to comply with applicable statutory or regulatory requirements in relation to such loans could adversely affect our Company's operations and profitability.***

Our Company's Loan Book as per Ind AS, as at March 31, 2019, includes secured and unsecured loans under its SME working capital loans portfolio which constitutes 7.26 % of it. Since some of these loans are unsecured, in the event of defaults by such customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company. Furthermore, our Company's structured collateralised credit products generally do not contain restrictions on the purpose for which the loans are given. As a result, its customer may utilise such loans for various purposes which are often incapable of being monitored on a regular basis, or at all.

- 14. *A decline in our Company's capital adequacy ratio could restrict its future business growth.***

Our Company's percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio) computed on the basis of the applicable RBI norms was 19.27% and 17.15 % as at March 31, 2019 and March 31, 2018 respectively, with Tier I Capital comprising 14.27%, and 11.48%, as at March 31, 2019 and March 31, 2018 respectively. The Tier II Capital comprises of 5.00% and 5.67% as at March 31, 2019 and March 31, 2018 respectively. If our Company continues to grow its Loan Book as per Ind AS and asset base, it will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

- 15. *Our contingent liabilities could adversely affect our financial condition and cash flows.***

As at March 31, 2019, we had certain contingent liabilities (as per Ind AS 37) not provided for, amounting to ₹ 657.51 million. The contingent liability amounts disclosed in our Standalone Financial Information under IND AS represent estimates and assumptions of our management based on advice received. If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition and cash flows. For further details, please refer to section titled "Statement of Contingent liability" in the chapter "Financial Information" beginning on page 211 of this Tranche II Prospectus.

16. ***Our Company is dependent on the Edelweiss Group’s goodwill and brand name. Any change in control of the Edelweiss Group or our Company or any other factor affecting the business and reputation of the Edelweiss Group may have a concurrent adverse effect on our Company’s reputation, business and results of operations.***

As at the date of this Tranche II Prospectus, the Edelweiss Group, held the entire paid up share capital of our Company (other than 1,000 equity shares, which are held by CDPQ Private Equity Asia Pte. Ltd.). If the Edelweiss Group ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our Company’s business and results of operations could be adversely affected. Any disassociation of our Company from the Edelweiss Group and/or our Company’s inability to have access to the infrastructure provided by other companies in the Edelweiss Group could adversely affect our Company’s ability to attract customers and to expand our Company’s business, which in turn could adversely affect our Company’s goodwill, operations and profitability. Our Company is also dependent on the goodwill and brand name of the Edelweiss Group. Our Company believes that this goodwill contributes significantly to its business. There can be no assurance that the “Edelweiss” brand, which our Company believes is a well recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company’s control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source. In the event Edelweiss Group is unable to maintain the quality of its services or its goodwill deteriorates, our Company’s business and results of operations may be adversely affected.

We have applied for certain registrations in connection with the protection of our trademarks, which are currently pending. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. Unless our trademarks are registered, we may only get passing off relief, in case of infringement of our Trademarks, which could materially and adversely affect our brand image, goodwill and business.

Our Company operates in a competitive environment and our Company believes that the EFSL’s brand recognition is a significant competitive advantage for it. The logo of our Company is not registered. Any failure to retain our Company’s name may deprive our Company of the associated brand equity that it has developed which may have a material adverse effect on our Company’s business and results of operations.

17. ***Our Company has entered into related party transactions and may continue to enter into related party transactions which may involve potential conflict of interest.***

Our Company has entered into related party transactions, within the meaning of AS 18 as issued by the Companies (Accounting Standards) Rules, 2006 as amended from time to time and Ind AS 24 issued by the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Such transactions may potentially give rise to conflicts of interest with respect to dealings between our Company and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company’s favour. For details, see “*Related Party Transactions*” on page 83 of this Tranche II Prospectus.

18. ***This Tranche II Prospectus includes certain unaudited financial information, which has been reviewed but not audited, in relation to our Company. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited financial information during the Issue Period.***

This Tranche II Prospectus includes Interim Condensed Standalone Ind AS Financial Statements June 2019 in relation to our Company for the three months period ended June 30, 2019 in respect of which the Auditors have issued their Review Report dated August 13, 2019. The Interim Condensed Standalone Ind AS Financial Statements June 2019 prepared by our Company have been subject only to a review (and not audited) and as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information” Performed by the

Independent Auditor of the Entity” issued by the ICAI, and not to an audit, any reliance by prospective investors on such Interim Condensed Standalone Ind AS Financial Statements June 2019 as at and for three months period ended June 30, 2019 should, accordingly, be limited. For further details in relation to the Interim Condensed Standalone Ind AS Financial Statements June 2019, see the chapter titled “*Financial Information*” beginning at page 211 of this Tranche II Prospectus.

Any financial statement and/or results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Tranche II Prospectus.

- 19. *Our Company’s business is dependent on relationships established through its branches with its clients. Any events that harm these relationships including closure of branches or the loss of our Company’s key personnel or employees may lead to a decline in our Company’s revenue and profits. Further, our Company’s results of operations could be adversely affected in the event of any disputes with its employees.***

Our Company’s business is dependent on the key personnel and employees who directly manage client relationships. Our Company encourages dedicated personnel to service specific clients since our Company believes that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel or employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either becomes ineffective or leaves the organisation. As a result, there may be an adverse effect on our Company’s business and profits.

As at June 30, 2019, our Company employed 1,400 full-time employees. Currently, none of our Company’s employees are members of any labour union. While our Company believes that our Company maintains good relationships with its employees, there can be no assurance that our Company will not experience future disruptions to its operations due to disputes or other problems with its work force which may adversely affect our Company’s business and results of operations.

B. Risks pertaining to this Issue

- 1. *Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

The NCDs proposed to be issued under this Issue have been rated “CARE AA; Positive” (pronounced as CARE AA with Positive outlook) for an amount of ₹ 20,000 million, by CARE Ratings Limited vide their letter dated April 10, 2019 and revalidated as “CARE AA-; Stable” (pronounced as CARE AA Minus with Stable outlook) by revalidation letters dated July 31, 2019 and September 10, 2019 and October 18, 2019 and “CRISIL AA/Stable” (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹ 20,000 million, by CRISIL Limited vide their letter dated April 18, 2019 and revalidated as “CRISIL AA/Negative” (pronounced as CRISIL double A with Negative outlook) vide its revalidation letters dated July 20, 2019 and August 20, 2019 and further revalidated as “CRISIL AA-/Stable” (pronounced as CRISIL double A minus with Stable outlook) vide its letter dated October 07, 2019. The rating of “CARE AA-; Stable” by CARE Ratings Limited and “CRISIL AA-; Stable” by CRISIL Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexures A and B of this Tranche II Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

2. ***Securities on our NCDs may be exclusive and/or rank pari passu with any of our Company's secured obligations (with the exceptions of any exclusive charge created by the Company).***

Substantially all of our Company's current assets represented mainly by the loan receivables are being used to secure our Company's debt. As at March 31, 2019 our Company's secured borrowing was ₹ 200,612.23 million. Securities on our NCDs may be exclusive and/or rank *pari passu* with any of our Company's secured obligations (with the exceptions of any exclusive charge created by the Company) with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt.

CAPITAL STRUCTURE

Other than as described below, there are no recent material developments in relation to our Company's Capital Structure since the filing of the Shelf Prospectus, except as disclosed below:

Details of share capital

The share capital of our Company as at September 30, 2019 is set forth below:

Share Capital	In ₹
Authorised Share Capital	
6,700,000,000 Equity Shares of face value of ₹1.00 each	6,700,000,000.00
4,000,000 Preference Shares of face value of ₹10.00 each	40,000,000.00
Total Authorised Share Capital	6,740,000,000.00
Issued, Subscribed and Paid-up share capital	
2,138,267,650 Equity Shares of face value of ₹ 1.00 each fully paid up	
Equity Share Capital	2,138,267,650.00

Please note that the Securities Premium amount as on June 30, 2019 is ₹11,879,960,145.

Equity Share Capital History of our Company as at September 30, 2019:

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
May 7, 2019 ¹	1000	1	31.00	Cash	Preferential allotment	2,138,267,650	2,138,267,650	12,325,380,975
Total						2,138,267,650	2,138,267,650	12,325,380,975

¹ CDPQ Private Equity Asia Pte. Ltd. has on May 7, 2019, subscribed to 1000 Equity Shares of Re. 1/- each at a premium of Rs. 31/- per Equity Share and 103949680 Compulsorily Convertible Debentures ("CCDs") at Rs. 100 per CCD by means of preferential allotment and accordingly paid the Company a total sum of Rs. 10,39,50,00,000.00 ("Investment"). Accordingly, the Board has allotted 1039,49,680 CCDs of Rs. 100 face value aggregating to Rs. 1039,49,68,000 and 1,000 Equity Shares of Rs. 1/- each at a premium of Rs. 31/- each aggregating to Rs. 32,000 on May 7, 2019.

Shareholding pattern of our Company as at quarter ended September 30, 2019:

Name of shareholders	Total number of Equity Shares held	Number of Equity Shares held in demat form	Total shareholding as % of total no of Equity Shares
Edelweiss Financial Services Limited	1,661,989,127	NIL	77.73
Edelweiss Securities Limited	97,416,683	97,416,683	4.56
Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)	294,472,650	294,472,650	13.77
Edel Finance Company Limited	84,388,184	NIL	3.95
CDPQ Private Equity Asia Pte. Ltd.	1,000	1,000	Negligible

Name of shareholders	Total number of Equity Shares held	Number of Equity Shares held in demat form	Total shareholding as % of total no of Equity Shares
Mr. B. Renganathan, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Vinit Agrawal, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Dipakkumar K. Shah, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Ashish Bansal as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Amit Pandey, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Ganesh Umashankar, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Total	2,138,267,650		100.00

Shareholding of Directors in subsidiaries, joint ventures and associates: Nil

Shareholding of Directors, including details of qualification shares held by Directors:

Our Company's Articles of Association do not require our Directors to hold any qualification shares in our Company. None of the Directors of our Company, hold any Equity Shares in our Company, as on the date of this Tranche II Prospectus.

Statement of the aggregate number of securities of the Issuer purchased or sold by the promoter group and by the directors of the company which is a promoter of the Issuer and by the Directors of Tranche II Prospectus:

- **Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)**

Date	No. of securities purchased		No. of securities sold	
	Face Value: Rs.1,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security
April 4, 2019	-	-	2,000.00	-
April 26, 2019	-	-	600.00	-
May 16, 2019	9,029.00	-	-	-
May 17, 2019	9,444.00	-	-	-
May 20, 2019	1,781.00	-	-	-
May 21, 2019	2,037.00	-	-	-
May 22, 2019	900.00	-	-	-
May 23, 2019	613.00	-	-	-

Date	No. of securities purchased		No. of securities sold	
	Face Value: Rs.1,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security
May 24, 2019	597.00	-	-	-
May 27, 2019	47,719.00	-	1.00	-
May 28, 2019	1,733.00	-	1,000.00	-
May 29, 2019	3,499.00	-	-	-
May 30, 2019	1,329.00	-	-	-
May 31, 2019	1,120.00	-	-	-
June 3, 2019	709.00	-	-	-
June 4, 2019	395.00	-	-	-
June 6, 2019	2,111.00	-	-	-
June 7, 2019	2,870.00	-	-	-
June 10, 2019	3,654.00	-	-	-
June 11, 2019	1,396.00	-	-	-
June 12, 2019	1,118.00	-	-	-
June 13, 2019	1,726.00	-	-	-
June 14, 2019	1,364.00	-	-	-
June 17, 2019	1,889.00	-	-	-
June 18, 2019	1,188.00	-	-	-
June 19, 2019	6,123.00	-	-	-
June 20, 2019	2,621.00	-	-	-
June 21, 2019	5,978.00	-	-	-
June 24, 2019	4,580.00	-	10.00	-
June 25, 2019	8,748.00	-	-	-
June 26, 2019	5,595.00	-	-	-
June 27, 2019	5,071.00	-	-	-
June 28, 2019	7,019.00	-	-	-
July 1, 2019	3,050.00	-	-	-
July 2, 2019	331.00	-	-	-

Date	No. of securities purchased		No. of securities sold	
	Face Value: Rs.1,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security
July 3, 2019	2,483.00	-	-	-
July 4, 2019	3,964.00	-	-	-
July 5, 2019	4,011.00	-	-	-
July 8, 2019	6,116.00	-	-	-
July 9, 2019	3,744.00	-	-	-
July 10, 2019	2,685.00	-	-	-
July 11, 2019	1,738.00	-	-	-
July 12, 2019	2,613.00	-	-	-
July 16, 2019	57,001.00	-	-	-
July 26, 2019	-	750.00	-	-
July 30, 2019	-	1,410.00	-	-
August 1, 2019	1.00	-	-	-
August 2, 2019	1.00	-	-	-
August 14, 2019	-	-	103,491.00	210.00
August 29, 2019	1.00	-	-	-
September 26, 2019	-	-	-	240.00
	231,695.00	2,160.00	107,102.00	450.00

- **Edelweiss Finance and Investments Limited**

Date	No. of securities purchased		No. of securities sold	
	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security
May 2, 2019	200,000.00	-	200,000.00	-
May 27, 2019	1.00	-	-	-
August 2, 2019	1.00	-	1.00	-
August 14, 2019	-	-	1.00	-
September 27, 2019	1.00	-	-	-

Date	No. of securities purchased		No. of securities sold		
	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security	Rs. per
October 7, 2019	160.00	-	-	-	-
	200,163.00	-	200,002.00	-	-

Edelweiss Securities Limited

Date	No. of securities purchased		No. of securities sold		
	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs. 10,00,000 per Security	Rs. per
June 3, 2019	3,000.00	-	-	-	-
	3,000.00	-	-	-	-

• **Ecap Equities Limited**

Date	No. of securities purchased			No. of securities sold		
	Face Value: Rs.1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs. 10,00,000 per Security
April 2, 2019	-	200.00	-	-	-	-
April 5, 2019	-	50.00	-	-	-	-
April 8, 2019	-	175.00	-	-	400.00	-
April 9, 2019	-	380.00	-	-	-	-
April 10, 2019	-	85.00	-	-	-	-
April 11, 2019	-	25.00	-	-	-	-
April 12, 2019	-	30.00	-	-	-	-
April 15, 2019	-	25.00	-	-	-	-
April 16, 2019	-	250.00	-	-	-	-
April 18, 2019	-	10.00	-	-	-	-
April 22, 2019	-	65.00	-	-	200.00	-
April 26, 2019	-	25.00	-	-	212.00	-
April 29, 2019	-	-	-	-	300.00	-

Date	No. of securities purchased			No. of securities sold		
	Face Value: Rs.1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs. 10,00,000 per Security
May 2, 2019	-	130.00	-	-	-	-
May 3, 2019	-	30.00	-	-	337.00	-
May 6, 2019	-	75.00	-	-	-	-
May 9, 2019	-	-	-	-	435.00	-
May 10, 2019	-	-	-	-	125.00	-
May 15, 2019	-	10.00	-	-	-	-
May 20, 2019	-	80.00	-	-	-	-
May 22, 2019	-	150.00	-	-	-	-
May 27, 2019	-	10.00	-	-	30.00	-
May 31, 2019	-	-	-	-	125.00	-
June 3, 2019	-	-	-	-	110.00	-
June 7, 2019	-	-	-	-	50.00	-
June 10, 2019	-	-	-	-	65.00	-
June 11, 2019	-	-	-	-	175.00	-
June 14, 2019	-	-	-	-	30.00	-
June 17, 2019	-	-	-	-	40.00	-
July 15, 2019	-	3,905.00	-	-	-	-
July 16, 2019	-	150.00	-	-	-	-
July 18, 2019	-	662.00	-	-	-	-
July 23, 2019	-	2,800.00	-	-	-	-
July 24, 2019	-	4,700.00	-	-	-	-
July 25, 2019	-	-	-	-	4,325.00	-
August 1, 2019	-	70.00	-	-	100.00	-
August 2, 2019	-	-	-	-	150.00	-
August 7, 2019	-	-	-	-	512.00	-

Date	No. of securities purchased			No. of securities sold		
	Face Value: Rs.1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs.10,00,000 per Security	Face Value: Rs. 1,000 per Security	Face Value: Rs.100,000 per Security	Face Value: Rs. 10,00,000 per Security
August 8, 2019	-	15.00	-	-	-	-
August 9, 2019	-	410.00	-	-	-	-
August 13, 2019	-	-	-	-	7,200.00	-
August 14, 2019	-	300.00	-	-	-	-
August 22, 2019	-	17.00	-	-	-	-
August 28, 2019	-	-	-	-	17.00	-
August 29, 2019	-	-	-	-	300.00	-
August 30, 2019	-	225.00	-	-	425.00	-
September 4, 2019	-	-	-	-	225.00	-
September 5, 2019	-	25.00	-	-	-	-
September 9, 2019	-	650.00	-	-	-	-
September 11, 2019	-	125.00	-	-	-	-
September 12, 2019	-	338.00	-	-	-	-
September 13, 2019	-	1,380.00	-	-	-	-
September 16, 2019	-	-	-	-	1,033.00	-
September 17, 2019	-	300.00	-	-	-	-
September 18, 2019	-	25.00	-	-	-	-
September 19, 2019	-	-	-	-	300.00	-
September 25, 2019	-	2,479.00	-	-	-	-
September 27, 2019	-	800.00	240.00	-	2,479.00	-
September 30, 2019	-	-	-	-	780.00	-
October 7, 2019	1,570.00	-	-	-	-	-
	1,570.00	21,181.00	240.00	-	20,480.00	-

Name of the Company	No. of securities held as at September 30, 2019		
	Face Value: Rs. 1,000 per Security	Face Value: Rs. 1,00,000 per Security	Face Value: Rs. 10,00,000 per Security
Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)	150,115.00	-	2,160.00
Edelweiss Finance and Investments Limited	440.00	-	2.00
Edelweiss Securities Limited	3,000.00	-	-
Ecap Equities Limited		1,530.00	240.00
Total	153,555.00	1,530.00	2,402.00

List of top ten holders of Equity Shares of our Company as at quarter ended September 30, 2019:

Name of shareholders	Total number of Equity Shares held	No of shares in demat form	Total shareholding as % of total no of Equity Shares
Edelweiss Financial Services Limited	1,661,989,127	NIL	77.73
Edelweiss Securities Limited	97,416,683	97,416,683	4.56
Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)	294,472,650	294,472,650	13.77
Edel Finance Company Limited	84,388,184	NIL	3.95
CDPQ Private Equity Asia Pte. Ltd.	1,000	1,000	Negligible
Mr. B. Renganathan, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Vinit Agrawal, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Dipakkumar K. Shah, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Ashish Bansal as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Amit Pandey, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Mr. Ganesh Umashankar, as nominee of Edelweiss Financial Services Limited	1	NIL	Negligible
Total	2,138,267,650		100.00

List of top ten debenture holders as at September 30, 2019

List of top ten debenture holders of our Company as at September 30, 2019:

Name	Amount (in ₹ million)
Life Insurance Corporation of India	12,383.34
CDPQ Private Equity Asia Pte. Ltd.	10,394.97
Credit Suisse Ag Singapore Branch	6,100.00
Axis Bank Limited	5,223.40
Bank of Baroda	5,178.47
L And T Finance Limited	3,000.00
Kotak Equity Hybrid	2,950.00
Credit Suisse Finance (India) Pvt. Ltd.	2,740.00
IndusInd Bank Limited	2,491.98
Standard Chartered Bank	2,490.00

Debt - equity ratio:

The debt-equity ratio of our Company, prior to this Issue is based on a total borrowing of ₹ 2,44,710.69 million and shareholder Net worth amounting to ₹ 39,129.03 million as on June 30, 2019.

(In ₹ million)

Particulars	Pre Issue	Post Issue
Debt securities	1,04,113.91	1,09,113.91
Borrowings (other than debt securities)	1,20,816.04	1,20,816.04
Subordinated Liabilities	19,780.74	19,780.74
Total debts - A	2,44,710.69	2,49,710.69
Equity		
- Equity share capital	2,138.27	2,138.27
- Other Equity	36,990.76	36,990.76
Net worth – B	39,129.03	39,129.03
Total Debt to equity ratio (Number of times) A/B	6.25	6.38

Notes:

1. Debt securities under “Post issue” column is computed on the basis that there is an inflow of Rs. 5,000 million from the proposed issue of secured redeemable non-convertible debentures. However, the amount raised under the Tranche I Issue has not been considered while calculating the above debt equity ratio.

For details on the total borrowing of our Company, please refer to the chapter titled “Financial Indebtedness” beginning on page 84 of this Tranche II Prospectus.

Details of any Acquisition or Amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Tranche II Prospectus. However, the Company has filed an application under Section 230 to 232 of the Companies Act, 2013 before the National Company Law Tribunal (“NCLT”) Mumbai Bench on March 26, 2019 for merger of Edelweiss Retail Finance Limited with the Company. Further, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders’ meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said

order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of ERFL with the Company, which was approved by the RBI on September 27, 2019.

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

Details of any Reorganization or Reconstruction in the last one year

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Tranche II Prospectus

Shareholders' Agreement dated March 5, 2019 to be read with Amendment Agreement dated March 22, 2019 and Amendment Agreement dated May 6, 2019 ("Shareholders' Agreement") with Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited (collectively referred to in the SHA as the "Promoters") and CDPQ Private Equity Asia Pte. Ltd. (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec, for an investment amounting to approximately INR 18,000,000,000 (Indian Rupees eighteen thousand million) into the credit business vertical of our Company.

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

For further details in relation to the Shareholders Agreement and Securities Subscription Agreement, please refer to chapter titled "*History and Certain other Corporate Matters*" on page 117 of the Shelf Prospectus. Further, our Company has also made an application under section 230 to 232 of the Companies Act, 2013 filed before the National Company Law Tribunal Mumbai Bench on March 26, 2019 in relation to the merger of ERFL with our Company. Further, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders' meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/ unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of ERFL with the Company, which was approved by the RBI on September 27, 2019. Further, post Shareholders' Agreement, CDPQ Private Equity Asia Pte. Ltd. has also received approval from the Competition Commission of India on April 26, 2019.

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

OUR BUSINESS

In this section, any reference to “we”, “us” or “our” refers to ECL Finance Limited. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risk and uncertainties. You should refer the chapter “Risk Factors” on page 29 of this Tranche II Prospectus for a discussion of certain factors that may affect our business, financial condition, cash flows or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. For further information, see “Certain Conventions, Use Of Financial, Industry And Market Data And Currency Of Presentation” and “Financial Information” on page 13 and 211 of this Tranche II Prospectus. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. The following information should be read together with the more detailed financial and other information included in the Shelf Prospectus, including the information contained in the chapter “Industry” beginning on pages 77 of the Shelf Prospectus.

Overview

We are one of India’s leading systemically important non-deposit taking NBFCs, with a focus on offering a broad suite of secured corporate and, retail loan products which are customised to suit the needs of its corporate small and medium-sized enterprises (“SME”) and individual customers. Our corporate and retail loan products include

- **Structured Collateralised Credit:** The Company’s structured collateralised credit loans constituted 22.15 per cent. of the Company’s total Loan Book as per Ind AS as at March 31, 2019. Structured collateralised credit loans are offered mostly to corporates against collateral such as liquid market securities, pledge of other securities, pledge of shares by promoters, immoveable property, etc. The loans include bridge financing or other short-term loans to corporates. The funds raised are utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses. The tenure of the loans is generally up to two years.
- **Wholesale Mortgages:** This includes various structured financing solutions for finance to developers for real estate projects under construction, which constituted 39.03 per cent. of the Company’s total Loan Book as per Ind AS as at March 31, 2019.
- **SMEs and others:** This includes credit facilities and short-term loans to SMEs for meeting their business requirements, which constituted 7.26 per cent. of the Company’s total Loan Book as per Ind AS, as at March 31, 2019.
- **ESOP and Margin Funding Loans:** This includes loans to investors against their existing portfolio of investments or for exercise of ESOPs, which constituted 18.23 per cent. of the Company’s total Loan Book as per Ind AS, as at March 31, 2019.
- **Retail Mortgages—Loans against Property:** This includes loans offered to self-employed individuals for business purposes against a mortgage of residential or commercial property, which constituted 12.26 per cent. of the Company’s total Loan Book as per Ind AS, as at March 31, 2019.
- **Agri Credit:** As a part of agricultural value chain services, the Company extends short-term finance (usually for a period of three to nine months) against agri-commodities inventory stored in warehouses managed by its sister concerns which constituted 1.08 per cent. of the Company’s total Loan Book as per Ind AS, as at March 31, 2019.

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 without accepting public deposits subject to the conditions mentioned in the certificate of registration.

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three broad lines – credit including retail finance; franchise & advisory businesses including wealth management, asset management, capital markets, balance sheet management and others, and insurance business. The product/ services portfolio of the Edelweiss Group caters to the diverse investment and strategic requirements of corporate, institutional, high net worth individuals and retail clients. Edelweiss Group has a pan India presence with a global footprint extending across geographies with offices in New York, Mauritius, Dubai, Singapore, Hong Kong and UK. EFSL is listed on BSE and NSE. EFSL through its subsidiaries, offers to its customers a diversified financial services platform that provides various secured corporate loan products, retail loan products and services, SME financing, agri value chain services including agri credit, wealth advisory services, asset management, insurance, investment banking, institutional and retail broking.

As at the date of this Tranche II Prospectus, the Company's Promoter, along with three of its subsidiaries, held the entire paid up share capital of our Company (other than 1000 equity shares, which are held by CDPQ Private Equity Asia Pte. Ltd.).

In line with the Company's vision of constantly seeking avenues for growth, the Company has diversified and expanded its presence into markets that are of greater relevance to the products that the Company offers. As at June 30, 2019, the Company had 120 offices. Our total revenue and total comprehensive income have grown by 22.77% and 20.13% to ₹ 40,174.58 million and ₹5,655.53 million, respectively, for year ended March 31, 2019, from ₹ 32,723.48 million and ₹ 4,707.66 million, respectively, for year ended March 31, 2018. Our total Loan Book as per Ind AS was ₹244,085.43 million as of March 31, 2019. Secured Loan Book as per Ind AS constituted 89.62 % of the Company's total Loan Book as per Ind AS as of March 31, 2019. Our percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio), as of March 31, 2019 computed on the basis of applicable RBI requirements was 19.27%, compared to the RBI stipulated minimum requirement of 15% as per the Master Directions of RBI. As at March 31, 2019 our GNPA's and net NPA's as a percentage of Loan Book as per Ind AS was 1.87% and 0.69% respectively and provision coverage ratio was 63.46%.

Our total revenue and total comprehensive income, for the quarter ended June 30, 2019, is ₹ 9,989.96 million and ₹ 655.61 million, respectively. Our total Loan Book as per Ind AS was ₹ 241,113.82 million as on June 30, 2019. Our percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio), as of June 30, 2019 computed on the basis of applicable RBI requirements was 21.52%, compared to the RBI stipulated minimum requirement of 15% as per the Master Directions of RBI.

Key Operational and Financial Parameters

A summary of our key operational and financial parameters as at and for the year ended March 31, 2019 on a standalone basis, as derived from Ind AS financial statement, are as follows:

Parameters	(₹ in million)
	Financial year ended March 31, 2019
Equity (Note 1)	38,494.52
Total Borrowings of which	228,153.89
Debt securities	94,871.85
Borrowings (other than debt securities)	113,287.45
Subordinated Liabilities	19,994.59
Property, Plant and Equipment and Other Intangible assets (Note 2)	684.34
Financial assets (Note 3)	32,199.18
Non-financial assets (Note 4)	2,339.99
Cash and cash equivalents	985.4
Bank balances other than cash and cash equivalents	470.24
Financial liabilities (Note 5)	7,465.74

Non-financial liabilities (Note 6)	531.74
Loans (Note 7)	237,966.74
Interest Income	37,594.49
Finance Costs	243,98.26
Impairment on financial instruments	2,468.77
Total Comprehensive Income	5,655.53
Gross NPA (%)	1.87%
Net NPA	0.69%
CRAR - Tier I Capital Ratio (%)	14.27%
CRAR - Tier II Capital Ratio (%)	5.00%

Notes: The below notes are applicable to the key operational and financial parameters as at and for the year ended March 31, 2019, are as follows:

1. "Equity" refers to the aggregate of Equity share capital and Other equity.
2. "Property, Plant and Equipment and Other Intangible assets" refers to the aggregate of Property, Plant and Equipment, Other intangible assets, Capital work in progress and Intangible assets under development.
3. "Financial assets" refers to the aggregate of Derivative financial instruments, Securities held for trading, Receivables, Other Investments and Other financial assets.
4. "Non-financial assets" referred to the aggregate of Current tax assets (net), Deferred tax assets (net) and Other non-financial assets.
5. "Financial liabilities" refers to the aggregate of Derivative financial instruments, Trade payables and Other financial liabilities
6. "Non-financial liabilities" refers to the aggregate of Current tax liabilities (net), Provisions and Other non-financial liabilities.
7. "Loan" refers to Loan Book as per Ind AS less of Stage 1 Provision, Stage 2 Provision and Stage 3 Provision.

A summary of our key operational and financial parameters as at and for the year ended March 31, 2019 on a consolidated basis, as derived from Ind AS financial statement, are as follows:

Parameters	Financial year ended
	March 31, 2019
Equity (Note 1)	38,223.10
Total Borrowings	228,153.89
- Debt securities	94,871.85
- Borrowings (other than debt securities)	113,287.45
- Subordinated Liabilities	19,994.59
Property, Plant and Equipment and Other Intangible assets (Note 2)	684.34
Financial assets (Note 3)	23,718.11
Non-financial assets (Note 4)	2,344.52
Cash and cash equivalents	1,082.50
Bank balances other than cash and cash equivalents	470.24
Financial liabilities (Note 5)	8,470.51

Non-financial liabilities (Note 6)	595.90
Loans (Note 7)	247,797.97
Interest Income	37,597.45
Finance Costs	24,406.20
Impairment on financial instruments	2,468.77
Total Comprehensive Income	5,543.83
Gross NPA (%)	1.80%
Net NPA (%)	0.66%

Notes: The below notes are applicable to the key operational and financial parameters as at and for the year ended March 31, 2019, are as follows:

1. "Equity" refers to the aggregate of Equity share capital and Other equity.
2. "Property, Plant and Equipment and Other Intangible assets" refers to the aggregate of Property, Plant and Equipment, Other intangible assets, Capital work in progress and Intangible assets under development.
3. "Financial assets" refers to the aggregate of Derivative financial instruments, Securities held for trading, Receivables, Investments and Other financial assets.
4. " Non-financial assets" referred to the aggregate of Current tax assets (net), Deferred tax assets (net) and Other non- financial assets.
5. "Financial liabilities" refers to the aggregate of Derivative financial instruments, Trade payables and Other financial liabilities
6. "Non-financial liabilities" refers to the aggregate of Current tax liabilities (net), Provisions and Other non-financial liabilities.
7. "Loan" refers to Loan Book as per Ind AS less of Stage 1 Provision, Stage 2 Provision and Stage 3 Provision.

Select Financial Information:

Certain select financial information of our Company on a Standalone Basis is as below: -

- Interest income to Total revenue from operations

(₹ in million)

Particulars	March 31, 2019	March 31, 2018
Total Interest income	37,594.49	29,128.04
Total interest income as a percentage to total revenue from operations	40,174.58	32,723.48
Interest income as % of Total revenue	93.58%	89.01%

- Loan Book as per Ind AS

(₹ in million)

Particulars	FY 2019	% of Loan book
Secured Loan Book	218,759.95	89.62%
Unsecured Loan Book	25,325.48	10.38%
Total Loan Book as per Ind AS	244,085.43	100.00%

Particulars	FY 2018	% of Loan book
Secured Loan Book	207,893.96	92.49%
Unsecured Loan Book	16,892.02	7.51%
Total Loan Book as per Ind AS	224,785.98	100.00%

- Performance Total Revenue and Total Comprehensive Income

(₹ in million)

Particulars	FY 2019	FY 2018	Variance
Total Revenue	40,174.58	32,723.48	22.77%
Total Comprehensive Income	5,655.53	4,707.66	20.13%
Total Equity	38,494.52	29,011.79	32.69%

- Sources of Funding

(₹ in million)

Particulars	FY 2019	% of total borrowings
Loans from banks and financial institutions	110,176.11	48.29%
- Term loan from bank	77,944.85	
- Term loans from other parties	7,009.22	
- Cash credit lines	22,322.04	
Working capital demand loan	2,900.00	
Non-convertible debentures and other debt instruments	89,245.25	39.12%
Redeemable non-convertible debentures - secured		
- Privately placed	45,351.78	
- Public issue	29,552.37	
- Market linked debentures	8,237.72	
INR denominated USD settled notes (masala bonds)	5,197.22	
Redeemable non-convertible debentures - unsecured	906.16	
Commercial papers	5,626.60	2.47%
Subordinated debt	19,994.59	8.76%
- Privately placed non-convertible redeemable	8,318.84	
- Public issue of non-convertible redeemable	4,357.01	
- Market linked debentures	4,045.92	
- Perpetual debt	3,272.82	
TriParty Repo	2,097.03	0.92%
Loan from related parties	1,014.31	0.44%
Total borrowings	228,153.89	100.00%

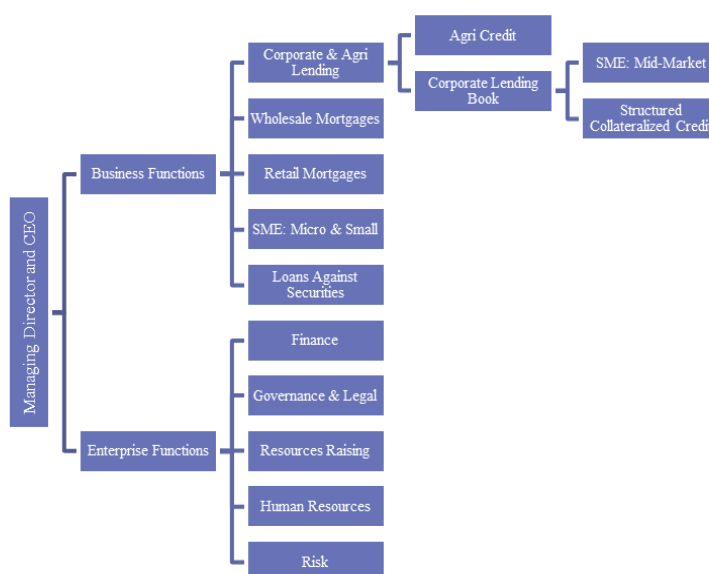
(₹ in million)

Particulars	FY 2018	% of total borrowings
Loans from banks and financial institutions	110,758.28	48.24%
Term loan from bank	84,104.23	
Term loans from other parties	4,048.69	
Cash credit lines	18,235.36	
Working capital demand loan	4,370.00	
Non-convertible debentures and other debt instruments	63,770.60	27.77%
Redeemable non-convertible debentures - secured		
Privately placed	44,885.23	
Public issue	3,246.45	
Market linked debentures	9,635.39	
INR denominated USD settled notes (masala bonds)	5,174.33	
Redeemable non-convertible debentures - unsecured	829.20	
Commercial papers	8,062.84	3.51%
Subordinated debt	19,579.76	8.53%

Privately placed non-convertible redeemable	8,343.95	
Public issue of non-convertible redeemable	4,243.64	
Market linked debentures	3,719.35	
Perpetual debt	3,272.82	
TriParty Repo (TREPS)	15,325.41	6.67%
Loan from related parties	12,124.87	5.28%
Total borrowings	229,621.76	100.00%

Corporate Structure

Our Company's corporate structure as at September 30, 2019 is set out below



Competitive Strengths

Set out below are the key strengths which the Company believes enables it to be competitive in its business.

Established brand and parentage

The Company is a part of the EFSL Group, which is one of India's prominent financial services organization.

Edelweiss Group enjoys a large client base of over 1,220,000 clients from retail and wholesale segments across its various businesses, as at March 31, 2019. The EFSL Group had 476 offices being 468 offices across approximately 200 cities in India and eight offices outside India in six cities as at March 31, 2019. The Company believes that its relationship with the EFSL Group provides brand recall and it will continue to derive significant marketing and operational benefits as a result of its association with the EFSL Group.

In March 2019, the Company filed an application under the (Indian) Companies Act, 2013 before the National Company Law Tribunal, Mumbai Bench for the merger of ERFL with the Company (the "**Proposed Merger**"). Furthermore, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders' meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/ unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of ERFL with the Company, which was approved by the RBI on September 27, 2019. ERFL is an NBFC which offers unsecured SME business loans and secured loans as well as micro-finance to its customers. As at 31 March 2018, ERFL had total assets of ₹34,009.6 million, which represented 12.71 per cent. of the Company's total assets as at that date (as per Indian GAAP). During Fiscal 2018, ERFL's total revenues and profit after tax were ₹3,676.2 million

and ₹316.9 million, respectively, which represented 12.01 per cent. and 6.86 per cent. of the Company's total revenues and profit after tax, respectively, during that period (in each case as per Indian GAAP). Further, EHFL made an application dated March 12, 2019 to NHB to approve the transfer of its entire shareholding, held by EFSL, ERFL and EFCL to the Company. In this regard, NHB vide its letter dated October 14, 2019 has communicated that, considering the transfer of regulatory powers over the Housing Finance companies from the National Housing Bank to the Reserve bank of India w.e.f. August 9, 2019 pursuant to the provisions of the Finance Act 2019, the said application of EHFL for change in shareholding pattern from current shareholders to ECL Finance Limited has been forwarded to RBI. Once approved, EHFL will be a wholly owned subsidiary of the Company (the "**Proposed EHFL Acquisition**", and together with the Proposed Merger, termed as the "**Strategic Initiatives**"). EHFL extends retail housing finance such as home loans, loans against property and construction finance to developers of residential projects. As at 31 March 2018, EHFL had total assets of ₹49,545.5 million, which represented 18.52 per cent. of the Company's total assets as at that date (as per Indian GAAP). During Fiscal 2018, EHFL's total revenues and profit after tax were ₹5,144.1 million and ₹702.9 million, which represented 16.81 per cent. and 15.21 per cent. of the Company's total revenues and profit after tax, respectively, during that period (in each case as per Indian GAAP). The Company believes that, once successfully concluded, its Strategic Initiatives will provide the Company the ability to offer a wide range of retail credit and housing finance products to its existing and new customers.

We draw upon a range of resources from the Edelweiss group such as information technology and infrastructure. We leverage Edelweiss groups experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends.

Network of offices

The Company operates through a wide network of 120 offices (excluding its registered office), as at June 30, 2019. The reach of the Company's branches allows it to service its existing customers and attract new customers. The Company services multiple products through each of its offices, which reduces operating costs and improves total sales. The Company's spread out office network reduces its reliance on any one region in India and allows it to apply best practices developed in one region to other regions. The Company's geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoons or droughts.

Liquid balance sheet with a track record of high growth and profitability

The Company also believes that it benefits from a liquid balance sheet with a high net worth, a reasonable leverage and a comfortable capital to risk weighted assets ratio ("**CRAR**"). While managing the its balance sheet, the Company's focus is on risk management and capital preservation which enables it to maintain sufficient liquidity to ensure smooth operations of its business. Given the Company's liquid balance sheet, the Company is able to deploy capital for starting and expanding up new businesses which are integral to its core strategy of risk-mitigation through diversification. The Company is also able to obtain easier access to market borrowings through its strong credit rating. A liquid balance sheet simultaneously permits the Company to redeploy capital towards business opportunities that are presented at short notice.

Our total revenue and total comprehensive income have grown by 22.77% and 20.13% to ₹ 40,174.58 million and ₹5,655.53 million, respectively, for year ended March 31, 2019. from ₹ 32,723.48 million and ₹ 4,707.66 million, respectively, for year ended March 31, 2018. Our equity has grown by 32.69% to ₹ 38,494.52 million as at March 31, 2019 from ₹ 29,011.79 million as at March 31, 2018. The aforesaid growth in our total revenue and total comprehensive income and our equity reflects the growth and profitability of our Company.

Secured Loan Book and strong asset quality

Since inception, we have been providing secured finance which ensures lower NPAs and fewer recovery related problems. As at March 31, 2019, 89.62%, of our total Loan Book as per Ind AS is secured.

The structured collateralised credit and wholesale mortgages are secured against a pledge of marketable securities held by the corporates or their promoters and other collateral such as real estate. Generally, the

disbursements are also secured by a guarantee. Retail mortgages - loans against property are secured against a collateral of residential or commercial property while loans against securities are offered against a collateral of securities. For SME financing, the loans are generally secured against the personal guarantee of the promoters of the enterprise or the personal guarantee of all the partners of the partnership firm or the personal guarantee of all property owners. For agricultural commodities, the financing is secured against the agricultural inventory stored in warehouses managed by our sister concerns. We believe that our credit appraisal mechanism, credit control processes, audit and risk management processes and policies help us in maintaining the quality of our loan book. Our collateral cover criterion is also conservative acting as a disincentive for the borrowers to default and also helps us in recovering our loans in case there is any default.

As at March 31, 2019 our GNPA's and net NPA's as a percentage of Loan Book as per Ind AS was 1.87% and 0.69% respectively and provision coverage ratio was 63.46%.

Adequately capitalised for growth

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15 per cent. as prescribed under the prudential norms of the RBI based on its total capital to risk weighted assets as part of its governance policy. The Company generally maintains capital adequacy higher than the statutorily prescribed CAR. As at 31 March 2019, our Company's percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio), computed on the basis of the applicable RBI requirements, was 19.27 per cent.

The following table sets out the Company's capital adequacy ratio as at the dates indicated below:

Particulars	As on March 31, 2019*
CAR prescribed by RBI	15%
Percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio)	19.27%
Tier I Capital	14.27%
Tier II Capital	5.00%

*based on Ind AS

Diversified funding profile and access to range of cost effective funding sources

The Company's fund requirements are currently predominantly sourced through the credit facilities from banks and the issue of redeemable non-convertible debentures on a private placement basis as well as through a public issuance. The Company has accessed funds from certain credit providers, including nationalised banks and private Indian banks. The Company believes that it has developed stable long-term relationships with its lenders and have established a track record of the timely servicing of its debts. The Company also accesses money market borrowings. The Company believes that it has been able to achieve a relatively stable cost of funds primarily due to effective treasury management and diversified fund raising programs.

Set out below is certain information regarding the portion that our different funding sources constitute of our total funding:

Source of funding	March 31, 2019
Loans from banks and financial institutions (%)	48.29
Non-convertible debentures and other debt instruments (%)	40.55
Commercial papers (%)	2.47
Subordinated debt (%)	7.33
Triparty Repo/ Clearcorp Repo Order Matching System (%)	0.92
Loan from Related Party (%)*	0.44
Total	100.00

* demand loan from Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)

We have also diversified our sources of liabilities through public issues of non-convertible debentures in May 2019, November 2018, July 2018, January 2014, June 2014 and February 2015. Further, we also raised funds by way of a 'Rupee denominated bond' (Masala Bonds) offering (outside India) in October 2016. We have completed our maiden perpetual bonds issue of ₹3 billion during FY2018. Over the years, we have added a number of new sources of funding ranging from new banks, mutual funds, insurance companies, pension and provident funds, non-banking companies as our lenders leading to well diversified sources of funding.

Robust risk management systems and independent processes which are well defined

The Company believes its business processes ensure complete independence of functions and a segregation of responsibilities. The Company believes its credit appraisal and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as its risk management processes and policies allow layers of multiple checks and verifications. These legal and technical verifications includes collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Furthermore, the Company's processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of the Company's workforce, processes and technology. The Company's key business processes are regularly monitored by the business or operations head.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries. We believe that our procedures have ensured that the eventual write off (aggregate of bad-debts and advances written off and loss on sale of non performing assets) of loans due to non-recovery has remained low at 0.54% of our total Loan Book as per Ind AS in year ended March 31, 2019.

The Company believes that it has the necessary internal controls and risk management systems in the Company to assess and monitor risks across various business lines. The risk management systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. The Company seeks to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

Strategies

Optimising return while maintaining the quality of the Company's Loan Book

We have consciously chosen to focus on building a secured loan book. Secured Loan Book as per Ind AS represented 89.62% of our total Loan Book as per Ind AS as at March 31, 2019. We believe that the credit and risk management systems we have implemented will adequately enable us to optimise our product mix in our loan book. With this strategy, we believe that we are able to maintain our margins in the event the interest rate becomes volatile and keep our credit costs to the minimum in the event of downturn in the economy.

Improve the Company's credit ratings to optimise cost of funds

The Company funds its capital requirements through a variety of sources, including credit facilities from banks, issuance of non-convertible debentures, money market borrowings foreign currency convertible bonds, commercial paper, collateralised lending and borrowing obligations, inter-corporate loans and inter corporate deposits. During the last three Fiscals, the Company has upgraded its long-term credit rating from "AA-" to "AA+" though there have been some slippages in the recent past arising out of environmental issues. For details of the Company's credit ratings as at June 30, 2019, please see section titled "Business-Credit Rating" on page 49 of this Tranche II Prospectus.

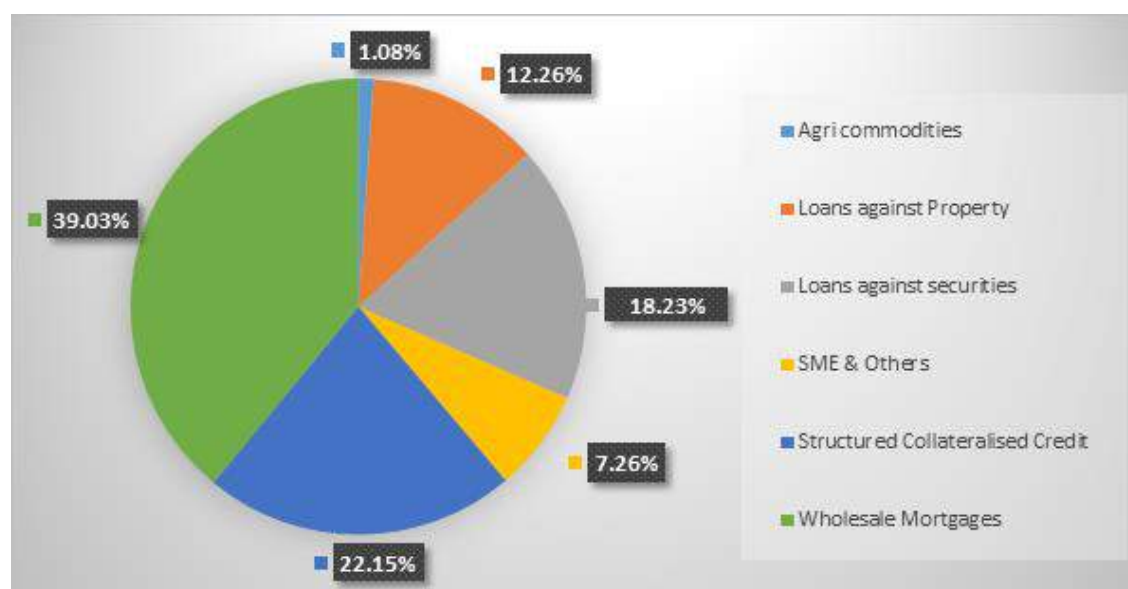
We believe that we have been able to achieve relatively stable and competitive cost of funds from a range of sources despite the difficult conditions in the global and Indian economy resulting in reduced liquidity and increased interest rates, primarily due to our credit ratings and the goodwill associated with the Edelweiss brand name. Over the past three years, we have focused on improving our assets liability management by ensuring that we align our liabilities profile with our assets profile. As our assets profile moved towards a longer duration with the addition of retail mortgages - loans against property and SME finance, we also suitably modified our liability mix by targeting higher long term borrowings from banks

instead of shorter term borrowing from debt markets or money markets. We have also increased long term market borrowing through the placements of non-convertible debentures and have diversified our sources of borrowing by obtaining credit facility from a number of banks. Based on our increasingly strong balance sheet, we believe that we will be able to continue improving our credit ratings and access newer sources of funds

Products

ECL launched its credit business in 2007. Thereafter we have successfully diversified into many different, though interdependent, lines of credit businesses, which enable us to capture opportunities across entire fixed income domain by harnessing synergies between the principal and agency sides of this business and providing alternative solutions to clients for meeting their debt requirements. Similarly, the diversification into retail finance groups large retail segments together with other similar lines of businesses. Our total Loan Book as per Ind AS as at March 31, 2019 was ₹ 244,085.43 million and our total Loan Book as per Ind AS as at March 31, 2018 was ₹ 224,785.98 million.

The following chart illustrates the Loan Book attributable to each product line, as at March 31, 2019:



The below paragraphs set out the total Loan Book attributable to each product line as at March 31, 2019.

Structured Collateralised Credit

Our structured collateralised credit loans constituted 22.15% of our total Loan Book as per Ind AS at March 31, 2019. Structured collateralised credit loans are offered mostly to corporates against collateral such as liquid market securities, pledge of other securities, pledge of shares by promoters, immovable property etc. The loans include bridge financing or other short term loans to corporates. The funds raised are utilised for the working capital requirement of the corporates, expansion and diversification of business among other uses. The tenure of the loans is generally up to two years.

Wholesale Mortgages

Our wholesale mortgage finance loans constituted 39.03% of our total Loan Book as per Ind AS at March 31, 2019. Our wholesale mortgage financing enables developers to raise money for the development of real estate projects. Our wholesale mortgage financing is usually loaned against real estate collateral and cash flows from real estate projects to meet short term and medium-term requirements.

SME Finance and others

Our SME finance and other loans (“**SME Finance**”) constituted 7.26% of our total Loan Book as per Ind AS at March 31, 2019. SME Finance loans fund proprietorship firms, partnership firms, private limited companies, closely held public limited companies and self-employed professionals, primarily for the purposes of business expansion, meeting working capital requirements, financing the purchase of capital equipment, refinancing existing loans and purchasing commercial property. SME Finance is generally secured by the personal guarantee of promoters or partners or proprietors and the SME's property acts as a collateral.

ESOP and Margin Funding Loans

The Company's EOP and Margin Funding Loans constituted 18.23% of our total Loan Book as per Ind AS at March 31, 2019. This is a loan facility offered against liquid marketable security wherein investors borrow funds against their existing portfolio of investments and for exercise of ESOPs. Other financial products under this product include public issue financing, loans against mutual fund units or bonds and other capital market instruments.

Retail Mortgages—Loans against Property

The Company's retail mortgages—loans against property (“**LAP**”) constituted 12.26% of our total Loan Book as per Ind AS at March 31, 2019. LAP is a loan facility offered mostly to self-employed individuals requiring funds for business purposes against mortgage of residential or commercial property. As part of LAP, a lease rental discounting product is also offered when the lessee is a large corporate. The funds that are raised are utilised for meeting their business and investment needs.

Agricultural Commodities Financing

The Company's agricultural commodities financing portfolio constituted 1.08% of our total Loan Book as per Ind AS at March 31, 2019. As a part of agricultural value chain services, the Company extends short-term finance (of a tenure of three to nine months) against agricultural inventory stored in warehouses managed by its sister concerns. The Company funds goods stored in warehouses managed by its sister concerns only as a part of its risk management policy.

The Company believes that the provision of financing for agricultural commodities in India presents a significant opportunity for the agricultural industry and the credit industry. Currently only banks offer agricultural credit in the organised sector, with a large portion of the credit coming from the unorganised sector. The Company is making efforts to increase its share of agricultural credit in the organised sector.

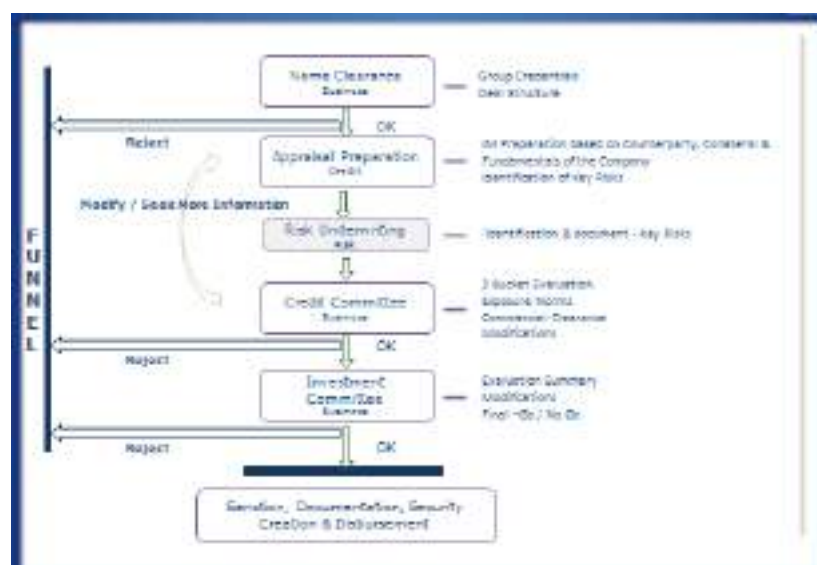
Office Network

As at June 30, 2019, the Company had 120 offices (excluding its registered office), as follows:



*Note: Map not to scale
Credit Appraisal*

The below flow chart depicts the Company's basic credit appraisal process:



Asset Quality

We maintain our asset quality by adhering to credit evaluation standards, limiting exposure and interacting with customers directly and regularly. We ensure that prudent LTV ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. We periodically inspect, either by ourselves or by internal auditors, our customers and the assets financed on a random basis. Our employees conduct tele-verification of the customers' key details and close follow-up is undertaken to ensure timely collection and control overdues. The Company believes it follows the necessary risk management policies to ensure that the asset quality of its credit book remains comfortable.

The table below sets out the details on the Company's Stage 3, NPAs, as the dates indicated:

(in ₹ million)

Particulars	As at the end of March 31, 2019
Loan Book as per Ind AS	244,085.43
Stage 3 Assets	5,687.55
Stage 3 Provisions	3,358.72
GNPAs	1.87%
Net NPAs	0.69%

Borrowings

Please refer to the section titled "Financial Indebtedness" on page 84 of this Tranche II Prospectus.

Credit Rating

The details of the credit ratings received by the Company in respect of its indebtedness (including ratings for its market linked debentures, commercial papers and NCDs) as at September 30, 2019 are set out below:

(in ₹ million)

S. No.	Rating Agency	Amount	Purpose	Rating	With Effect From
1.	Crisil	39,800.00	Long Term-NCD	CRISIL AA- /stable	7-Oct-19
2.	Crisil	11,900.00	Long Term-SP	CRISIL PP-MLD AA-r/stable	7-Oct-19
3.	Crisil	150,000.00	BLR	CRISIL AA- /stable	7-Oct-19
4.	Crisil	350.00	Long Term-SP	CRISIL PP-MLD AA-r/stable	7-Oct-19
5.	Crisil	12,000.00	Short Term - SP	CRISIL PP-MLD A1+r	7-Oct-19
6.	CARE	2,032.80	Long Term-SP	CARE PP-MLD AA-/stable	18-Oct-19
7.	CARE	14,000.00	Long Term Sub-Debt	CARE AA-/stable	18-Oct-19
8.	CARE	1,519.70	Long Term-Retail NCD	CARE AA-/stable	18-Oct-19
9.	CARE	126,866.60	BLR	CARE AA-/stable	18-Oct-19
10.	CARE	50,000.00	CPs-ST	CARE A1+	10-Sep-19
11.	CARE	17,110.00	Long Term-NCD	CARE AA-/stable	18-Oct-19
12.	ICRA	180,000.00	BLR	[ICRA] AA-	25-Jun-19
13.	ICRA	1,000.00	Long Term-SP	PP-MLD [ICRA]AA-	25-Jun-19
14.	ICRA	5,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
15.	ICRA	5,000.00	Long Term-SP	PP-MLD [ICRA]AA-	25-Jun-19

S. No.	Rating Agency	Amount	Purpose	Rating	With Effect From
16.	ICRA	4,000.00	Long Term Sub-Debt	[ICRA] AA-	25-Jun-19
17.	ICRA	8,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
18.	ICRA	4,500.00	Long Term Sub-Debt	[ICRA] AA-	25-Jun-19
19.	ICRA	3,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
20.	ICRA	7,500.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
21.	ICRA	2,000.00	Short Term - SP	PP-MLD [ICRA]A1+	25-Jun-19
22.	ICRA	5,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
23.	Crisil	60,000.00	CPs- Episodic	CRISIL A1+	7-Oct-19
24.	ICRA	2,000.00	Short Term - SP	PP-MLD [ICRA]A1+	25-Jun-19
25.	ICRA	1,000.00	Short Term - NCD	[ICRA] A1+	25-Jun-19
26.	CARE	50,000.00	CPs- Episodic	CARE A1+	30-Sep-19
27.	BWR	1,000.00	Long Term Sub-Debt	BWR AA	21-Sep-19
28.	ICRA	7,862.50	Long Term-NCD	[ICRA] AA-	25-Jun-19
29.	ICRA	5,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
30.	ICRA	5,000.00	Short Term - SP	PP-MLD [ICRA]A1+	25-Jun-19
31.	ICRA	5,116.30	Long Term-SP	PP-MLD [ICRA]AA-	25-Jun-19
32.	BWR	4,000.00	Long Term Sub-Debt	BWR AA	21-Sep-19
33.	ICRA	20,000.00	Long Term-Retail NCD	[ICRA] AA-	25-Jun-19
34.	ICRA	3,000.00	Long Term Sub-Debt	[ICRA] AA-	25-Jun-19
35.	BWR	1,500.00	Long Term-NCD	BWR AA	21-Sep-19
36.	ICRA	3,000.00	Long Term-Sub-Debt SP	PP-MLD [ICRA]AA-	25-Jun-19
37.	ICRA	10,000.00	Long Term-SP	PP-MLD [ICRA]AA-	25-Jun-19
38.	ICRA	20,000.00	Long Term-NCD	[ICRA] AA-	25-Jun-19
39.	ICRA	20,000.00	Long Term-Retail NCD	[ICRA] AA-	25-Jun-19
40.	ICRA	4,000.00	Short Term - NCD	[ICRA] A1+	25-Jun-19
41.	ICRA	20,000.00	Long Term-Retail NCD	[ICRA] AA-	25-Jun-19
42.	Crisil	9,691.50	Long Term-SP	CRISIL PP-MLD AA-r/stable	7-Oct-19
43.	BWR	2,000.00	Long Term-NCD	BWR AA	21-Sep-19
44.	Crisil	4,000.00	Long Term Sub-Debt	CRISIL AA- /stable	7-Oct-19
45.	BWR	1,500.00	Long Term-SP	BWR PP-MLD AA	21-Sep-19
46.	BWR	3,000.00	Perp-Debt	BWR AA-	21-Sep-19
47.	BWR	1,500.00	Long Term-NCD	BWR AA	21-Sep-19
48.	BWR	5,000.00	Long Term-Retail NCD	BWR AA	21-Sep-19
49.	Crisil	50,000.00	CPs-ST	CRISIL A1+	7-Oct-19
50.	Crisil	20,000.00	Long Term-NCD	CRISIL AA- /stable	7-Oct-19
51.	ACUITE	3,000.00	Perp-Debt	ACUITE AA	1-Aug-19

S. No.	Rating Agency	Amount	Purpose	Rating	With Effect From
52.	Crisil	3,000.00	Long Term-SP	CRISIL PP-MLD AA-r/stable	7-Oct-19
53.	Crisil	20,000.00	Long Term-Retail NCD	CRISIL AA- /stable	7-Oct-19
54.	Crisil	15,000.00	Long Term-NCD	CRISIL AA- /stable	7-Oct-19
55.	CARE	3,000.00	Long Term-SP	CARE PP-MLD AA-/stable	18-Oct-19
56.	CARE	20,000.00	Long Term-Retail NCD	CARE AA-/stable	18-Oct-19
57.	Crisil	20,000.00	Long Term-Retail NCD	CRISIL AA- /stable	7-Oct-19

Capital Adequacy

The Company is subject to the capital adequacy ratio (“CAR”) requirements as prescribed by the RBI. The Company is currently required to maintain a minimum of 15.00 per cent. as prescribed under the Prudential Norms of the RBI based on its total capital to risk weighted assets. As part of the Company’s governance policy, it maintains capital adequacy higher than the statutorily prescribed CAR.

The table below sets out the Company’s CAR, which is computed on the basis of the applicable RBI requirements, as at the dates indicated.

Particulars	As at March 31, 2019*
CAR prescribed by RBI	15.00%
Percentage of capital funds to risk weighted assets/ exposure (capital adequacy ratio)	19.27%
Out of which:	
Tier I Capital	14.27%
Tier II Capital	5.00%

*based on Ind AS

Risk Management Policy

The Company has a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by a business risk group. The EFSL Group has also established a global risk committee that is responsible for managing the risk arising out of various business activities at a central level.

The Company extends loans to its clients by way of corporate and SME loans, LAS, public issue funding, ESOP funding and retail mortgages—loans against property. The Company’s risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, the Company follows conservative lending norms. The EFSL Group centralises the risk monitoring systems to monitor the Company’s client’s credit exposure which is in addition to the monitoring undertaken by the respective businesses.

During Fiscal 2019, the Company had low NPAs in its portfolio based on 90 days past due norm and provides for 0.40 per cent. of general loan loss provisions on outstanding standard asset category loans based on the current RBI guidelines. The Company’s average loan-to-value ratio at the initiation of collateralised loans is usually approximately 45.00 to 50.00 per cent. Typically, in the event the collateral cover falls below two times, a notification of top-up with liquidation is sent to the Company’s clients. Moreover, the Company’s and the EFSL Group’s risk management policy framework ensures that there is adequate collateral cover in the Loan Book.

The Company had low Stage 3 Assets as at 31 March, 2019 in its portfolio, under the Expected Credit Loss Model under Ind AS. It provides adequately on the Stage I Assets and Stage II Assets based on the product wise Probability of Default(s) and associated Loss Given Default(s) percentages based on the credit loss

experiences in the past and the macroeconomic factors influencing the extant loan portfolio. The Company's average loan-to-value ratio at the initiation of collateralised loans is usually approximately 45.00 per cent. to 50.00 per cent. Typically, in the event the collateral cover falls below two times, a notification of top-up with liquidation is sent to its clients. Moreover, the EFSL Group's and the Company's risk management policy framework ensures that there is adequate collateral cover in the Loan Book.

The risk management policy also identifies other risks such as counterparty and liquidity risks in light of security-based lending. The Company has a policy of funding against approved scrips with adequate coverage. Furthermore, the Company keeps its sectoral exposure within prescribed limits as stipulated by the RBI, by avoiding a concentration in any particular sector.

Employees

The Company believes that its human capital is one of its most important strengths and is the driver of growth, efficiency and productivity. As a result, the Company invests in developing its talent and leadership through various initiatives. The Company has launched several initiatives aimed at strengthening the ability of its managers to bring together people, strategies, and execution to drive business results. The EFSL Group also has a leadership programme with the objective of multiplying leadership capability, developing internal leaders and ensuring seamless execution of its growth targets in the future. The Company is an integral part of this leadership programme of the EFSL Group. Approximately 6.00 per cent. of the EFSL Group's employees are in the four-tiered Edelweiss leadership pool. They comprise of management committee members, senior leaders, business leaders and emerging leaders, each of whom undergo a structured engagement, communication and development programme during their membership period in the Edelweiss leadership pool. A number of the Company's employees form a part of these groups.

The number of personnel employed by the Company at the respective dates are as listed below.

<u>Particulars</u>	<u>As at June 30, 2019</u>
Number of employees	1,400

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Key Milestones and Major Events

Financial Year	Particulars
2019	The total Loan Book as per Ind AS of our Company was ₹ 244,085.43 million as on March 31, 2019

OUR MANAGEMENT

Other than as described below, there are no recent material developments in relation to our Company's management since the filing of the Shelf Prospectus:

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

Details relating to Directors

Name, Designation, DIN, Nationality, Occupation and Address	Age	Other Directorships
<p>Mr. Rashesh Shah</p> <p>Designation: Chairman & Managing Director</p> <p>DIN: 00008322</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>Date of Appointment: August 01, 2013</p> <p>Term: 5 years from August 01, 2016</p> <p>Address: B- 233, 10th Floor, Kalpataru Horizon – B, S.K. Ahire Marg, Worli, Mumbai – 400 018 Maharashtra</p>	55 years	<ol style="list-style-type: none"> 1. Edelweiss Financial Services Limited; 2. Edelweiss Tokio Life Insurance Company Limited; 3. Federation of Indian Chamber of Commerce and Industry; 4. Mabella Trustee Services Private Limited; and 5. Rashesh & Vidya Shah Family Foundation.
<p>Mr. Deepak Mittal</p> <p>Designation: Managing Director & CEO</p> <p>DIN: 00010337</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>Date of Appointment: February 18, 2019</p> <p>Term: 5 years from February 18, 2019</p> <p>Address: B-1103, Ashok Towers, Dr. S. S. Rao Road, Parel, Mumbai- 400012 Maharashtra</p>	46 years	<ol style="list-style-type: none"> 1. Edel Give Foundation; 2. Edelweiss Tokio Life Insurance Company Limited; and 3. Edelweiss Housing Finance Limited

Name, Designation, DIN, Nationality, Occupation and Address	Age	Other Directorships
<p>Ms. Vidya Shah</p> <p>Designation: Non-Executive Director</p> <p>DIN: 00274831</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>Date of Appointment: March 20, 2015</p> <p>Term: Liable to retire by rotation</p> <p>Address: B- 223, 9th Floor, Kalpataru Horizon – B, S.K. Ahire Marg, Worli, Mumbai – 400 018, Maharashtra</p>	53 years	<ol style="list-style-type: none"> 1. Common Purpose India; 2. EdelGive Foundation; 3. Edelweiss Asset Reconstruction Company Limited; 4. Edelweiss Financial Services Limited; 5. Toolbox India Foundation; 6. Mabella Trustee Services Private Limited; and 7. Rashesh & Vidya Shah Family Foundation.
<p>Mr. Pudugramam Narayanaswamy Venkatachalam</p> <p>Designation: Independent Director</p> <p>DIN: 00499442</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Date of Appointment: December 20, 2007</p> <p>Term: Five years with effect from August 30, 2017 till the conclusion of the 17th Annual General Meeting to be held in the year 2022</p> <p>Address: Flat No. 3C, Settlur Manor No.2, Sivaswamy Street, (Behind UTI Bank), Off Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004, Tamil Nadu</p>	75 years	<ol style="list-style-type: none"> 1. Edelweiss Finance & Investments Limited; 2. Edelweiss Financial Services Limited; 3. Edelweiss Housing Finance Limited; 4. Edelweiss Tokio Life Insurance Company Limited; 5. Sundaram BNP Paribas Home Finance Limited; 6. Sundaram Finance Limited; and 7. Edelweiss Asset Reconstruction Company Limited.
<p>Mr. Biswamohan Mahapatra</p> <p>Designation: Independent Director</p> <p>DIN: 06990345</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p> <p>Date of Appointment: July 18, 2017</p> <p>Term: Five years with effect from August 30, 2017 till the conclusion of the 17th Annual General Meeting to be held in the year 2022</p> <p>Address: Flat No. 502, Floor. 5, Wing M1, Riddhi Gardens M1 Riddhi Gardens CHSL, Gen. A.K Vaidya Marg, Malad (E),</p>	65 years	<ol style="list-style-type: none"> 1. Edelweiss Financial Services Limited; 2. HDFC Credila Financial Services Private Limited; 3. Edelweiss General Insurance Company Limited; 4. Ujjivan Small Finance Bank Limited; and 5. National Payments Corporation of India.

Name, Designation, DIN, Nationality, Occupation and Address	Age	Other Directorships
Mumbai – 400 097, Maharashtra		
<p>Mr. Venkatchalam Ramaswamy</p> <p>Designation: Vice Chairman and Non-Executive Director</p> <p>DIN: 00008509</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>Date of Appointment: March 5, 2019</p> <p>Term: Liable to retire by rotation</p> <p>Address: 142, Beach Towers, P. Balu Road, Prabhadevi, Mumbai – 400 025, Maharashtra</p>	53 years	<ol style="list-style-type: none"> 1. Edelweiss Finance & Investments Limited; 2. Edelweiss Financial Services Limited; 3. Edelweiss Asset Reconstruction Company Limited; 4. Edelweiss Investment Advisors Private Limited; 5. Edelweiss Capital (Singapore) Pte. Ltd; and 6. Edelweiss Alternative Asset Advisors Pte. Ltd.
<p>Mr. Kunnasagaran Chinniah</p> <p>Designation: Independent Director</p> <p>DIN: 01590108</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>Date of Appointment: February 18, 2019</p> <p>Term: 3 years, from February 18, 2019 till February 18, 2022.</p> <p>Address: 12, Countryside Grove, Singapore 789 967</p>	62 years	<ol style="list-style-type: none"> 1. Edelweiss Financial Services Limited; 2. Nirlon Limited; 3. Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited); 4. Edelweiss Capital (Singapore) Pte. Ltd.; 5. Changi Airport International Pte. Ltd. 6. Keppel Infrastructure Fund Management Pte Ltd.; 7. Azalea Asset Management Pte. Ltd; 8. Astrea III Pte. Ltd.; 9. Azalea Investment Management Pte. Ltd.; 10. Hindu Endowments Board; 11. Greenko Energy Holdings; 12. Edelweiss Securities Limited; 13. Edelweiss Finvest Private Limited; and 14. Edelweiss Tokio Life Insurance Company Limited
<p>Mr. Lim Meng Ann</p> <p>Designation: Non-Executive Director (Investor Nominee Director)</p> <p>DIN: 08134665,</p> <p>Nationality: Singaporean</p> <p>Occupation: Director</p> <p>Date of Appointment: May 7, 2019,</p> <p>Term: Not liable to retire by rotation</p> <p>Address 28, King’s Road, Singapore 268080.</p>	56 years	<ol style="list-style-type: none"> 1. Cubic City Service Apartment Group Holdings Limited; 2. TVS Supply Chain Solutions Limited; 3. CDPQ Asia Pacific Pte. Ltd.; 4. CDPQ Private Equity Asia Pte. Ltd.; and 5. CDPQ Private Equity Asia II Pte. Ltd.

Profile of Directors

Lim Meng Ann, Non-Executive Director (Investor Nominee Director)

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

Confirmations

None of our Directors nor our Promoter have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities. None of our Directors nor our Promoter have been identified as a 'wilful defaulter' by any financial institution or bank, or a consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI. None of our directors features in any list of defaulter by ECGC or any government/regulatory authority.

Interest of the Directors

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. Further, none of the Directors of our Company have any interest in the promotion of our Company or any immovable property acquired by our Company in the two years preceding the date of this Tranche II Prospectus or any immovable property proposed to be acquired by it.

All the Directors of our Company, including the Independent Directors, may also be deemed to be interested to the extent of Equity Shares or debentures, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares or debentures.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in the Shelf Prospectus in "*History and Certain other Corporate Matters*" on page 117 of the Shelf Prospectus and on page 65 of this Tranche II Prospectus and the statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Tranche II Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements and which may be entered into with them. None of our Directors' relatives have been appointed to an office or place of profit.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by the Company in the preceding two years of filing this Tranche II Prospectus. No benefit/interest will accrue to our Promoters/Directors out of the objects of the Tranche II Issue.

As on September 30, 2019, there are no loans outstanding to our Directors.

Shareholding of Directors, including details of qualification shares held by Directors

Our Company's Articles of Association do not require our Directors to hold any qualification shares in our Company. None of the Directors of our Company, hold any Equity Shares in our Company, as on the date of this Tranche II Prospectus.

Changes in the Directors of our Company during the last three years:

Name of Director	Date of Change	Director of the Company since	DIN	Reason	Designation
Mr. Lim, Meng Ann	May 7, 2019	May 7, 2019	08134665	Appointment	Non-Executive Director (Investor Nominee Director)
Mr. Himanshu Kaji	July 1, 2019	August 1, 2013	00009438	Resignation	Executive Director

Details of various Committees

The Board has reconstituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, ALCO and IT Strategy Committee in its meeting held on August 13, 2019. The members of the Committees as on date are as follows:

1. Audit Committee

Mr. P.N.Venkatachalam
Mr. Biswamohan Mahapatra
Mr. Lim Meng Ann

2. Nomination and Remuneration Committee

Mr. P.N.Venkatachalam
Mr. Biswamohan Mahapatra
Ms. Vidya Shah
Mr. Lim Meng Ann

The terms of reference of Nomination and Remuneration Committee will be read as below:

- a. annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- b. identify the persons who can become directors, explore their interest and availability for board service, nominate for the approval of the Board candidates to fill board vacancies as and when they arise;
- c. to ensure 'fit and proper' status and credentials of proposed/existing directors;
- d. formulate the criteria for determining the qualifications, positive attributes etc. and independence of a director;
- e. annually review and recommend the salary, bonus, equity option plan other compensation to the Key Employees (as defined in Shareholders Agreement dated March 5, 2019 executed by and amongst the Company, its Members and CDPQ Private Equity Asia Pte. Ltd.), as well as the quantitative & qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;
- f. make recommendations to the Board regarding:
 - (i) policy relating to the remuneration for the directors and Key Employees
 - (ii) plans for succession for both executive and non-executive directors, as well as Key Employees
- g. review the performance of Key Employees in case of significant underperformance by the Company w.r.t. expected profitability, net worth, quality of assets, etc. and review the reasons for

such under performance and evaluate the performance of Key Employees. The Committee shall recommend to the Board to take appropriate steps including revision of the remuneration/compensation of the relevant Key Employee or any other action as it may deem fit.

- h. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities
- i. The Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference
- j. Such other functions may be required to be performed by the Committee under the requirements of applicable laws.

3. Corporate Social Responsibility Committee

Mr. Deepak Mittal
Mr. P.N.Venkatachalam
Mr. Kunnasagaran Chinniah

4. Stakeholders Relationship Committee

Mr. P.N.Venkatachalam
Ms. Vidya Shah
Mr. Deepak Mittal

5. Risk Management Committee:

Mr. Deepak Mittal
Mr. Kunnasagaran Chinniah
Mr. Biswamohan Mahapatra
Mr. P.N.Venkatachalam
Mr. Venkatchalam Ramaswamy
Mr. Lim Meng Ann

6. Asset Liability Management Committee:

Mr. Deepak Mittal
Mr. Venkatchalam Ramaswamy
Designated CFO (Mr. Sarju Simaria)
Mr. Deepak Mundra
Ms. Shilpa Gattani
Mr. Lim Meng Ann
Mr. Prakash Gupta
Mr. Sunil Srivastava

Invitee: Designated CTO (Mr. Rukesh Patel)

7. IT Strategy Committee

Mr. Biswamohan Mahapatra
Mr. Deepak Mittal
Mr. Phanindranath Kakarla
Mr. Rukesh Patel
Mr. Prakash Gupta

OUR PROMOTER

Profile of our Promoter

Our Promoter is Edelweiss Financial Services Limited (CIN: L99999MH1995PLC094641). Our Promoter was incorporated on November 21, 1995 as a public limited company under the provisions of the Companies Act, 1956 as Edelweiss Capital Limited. Our Promoter received the certificate of commencement of business on January 16, 1996. Further, the name of our Promoter was changed to Edelweiss Financial Services Limited pursuant to fresh certificate of Incorporation dated August 1, 2011 issued by the Registrar of Companies, Maharashtra at Mumbai. The registered office of our Promoter is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400 098.

Our Promoter has obtained a certificate of permanent registration dated October 11, 2012 bearing registration no INM0000010650 issued by the Securities and Exchange Board of India to carry on the activities as a Category I Merchant Banker.

Interest of our Promoter in our Company

Except as stated under the chapter titled “*Capital Structure*” on page 51 of the Shelf Prospectus and page 39 of the Tranche II Prospectus and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company’s business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Tranche II Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Further as on September 30, 2019, our Company, has no outstanding bank facilities, which have been guaranteed by our Promoter.

Details of allotment made to Promoters during last three financial years are as follows:

Sr. No.	Name of Promoter	Number of Shares Allotted	Date of Allotment
1	Edelweiss Financial Services Limited	162,030,004	August 1, 2018

Shareholding pattern of our Promoter as on September 30, 2019

The following are the statements representing the shareholding pattern of EFSL:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	12	30,72,84,490	-	-	30,72,84,490	32.91%	30,72,84,490	-	30,72,84,490	32.91%	-	32.91%	-	-	52,308,000	17.02%	30,72,84,490
(B)	Public	1,58,819	58,16,11,444	-	-	58,16,11,444	62.28%	58,16,11,444	-	58,16,11,444	62.28%	-	62.28%	-	-	-	-	58,16,11,444
(C)	Non Promoter - Non Public	2	4,48,96,780	-	-	4,48,96,780	4.81%	4,48,96,780	-	4,48,96,780	4.81%	-	4.81%	-	-	-	-	4,48,96,780

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held By Employee Trust	2	4,48,96,780	-	-	4,48,96,780	4.81%	4,48,96,780	-	4,48,96,780	4.81%	-	4.81%	-	-	-	-	4,48,96,780
	Total	1,58,833	93,37,92,714	-	-	93,37,92,714	100.00%	93,37,92,714	-	93,37,92,714	100.00%	-	100.00%	-	-	5,23,08,000	5.60%	93,29,78,104

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class eg: Equity Shares	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
1	Indian																		
(a)	Individuals / Hindu Undivided Family		9	2,643,84,490	-	-	2,643,84,490	28.31%	2,643,84,490	-	2,643,84,490	28.31%	-	28.31%	-	-	4,91,08,000	18,5745	26,4384,490
	Rashesh Chandrakant Shah	AAGPS5933G	-	14,53,01,730	-	-	14,53,01,730	15.56%	14,53,01,730	-	14,53,01,730	15.56%	-	15.56%	-	-	2,30,00,000	15,8291	14,53,01,730
	Venkatchalam A Ramaswamy	AADPR1740H	-	5,80,26,560	-	-	5,80,26,560	6.21%	5,80,26,560	-	5,80,26,560	6.21%	-	6.21%	-	-	1,75,00,000	30,1586	5,80,26,560
	Vidya Rashesh Shah	AMEPS3037M	-	3,30,31,200	-	-	3,30,31,200	3.54%	3,30,31,200	-	3,30,31,200	3.54%	-	3.54%	-	-	61,08,000	18,4916	3,30,31,200
	Aparna T Chandrashekar	AEUPC2507C	-	1,22,10,000	-	-	1,22,10,000	1.31%	1,22,10,000	-	1,22,10,000	1.31%	-	1.31%	-	-	25,00,000	20,4750	1,22,10,000
	Kaavya Arakoni Venkat	AOJPA3266M	-	1,17,90,000	-	-	1,17,90,000	1.26%	1,17,90,000	-	1,17,90,000	1.26%	-	1.26%	-	-	-	-	1,17,90,000

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Avanti Rashesh Shah	BMCPS 7421L	-	20,00,000	-	-	20,00,000	0.21%	20,00,000	-	20,00,000	0.21%	-	0.21%	-	-	-	-	20,00,000
	Sneha Sripad Desai	AJEPD1 297P	-	10,25,000	-	-	10,25,000	0.11%	10,25,000	-	10,25,000	0.11%	-	0.11%	-	-	-	-	10,25,000
	Shilpa Urvish Mody	AAHPM 5200B	-	9,50,000	-	-	9,50,000	0.10%	9,50,000	-	9,50,000	0.10%	-	0.10%	-	-	-	-	9,50,000
	Arakoni Venkatachalam Ramaswamy	AALPR4 970P	-	50,000	-	-	50,000	0.01%	50,000	-	50,000	0.01%	-	0.01%	-	-	-	-	50,000
(b)	Central Government / State Government(s)		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(c)	Financial Institutions / Banks		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(d)	Any Other (Specify)		2	4,19,50,000	-	-	4,19,50,000	4.50%	4,19,50,000	-	4,19,50,000	4.50%	-	4.50%	-	-	32,00,000	7.6281	4,19,50,000
	Bodies Corporate/Trust		2	4,19,50,000	-	-	4,19,50,000	4.50%	41,950,000	-	4,19,50,000	4.50%	-	4.50%	-	-	32,00,000	7.6281	4,19,50,000

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	AASTS6413P	-	3,87,50,000	-	-	3,87,50,000	4.15%	3,87,50,000	-	3,87,50,000	4.15%	-	4.15%	-	-	-	-	3,87,50,000
	Spire Investment Advisors Llp	ABWFS7286H	-	32,00,000	-	-	32,00,000	0.34%	32,00,000	-	32,00,000	0.34%	-	0.34%	-	-	32,00,000	100.0000	32,00,000
	Sub Total (A)(1)		11	30,63,34,490	-	-	30,63,34,490	32.81%	30,63,34,490	-	30,63,34,490	32.81%	-	32.81%	-	-	5,23,08,000	17.0755	30,63,34,490
2	Foreign																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		1	950,000	-	-	950,000	0.10%	950,000	-	950,000	0.10%	-	0.10%	-	-	-	-	950,000
	Sejal Premal Parekh	AOJPP3528H		9,50,000	-	-	9,50,000	0.10%	9,50,000	-	9,50,000	0.10%	-	0.10%	-	-	-	-	9,50,000

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(b)	Government		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(e)	Any Other (Specify)		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
	Sub Total (A)(2)		1	9,50,000	-	-	9,50,000	0.10%	9,50,000	-	9,50,000	0.10%	-	0.10%	-	-	-	-	9,50,000
	Total Shareholding Of Promoter And Promoter Group (A) = (A)(1) + (A)(2)		12	30,72,84,490	-	-	30,72,84,490	32.91%	30,72,84,490	-	30,72,84,490	32.91%	-	32.91%	-	-	5,23,08,000	17,02,27	30,72,84,490

Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
1	Institutions																		
(a)	Mutual Fund		8	2,37,11,394	-	-	2,37,11,394	2.54%	2,37,11,394	-	2,37,11,394	2.54%	-	2.54%	-	-	-	-	2,37,11,394
	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Capopportunities Fund	AAATH1809A	-	1,89,26,712			1,89,26,712	2.03%	1,89,26,712	-	1,89,26,712	2.03%	-	2.03%	-	-	-	-	1,89,26,712
(b)	Venture Capital Funds		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(c)	Alternate Investment Funds		3	5,91,609	-	-	5,91,609	0.06%	5,91,609	-	5,91,609	0.06%	-	0.06%	-	-	-	-	5,91,609
(d)	Foreign Venture Capital Investors		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(e)	Foreign Portfolio Investor/Foreign Institutional Investors		243	27,97,00,588	-	-	27,97,00,588	29.95%	27,97,00,588	-	27,97,00,588	29.95%	-	29.95%	-	-	-	-	27,97,00,588
	BIH SA	AADCB9345B		2,51,52,620	-	-	2,51,52,620	2.69%	2,51,52,620	-	2,51,52,620	2.69%	-	2.69%	-	-	-	-	2,51,52,620
	CDPQ Private Equity Asia II Pte. Ltd.	AAGCC6510Q		1,40,00,000	-	-	1,40,00,000	1.50%	1,40,00,000	-	1,40,00,000	1.50%	-	1.50%	-	-	-	-	1,40,00,000
	The Pabrai Investment Fund Iv, Lp	AAIFT9163B		1,27,24,000	-	-	1,27,24,000	1.36%	1,27,24,000	-	1,27,24,000	1.36%	-	1.36%	-	-	-	-	1,27,24,000
	Baron Emerging Markets Fund	AAECB4051F		1,14,63,428	-	-	1,14,63,428	1.23%	1,14,63,428	-	1,14,63,428	1.23%	-	1.23%	-	-	-	-	1,14,63,428
(f)	Financial Institutions / Banks		7	2,06,39,706	-	-	2,06,39,706	2.21%	2,06,39,706	-	2,06,39,706	2.21%	-	2.21%	-	-	-	-	2,06,39,706

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: Preference Shares	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C 2)	(XII)		(XIII)		(XIV)	
	Life Insurance Corporation Of India	AAACL0582H		1,94,04,534	-	-	1,94,04,534	2.08%	1,94,04,534	-	1,94,04,534	2.08%	-	2.08%	-	-	-	-	1,94,04,534
(g)	Insurance Companies		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(h)	Provident Funds/ Pension Funds		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(i)	Any Other (Specify)		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
	Sub Total (B)(1)		263	32,57,90,102	-	-	32,57,90,102	34.89%	32,57,90,102	-	32,57,90,102	34.89%	-	34.89%	-	-	-	-	32,57,90,102
2	Central Government/ State Government(s)/ President of India		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
	Sub Total (B)(2)		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
3	Non-Institutions							0.00%				0.00%		0.00%					
(a)	Individuals		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		1,49,143	6,98,30,054	-	-	6,98,30,054	7.48%	6,98,30,054	-	6,98,30,054	7.48%	-	7.48%	-	-	-	-	6,96,48,444
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		94	10,64,91,537	-	-	10,64,91,537	11.40%	10,64,91,537	-	10,64,91,537	11.40%	-	11.40%	-	-	-	-	10,64,91,537
	Vikas Vijaykumar Khemani	ADTPK8739J	-	1,07,68,920	-	-	1,07,68,920	1.15%	1,07,68,920	-	1,07,68,920	1.15%	-	1.15%	-	-	-	-	1,07,68,920
	Deepak Mittal	AHRPM1419R	-	1,19,11,300	-	-	1,19,11,300	1.28%	1,19,11,300	-	1,19,11,300	1.28%	-	1.28%	-	-	-	-	1,19,11,300
	Priya C Khubchandani	AKXPK6448F	-	1,04,18,310	-	-	1,04,18,310	1.12%	1,04,18,310	-	1,04,18,310	1.12%	-	1.12%	-	-	-	-	1,04,18,310
	Jhunjhunwala Rakesh Radheshyam	ACPPJ9449M	-	1,00,00,000	-	-	1,00,00,000	1.07%	1,00,00,000	-	1,00,00,000	1.07%	-	1.07%	-	-	-	-	1,00,00,000
(b)	NBFCs registered with RBI		10	1,16,316	-	-	1,16,316	0.01%	1,16,316	-	1,16,316	0.01%	-	0.01%	-	-	-	-	1,16,316
(c)	Employee Trusts		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-

Category	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Classes	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(d)	Overseas Depositories(holding DRs) (balancing figure)		-	-	-	-	-	0.00%	-	-	-	0.00%	-	0.00%	-	-	-	-	-
(e)	Any Other (Specify)		9,309	7,93,83,435	-	-	7,93,83,435	8.50%	7,93,83,435	-	7,93,83,435	8.50%	-	8.50%	-	-	-	-	7,87,50,435
	IEPF		1	42,279	-	-	42,279	0.00%	42,279	-	42,279	0.00%	-	0.00%	-	-	-	-	42,279
	Trusts		16	2,03,456	-	-	2,03,456	0.02%	2,03,456	-	2,03,456	0.02%	-	0.02%	-	-	-	-	2,03,456
	Foreign Nationals		4	3,379	-	-	3,379	0.00%	3,379	-	3,379	0.00%	-	0.00%	-	-	-	-	3,379
	Hindu Undivided Family		5,661	31,10,066	-	-	31,10,066	0.33%	31,10,066	-	31,10,066	0.33%	-	0.33%	-	-	-	-	31,10,066
	Foreign Companies		2	1,41,21,180	-	-	1,41,21,180	1.51%	1,41,21,180	-	1,41,21,180	1.51%	-	1.51%	-	-	-	-	1,40,43,180
	BIH SA	AADC9345B		14,043,180	-	-	14,043,180	1.51%	14,043,180	-	14,043,180	1.51%	-	1.51%	-	-	-	-	14,043,180
	Non Resident Indians (Non Repat)		872	20,10,450	-	-	20,10,450	0.22%	20,10,450	-	20,10,450	0.22%	-	0.22%	-	-	-	-	20,10,450
	Non Resident Indians (Repat)		1,629	51,94,059	-	-	51,94,059	0.56%	51,94,059	-	51,94,059	0.56%	-	0.56%	-	-	-	-	46,39,059
	Foreign Portfolio Investor (Individual)		2	80,407	-	-	80,407	0.01%	80,407	-	80,407	0.01%	-	0.01%	-	-	-	-	80,407
	Clearing Member		211	37,20,837	-	-	37,20,837	0.40%	37,20,837	-	37,20,837	0.40%	-	0.40%	-	-	-	-	37,20,837
	Bodies Corporate		907	2,56,99,262	-	-	2,56,99,262	2.75%	2,56,99,262	-	2,56,99,262	2.75%	-	2.75%	-	-	-	-	2,56,99,262
	Directors		4	2,51,98,060	-	-	2,51,98,060	2.70%	2,51,98,060	-	2,51,98,060	2.70%	-	2.70%	-	-	-	-	2,51,98,060
	Rujan Harchand Panjwani	AAYPP406OH		1,29,66,380	-	-	1,29,66,380	1.39%	1,29,66,380	-	1,29,66,380	1.39%	-	1.39%	-	-	-	-	1,29,66,380
	Sub Total (B)(3)		1,58,566	25,58,21,342	-	-	25,58,21,342	27.40%	25,58,21,342	-	25,58,21,342	27.40%	-	27.40%	-	-	-	-	25,50,06,732
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)		1,58,819	58,16,11,444	-	-	58,16,11,444	62.28%	58,16,11,444	-	58,16,11,444	62.28%	-	62.28%	-	-	-	-	58,07,96,834

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category	Category & Name of shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
1	Custodian/DR Holder		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		2	4,48,96,780	-	-	4,48,96,780	4.81%	4,48,96,780	-	4,48,96,780	4.81%	-	4.81%	-	-	-	-	4,48,96,780
	EDELWEISS EMPLOYEES WELFARE TRUST	AAAT E1688 G		3,75,95,270	-	-	3,75,95,270	4.03%	3,75,95,270	-	3,75,95,270	4.03%	-	4.03%	-	-	-	-	3,75,95,270
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1) + (C)(2)		2	4,48,96,780	-	-	4,48,96,780	4.81%	4,48,96,780	-	4,48,96,780	4.81%	-	4.81%	-	-	-	-	4,48,96,780

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the financial years 2018, 2017, 2016, 2015 and 2014 in accordance with the requirements under Accounting Standard 18 “Related Party Disclosures”, see “Financial Information” on page 146 of the Shelf Prospectus For details of the related party transactions for the financial year 2019 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “Financial Information” on page 211 of this Tranche II Prospectus.

FINANCIAL INDEBTEDNESS

As on October 4, 2019, our Company has outstanding secured borrowings of ₹ 198,449.30 million and unsecured borrowings of ₹ 30,935.38 million which constitutes 86.51% and 13.49%, respectively of total borrowings of the Company.

As at October 4, 2019, the Borrowings (secured and unsecured) of our Company is ₹ 22,384.68 million (without considering impact of Ind AS 116 since company has opted to disclose lease liability as a separate line item).

A summary of all the outstanding secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements are as under:

ECL Finance Limited

- Secured Loan Facilities**

<i>(in ₹ million)</i>					
Name of the Lender, facility and details of documentation#	Amount Sanctioned	Rate of Interest	(Excludes interest accrued, if any)	Security	Repayment Schedule/ Date
<p>Allahabad Bank</p> <p>Sanction Letter dated June 2, 2015</p> <p>Amended & Restated Joint Working Capital Agreement dated August 25, 2015</p> <p>Deed of Accession to JTA dated December 11, 2017</p> <p>Deed of Accession to STA dated December 11, 2017</p> <p>Sanction Letter dated November 23, 2017</p>	WCDL-500	3 Month MCLR of 8.45% + 1.70% i.e. 10.15% p.a.	500.00	<p>Current Assets (including receivables)</p> <p>##;</p> <p>Letter of comfort from EFSL</p>	On demand
<p>Renewal Letter dated February 11, 2019</p>	Term Loan – 1,000.00	1 Year MCLR of 8.75 % + 1.00% i.e. 9.75% per annum	650.00	<p>Current Assets (including receivables);</p> <p>##;</p> <p>Letter of comfort from EFSL</p>	20 quarterly equal instalments from the date of first disbursement

<p>Andhra Bank central</p> <p>Agreement of Accession dated February 10, 2017</p> <p>Deed of Accession dated February 10, 2017</p> <p>Sanction Letter dated September 9, 2016</p> <p>Sanction Letter dated May 3, 2017</p> <p>Sanction Letter dated July 20, 2017</p> <p>Deed of Accession to STA dated September 22, 2017</p> <p>Deed of Accession to JTA dated September 22, 2017</p> <p>Deed of Accession to STA dated December 22, 2017</p> <p>Deed of Accession to JTA dated December 22, 2017</p>	<p>Term Loan (2) – 500.00</p>	<p>1 Year MCLR of 8.75 % + 1.25% i.e. 10.00% per annum</p>	<p>250.00</p>	<p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p>	<p>20 quarterly equal instalments</p>
<p>Sanction Letter dated November 10, 2017</p> <p>Sanction letter dated December 21, 2017</p>	<p>Term Loan (3) – 1,000.00</p>	<p>1 Year MCLR of 8.70 % + .10% i.e. 8.80% per annum</p>	<p>600.00</p>	<p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p>	<p>20 quarterly equal instalments</p>
<p>Sanction letter dated March 27, 2015</p>	<p>Term Loan (4) – 2,000.00</p>	<p>1 Year MCLR of 8.75 % + 1.25% i.e.</p>	<p>1,400.00</p>	<p>Current Assets (including receivables); ##;</p>	<p>10 half yearly equal instalments</p>

Amended & Restated Joint Term Loan Agreement dated August 25, 2015		10.00% per annum		Letter of comfort from EFSL	
Axis Bank Sanction Letter dated October 12, 2017 Deed of Accession to JTA dated December 21, 2017 Deed of Accession to STA dated December 21, 2017 Deed of Accession to WCA dated December 21, 2017	Term Loan – 1,000.00	6 months MCLR of 8.90% + 1.25% per annum i.e. 10.25 % per annum	500	Current Assets (including receivables); ##; Letter of comfort from EFSL	Six equal half yearly instalments
Renewal letter dated February 25, 2019	Cash Credit- 500.00	3 months MCLR of 8.40% + 2.35% per annum i.e. 10.75% per annum	321.79	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Bank of Baroda Deed of Accession dated September 4, 2017 Deed of Accession to JTA dated September 4, 2017	Term Loan (1) – 10,000.00	1 Year MCLR of 8.4% + 1.00% per annum i.e. 9.400% per annum	3,000.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments

Deed of Accession to STA dated September 4, 2017					
Agreement of Accession (Working Capital) dated September 4, 2017					
Agreement of Accession (Working Capital) dated September 4, 2017					
Sanction Letter dated July 26, 2017					
Sanction Letter dated January 16, 2018					
Sanction letter dated March 13, 2013					
Sanction Letter dated February 6, 2013					
Revised Sanction Letter dated August 13, 2014	Term Loan (2) – 12,500.00	1 Year MCLR of 8.65% + 1.00% per annum i.e. 9.15% per annum	12,500.00	Current Assets (including receivables); ##;	3 yearly instalments
Amended & Restated Joint Term Loan Agreement dated August 25, 2015				Letter of comfort from EFSL	
Amended & Restated Joint Working Capital Agreement dated August 25, 2015	Cash Credit (1) – 6,050.00	1 Year MCLR of 8.70% + 1.80% per annum i.e. 10.50% per annum	6,048.44	Current Assets (including receivables); ##;	On Demand
				Letter of comfort from EFSL	

Form of Deed of Accession dated June 22, 2016	Cash Credit (2) – 5,000.00	1 Year MCLR of 8.70% + 1.15% per annum i.e. 9.85 % per annum	5,085.09	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Form of Accession Agreement dated June 22, 2016					
Sanction letter dated June 24, 2016					
Bank of Baroda	CC 500	1 Year MCLR of 8.75% + 1.8% i.e. 10.5% per annum	-	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments after a moratorium period of 3 months from the date of first disbursement
Deed of Accession to JTA dated October 11, 2017					
Deed of Accession to STA dated October 11, 2017					
Sanction Letter dated September 25, 2017					
Sanction Letter dated April 26, 2017					
Amended & Restated Joint Working Capital Agreement dated August 25, 2015	Term Loan (2) - 2,000.00	1 Year MCLR of 8.75% + 1.00% i.e. 9.75% per annum	1,400.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments after a moratorium period of 6 months from the date of first disbursement
Renewal Letter dated March 11, 2019					
	Term loan – 1000.00	1 Year MCLR of 8.750% + 1.00% i.e. 9.75% per annum	700.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand

Bank of Baroda	Term Loan (2) – 1,000.00	1 year MCLR of 8.70% + 1.20% i.e. 9.90% per annum	150.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 equal quarterly instalments
Sanction letter dated April 15, 2013					
Modified sanction letter dated June 18, 2013	Term Loan (3) – 1,000.00	1 year MCLR of 8.70% + 1.30% i.e. 10.00% per annum	550.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	16 quarterly equal instalments
Amended & Restated Joint Working Capital Agreement dated August 25, 2015					
Amended & Restated Joint Term Loan Agreement dated August 25, 2015	Term Loan (4) – 1,000.00	1 year MCLR of 8.40% + 1.10% i.e. 9.50% per annum	500.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated December 17, 2011	Term Loan (4) – 2500.00	1 year MCLR of 8.40% per annum + 1% i.e. 9.40% per annum	1,750.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Sanction Letter dated July 25, 2014					
Sanction letter dated July 25, 2016	WCDL - 400	1 year MCLR of 8.50% + 1.50% i.e. 10.00% per annum	-	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Sanction letter dated June 26, 2016					
Form of Deed of Accession dated September 23, 2016					
Form of Accession Agreement dated September 23, 2016					
Renewal Letter dated March 26, 2019					

Bank of India					
Agreement of Accession to STA dated December 30, 2016	Term loan (1) - 1,000.00	1 Year MCLR of 8.70% + 1.00% i.e. 9.70% per annum	350.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
	Term loan (2) - 1,000.00	1 Year MCLR of 8.70% + 1.00% i.e. 9.70% per annum	250.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to JTA dated December 30, 2016	Term loan (3) - 250.00	1 Year MCLR of 8.70% + 1.55% i.e. 10.25% per annum	112.50	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated March 27, 2017	Term loan (4) - 1,250.00	1 Year MCLR of 8.70% + .90% i.e. 9.60% per annum	562.50	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated December 21, 2016					
Sanction letter dated November 24, 2017	Term loan (5) - 3,000.00	1 Year MCLR of 8.60% + 2.25% i.e. 10.85% per annum	2,700.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly instalments
Sanction letter dated September 1, 2014					
Amended & Restated Joint Working Capital Agreement dated August 25, 2015	Cash Credit- 1,350.00	1 Year MCLR of 8.70% + 1.65% i.e. 10.35 % per annum	1,195.56	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Amended & Restated Joint Term Loan	Term loan (5) - 3,000.00	1 Year MCLR of 8.35% + 1%	3,000.00	Current Assets (including receivables);	10 half yearly instalments

<p>Agreement dated August 25, 2015</p> <p>Revalidation letter dated October 12, 2018</p> <p>Deed of Accession to ICA dated October 19, 2018</p> <p>Deed of Accession to JTA dated October 19, 2018</p> <p>Deed of Accession to STA dated October 19, 2018</p>		i.e. 9.35% per annum		##; Letter of comfort from EFSL	
<p>Canara Bank</p> <p>Secured ODBD</p> <p>Modified Sanction Letter dated January 11, 2014</p> <p>Modified Sanction Letter dated October 30, 2013</p> <p>Applicable</p> <p>Sanction letter dated September 06, 2013</p> <p>Applicable</p>	<p>Term Loan (1) – 2,400.00</p> <p>Term Loan (2) – 2,000.00</p> <p>Term loan (3) – 5,000.00</p> <p>Term Loan (4) – 1,000.00</p>	<p>1 Year MCLR of 8.70% + 1.05 % i.e. 9.75 % per annum</p> <p>1 Year MCLR of 8.70% + 1.10 % i.e. 9.80 % per annum</p> <p>1 Year MCLR of 8.70% + 1.05 % i.e. 9.75 % per annum</p> <p>1 Year MCLR of 8.70% + 0.10 % i.e. 9.80 % per annum</p>	<p>1,080.00</p> <p>1,000.00</p> <p>3,078.95</p> <p>700</p>	<p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p> <p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p> <p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p> <p>Current Assets (including receivables); ##;</p>	<p>20 quarterly equal instalments</p> <p>20 quarterly equal instalments</p> <p>20 quarterly equal instalments</p> <p>20 quarterly equal instalments</p>

Modified sanction letter dated February 15, 2016				Letter of comfort from EFSL	
Applicable Deed of Accession to JTA dated March 31, 2017	Cash Credit – 1,500.00	1 Year MCLR of 8.65% + 1.10 % i.e. 9.75 % per annum	1,307.80	Current Assets (including receivables); ##; Letter of comfort from EFSL	On demand
Deed of Accession to STA dated September 20, 2017 Deed of Accession to STA dated March 31, 2017 Deed of Accession to JTA dated September 20, 2017 Amended & Restated Joint Working Capital Agreement dated August 25, 2015 Sanction Letter dated March 30, 2017 Sanction Letter dated August 5, 2017 Sanction Letter dated December 19, 2017 Sanction Letter dated October 3, 2016 Sanction Letter dated March 14, 2018	Term Loan (5) – 3,000.00	1 Year MCLR of 8.70% + 0.10 % i.e. 9.80 % per annum	2,850.00		

Deed of Accession to JTA dated March 22, 2018					
Deed of Accession to STA dated March 22, 2018					
Sanction Letter dated August 6, 2018					
Catholic Syrian Bank	Term loan - 500.00	1 year MCLR of 8.70% + 1.8 % i.e.10.5% per annum	250.00	Current Assets (including receivables); Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to JTA dated March 17, 2017					
Deed of Accession to STA dated March 17, 2017					
Sanction Letter dated March 9, 2017					
DCB Bank Limited	Term loan - 500.00	3 months MCLR of 9.34% + 0.65 % i.e. 9.99% per annum	250.00	Current Assets (including receivables); Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to JTA dated March 27, 2017					
Sanction Letter dated March 17, 2017					
Oriental Bank of Commerce	Term loan (2) - 1,000.00	1 Year MCLR of 8.75% + 1.0 % i.e.9.75% per annum	200.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated December 14, 2013					
Amendment dated June 28, 2013 to	Term loan (3) – 750.00	1 year MCLR of 8.75% + 1.0 % i.e.9.75% per annum	300.00	Current Assets (including receivables); ##;	20 quarterly equal instalments

Sanction letter dated March 30, 2013				Letter of comfort from EFSL	
Sanction letter dated March 30, 2013 Amended & Restated Joint Working Capital Agreement dated August 25, 2015	Term loan (4) – 1,000.00	1 Year MCLR of 8.75% + 1.0 % i.e.9.75% per annum	500.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Amended & Restated Joint Term Loan Agreement dated August 25, 2015	Term loan (5) – 1,000.00	1 Year MCLR of 8.75% + 1.0 % i.e.9.75% per annum	700.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Sanction letter dated August 25, 2014 Deed of Accession to STA dated March 24, 2017 Deed of Accession to JTA dated March 24, 2017 Sanction Letter dated March 21, 2017 Sanction Letter dated December 26, 2017 Sanction Letter dated August 25, 2014 Sanction Letter dated September 21, 2015 Sanction Letter dated June 27, 2016	Cash Credit – 500.00	1 Year MCLR of 8.75% + 1.0 % i.e.9.75% per annum	300.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand

Sanction Letter dated January 16, 2017					
Renewal Letter March 14, 2019					
Punjab National Bank Renewed sanction letter dated June 3, 2013 Sanction letter dated January 19, 2011 Amended & Restated Joint Working Capital Agreement dated August 25, 2015 Sanction letter dated January 1, 2018	Cash Credit – 1,000.00	1 year MCLR of 8.45% + 2.45% i.e. presently at 10.90 per annum	888.64	Current Assets (including receivables); ##; Letter of comfort from EFSL	On demand
Central Bank of India Amended & Restated Joint Term Loan Agreement dated August 25, 2015	Term Loan - 1000	1 Year MCLR of 8.65% + 0.10% i.e. 8.75% per annum	150.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Amended & Restated Joint Working Capital Agreement dated August 25, 2015 Sanction letter dated April 28, 2015 Sanction Letter dated March 14, 2018	CC 250	1 Year MCLR of 8.65% + 0.10% i.e. 8.75% per annum	213.80	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Federal Bank	Term Loan- 1,000.00	1 Year MCLR of	83.33	Current Assets (including receivables);	12 equal quarterly instalments

Deed of Accession to JTA dated December 22, 2016		9.20% per annum		##; Letter of comfort from EFSL	
Deed of Accession to STA dated December 22, 2016					
Sanction letter dated November 3, 2016					
Indian Bank	Term Loan (1) – 2,000.00	1 year MCLR of 8.65% + 3.15% i.e. 11.80% per annum	1,200.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Deed of Accession to JTA dated June 28, 2017					
Deed of Accession to STA dated June 28, 2017	Term Loan (2) – 2,000.00	1 year MCLR of 8.60% + 3.15% i.e. 11.75% per annum	1,200.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Deed of Accession to JTA September 27, 2017					
Deed of Accession to STA dated September 27, 2017	Term Loan (3) – 3,000.00	1 year MCLR of 8.60% + 3.15% i.e. 11.75% per annum	1,800.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Sanction Letter dated May 24, 2017					
Sanction Letter dated May 29, 2017					
Sanction Letter dated September 21, 2017					
Sanction Letter dated September 26, 2017					

<p>Karnataka Bank</p> <p>Deed of Accession to JTA dated September 23, 2016</p> <p>Deed of Accession to STA dated September 23, 2016</p> <p>Sanction Letter dated August 1, 2016</p> <p>Modified Sanction letter dated March 15, 2014</p> <p>Amended & Restated Joint Term Loan Agreement dated August 25, 2015</p> <p>Modified sanction letter dated September 24, 2012</p> <p>Sanction letter dated September 20, 2012</p> <p>Sanction Letter dated August 6, 2014</p> <p>Sanction letter dated August 1, 2016</p> <p>Modified Sanction letter dated March 15, 2014</p> <p>Modified sanction letter dated September 24, 2012</p>	<p>Term Loan (1) – 500.00</p>	<p>6 months MCLR i.e. presently at 8.75+ 2.05 % i.e 10.8 per annum</p>	<p>250.00</p>	<p>Current Assets (including receivables); ##; Letter of comfort from EFSL</p>	<p>18 equal instalments</p>
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Sanction letter dated September 20, 2012	Term Loan (4) – 1,000.00	6 months MCLR i.e. presently at 8.75 + 2.05 % , i.e 10.8 % per annum	332.80	Current Assets (including receivables); ##; Letter of comfort from EFSL	12 quarterly equal instalments (11 instalments of ` 83.4 million & 1 Instalment of ` 82.6 million)
Sanction Letter dated August 6, 2014					
Sanction letter dated August 1, 2016	Term Loan (5) – 1,000.00	6 months MCLR i.e. presently at 8.75 + 2.05 % , i.e 10.8 % per annum	416.2	Current Assets (including receivables); ##; Letter of comfort from EFSL	12 quarterly equal instalments (11 instalments of ` 83.4 million & 1 Instalment of Rs 82.6 million)
Deed of Accession to JTA dated September 17, 2018					
Deed of Accession to STA dated September 17, 2018	Term Loan (6) – 1,000.00	6 months MCLR i.e. presently at 8.75 + 2.7 % , i.e 11.45 % per annum	727.30	Current Assets (including receivables); ##; Letter of comfort from EFSL	11 quarterly equal instalments (10 instalments of ` 90.90 million & 1 Instalment of Rs 91.00 million)
Sanction letter dated September 5, 2018					
Modification letter dated September 14, 2018					
Small Industries Development Bank of India	Term loan (1) – 500.00	1 year PLR i.e. presently at 10.25% per annum	89.47	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments after moratorium of 3 months
Letter of intent dated September 14, 2015					
Letter of intent dated March 14, 2016					
Letter of intent dated March 20, 2017	Term loan (2) – 1,500.00	1 year PLR i.e. presently at 10.25% per annum	525.00	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments after moratorium of 6 months
Letter of intent dated November 24, 2017					

Deed of Hypothecation dated September 24, 2015	Term loan (3) – 1,000.00	1 year PLR i.e. presently at 10.25% per annum	550.00	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments post a moratorium period of 6 months
Deed of Hypothecation dated March 22, 2016					
Deed of Hypothecation dated March 30, 2017	Term loan (4) – 3,000.00	1 year PLR i.e. presently at 10.25% per annum	2,250.00	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments post a moratorium period of 6 months
Deed of Hypothecation dated December 05, 2017					
Letter of Intent Dated November 28, 2018	Term loan (5) – 1,500.00	1 year PLR i.e. presently at 10.75% per annum	1,350.00	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments post a moratorium period of 6 months
Deed of Hypothecation dated November 28, 2018					
Deed of Hypothecation dated January 18, 2019	Term loan (6) – 1,500.00	1 year PLR i.e. presently at 10.25% per annum	1,425.00	(i) Exclusive charge by way of hypothecation on book debts and receivables (ii) Letter of comfort from EFSL	20 quarterly equal instalments post a moratorium period of 6 months
State Bank of Hyderabad (Now it is State Bank of India)				Current Assets (including receivables); ##;	20 equal quarterly instalments
Sanction Letter dated January 15, 2013				Letter of comfort from EFSL	
Sanction Letter dated March 22, 2014					
Revised Sanction Letter December 26, 2014					
Amended & Restated Joint Working Capital					

Agreement dated August 25, 2015					
Amended & Restated Joint Term Loan Agreement dated August 25, 2015	Term Loan (2) – 1,000.00	1 year MCLR of 8.55% + 1.50 % i.e. 10.05% per annum	50.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 equal quarterly instalments
Form of Accession Agreement dated December 23, 2015					
Form of Deed of Accession dated 23 December 2015	Term Loan (3) – 1,000.00	1 year MCLR of 8.55% + 1.50 % i.e. 10.05% per annum	222.20	Current Assets (including receivables); ##;	18 equal quarterly instalments
Sanction letter dated December 19, 2015	Cash Credit – 500.00	1 year MCLR of 8.55% + .25 % i.e. 8.80% per annum	452.79	Letter of comfort from EFSL Current Assets (including receivables); ##;	On Demand
Sanction Letter dated February 5, 2019					
Union Bank of India	Term Loan (1) – 2,000.00	1 year MCLR of 8.70% + 1.00% i.e. 9.70% per annum	1,300.00	Current Assets (including receivables); ##; Letter of comfort from EFSL ##;	20 quarterly equal instalments
Deed of Accession to STA dated October 23, 2016					
Deed of Accession to JTA dated October 23, 2016					
Deed of Accession to WCA dated December 23, 2016	Term Loan (2) – 2,000.00	1 year MCLR of 8.70% + 1.00% i.e. 9.70% per annum	900.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to JTA dated December 23, 2016					
	Cash Credit – 3,850.00	1 year MCLR of 8.70% +	3,707.23	Current Assets (including receivables);	On Demand

Sanction Letter dated September 14, 2017		1.65% i.e. 10.35% per annum		##; Letter of comfort from EFSL	
Sanction letter dated December 8, 2016					
Sanction Letter dated April 22, 2014					
Sanction letter dated December 24, 2012					
Sanction letter dated March 3, 2015					
Renewal Letter dated November 29, 2018					
United Bank of India	Cash Credit-500.00	1 year MCLR of 8.70% + 0.20% i.e. 8.90% per annum	471.45	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Sanction letter dated August 28, 2017					
Deed of Accession to the JTA dated November 6, 2017					
Deed of Accession to the STA dated November 6, 2017					
Deed of Accession to the WCA dated November 6, 2017					
Revalidation letter dated December 3, 2018					

Sanction Letter dated March 28, 2019 Deed of Accession to ICA dated March 29, 2019	Term Loan - ` 1,000.00	1 year MCLR of 8.85% + 1.65% i.e. 10.50% per annum	850.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to JTA dated March 29, 2019 Deed of Accession to STA dated March 29, 2019	Term Loan - ` 1,000.00	1 year MCLR of 8.85% + 1.65% i.e. 10.50% per annum	900.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly instalments
Syndicate Bank Amended & Restated Joint Term Loan Agreement dated August 25, 2015 Sanction Letter dated September 24, 2014	Term Loan (2) – 1,000.00	1 year MCLR of 8.75% + .75% i.e. 9.50% per annum	100.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 equal quarterly instalments
Sanction letter dated March 25, 2015 Sanction letter dated November 23, 2015	Term Loan (4) – 2,000.00	1 year MCLR of 8.75% + .75% i.e. 9.50% per annum	1,000.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated December 26, 2017 Sanction letter dated March 26, 2014	Term Loan (5) – 1,500.00	1 year MCLR of 8.75% + .75% i.e. 9.50% per annum	375.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction letter dated September 24, 2014	Term Loan (6) – 3,000.00	1 year MCLR of 8.80 % per annum + spread of .70% = 9.50%	1,800.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments

Renewal Letter dated March 29, 2019	Term Loan (7) – 2,500.00	1 year MCLR of 8.75% + .75% i.e. 9.50% per annum	1,500.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
	Cash Credit – 500.00	1 year MCLR of 8.75% + .55% i.e. 9.30% per annum	429.34	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
State Bank of India Deed of Accession to JTA dated March 20, 2018 Deed of Accession to STA dated March 20, 2018 Sanction letter dated February 20, 2018 Amended & Restated Joint Term Loan Agreement dated August 25, 2015 Sanction Letter dated February 5, 2019	Term loan – 10,000.00	1 year MCLR of 8.55% + 1.50% i.e. 10.05% per annum	7,500.00	Current Assets (including receivables);	8 equal half yearly instalments after a moratorium of 12 months from the date of disbursement
State Bank of Bikaner and Jaipur Sanction Letter dated February 20, 2018	Term loan (1) – 1,000.00	1 year MCLR of 8.55% + 1.50% i.e. 10.05% per annum	187.50	Current Assets (including receivables); ##; Letter of comfort from EFSL	16 equal quarterly instalments

Sanction Letter dated December 26, 2014	Term loan (2) – 1,000.00	1 year MCLR of 8.55% + 1.50% i.e. 10.05% per annum	62.50	Current Assets (including receivables); ##; Letter of comfort from EFSL	16 equal quarterly instalments
Sanction Letter dated June 27, 2015					
Sanction letter dated December 26, 2014	Cash Credit – 500.00	1 year MCLR of 8.55% + .25% i.e. 8.80% per annum	432.21	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Sanction letter dated November 10, 2015					
Sanction letter dated June 27, 2015					
Sanction Letter dated February 5, 2019					
Corporation Bank	Term loan (1) - 1,000.00	1 year MCLR of 8.75% + 0.20 % i.e. 8.95 % per annum	100.00	Current Assets (including receivables); ##;	20 equal quarterly instalments
Sanction Letter dated October 28, 2014					
Sanction letter March 23, 2015					
Sanction letter dated October 28, 2015					
Sanction letter dated February 6, 2018	Term Loan (2) – 1,000.00	1 year MCLR of 8.75% + 0.20 % i.e. 8.95 % per annum	50.00	Letter of comfort from EFSL Current Assets (including receivables); ##; Letter of comfort from EFSL	20 equal quarterly instalments
Punjab & Sind Bank	Term Loan (2) – 800.00	1 year MCLR of 8.85% + 0.50 % i.e. 9.35% per annum	400.00	Current Assets (including receivables); ##;	20 quarterly equal instalments
Deed of Accession to JTA dated August 10, 2017					

Deed of Accession to STA dated August 10, 2017				Letter of comfort from EFSL	
Deed of Accession to WCA dated March 24, 2017					
Deed of Accession to JTA dated March 24, 2017					
Deed of Accession to STA dated March 24, 2017					
Sanction Letter dated February 14, 2017					
Sanction Letter dated March 14, 2018					
Sanction Letter dated March 20, 2017	Term Loan (3) – 1,000.00	1 year MCLR of 8.80% + 0.50 % i.e. 9.30% per annum	600.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Sanction Letter dated June 22, 2017					
Sanction Letter dated August 27, 2014	Cash credit – 200.00	1 year MCLR of 8.50% + 0.40 % i.e. presently at 8.90 % per annum	138.52	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Sanction Letter dated August 27, 2014					
Sanction Letter dated June 22, 2017					
Renewal Letter dated September 6, 2018					
Bank of Maharashtra	Term loan (1) – 1,000.00	1 year MCLR of 8.75% +	200.00	Current Assets (including receivables);	20 quarterly equal instalments

Sanction Letter dated April 10, 2014		1.50 % i.e. presently at 10.25 % per annum		##; Letter of comfort from EFSL	
Sanction letter dated May 26, 2015					
Sanction letter dated January 17, 2018 Deed of Accession to JTA dated February 20, 2018	Term loan (2) – 1,000.00	1 year MCLR of 8.75% + 1.50 % i.e. presently at 10.25 % per annum	700.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
Deed of Accession to STA dated February 20, 2018 Sanction Letter dated February 20, 2019	Cash Credit – 500.00	1 year MCLR of 8.75% + 1.50 % i.e. presently at 10.25 % per annum	424.38	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
Deed of Accession to ICA dated March 12, 2019 Deed of Accession to JTA dated March 12, 2019 Deed of Accession to STA dated March 12, 2019	Term Loan (3) - 1,000.00	1 year MCLR of 8.75% + 1.50 % i.e. presently at 10.25 % per annum	900.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly instalments
RBL Bank Limited Sanction Letter dated December 18, 2014 Sanction letter dated November 26, 2015	Term Loan (1) – 1,000.00	3 months MCLR of 9.75% per annum	333.33	Current Assets (including receivables); ##; Letter of comfort from EFSL	3 annual equal instalments
Sanction Letter dated March 14, 2018	Cash Credit – 250.00	1 year MCLR of 10.00% + 0.50% i.e.	150.00	Current Assets (including receivables);	On Demand

<p>Deed of Accession to STA dated March 9, 2017</p> <p>Deed of Accession to JTA dated March 9, 2017</p> <p>Sanction letter dated February 27, 2017</p> <p>Deed of Accession to JTA dated March 21, 2018</p> <p>Deed of Accession to STA dated March 21, 2018</p>		presently at 10.50%		##; Letter of comfort from EFSL	
<p>HDFC Bank</p> <p>Deed of Accession to JTA dated September 12, 2017</p> <p>Deed of Accession to STA dated September 12, 2017</p> <p>Sanction Letter dated August 16, 2017</p> <p>Sanction Letter dated September 4, 2018</p> <p>Deed of Accession to JTA dated September 6, 2018</p> <p>Deed of Accession to STA dated September 6, 2018</p>	<p>Term Loan (2) – 1,750.00</p>	<p>1 year MCLR of 8.60% + 0.50 % i.e. 9.10% per annum</p>	145.83	<p>Current Assets (including receivables);</p> <p>##;</p> <p>Letter of comfort from EFSL</p>	<p>12 quarterly equal instalments post a moratorium period of 6 months</p>
	<p>Term Loan (2) – 2,500.00</p>	<p>1 year MCLR of 8.60% + 0.75 % i.e. 9.35% per annum</p>	208.33	<p>Current Assets (including receivables);</p> <p>##;</p> <p>Letter of comfort from EFSL</p>	<p>12 quarterly equal instalments post a moratorium period of 3 months</p>

State Bank of Patiala Sanction letter dated December 22, 2015	Term Loan – 1,000.00	1 year MCLR of 8.55% + 1.50% i.e. 10.05% per annum	250.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 quarterly equal instalments
State Bank of Travancore Sanction letter dated January 10, 2015	Term Loan - 500.00	1 year MCLR of 8.55% + 1.50% i.e. 10.05% per annum	50.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	20 equal quarterly instalments
The South Indian Bank Limited Deed of Accession to JTA dated September 29, 2017 Deed of Accession to STA dated September 29, 2017 Sanction letter dated September 28, 2017	Term Loan – 1,000.00	3 months MCLR of 8.80% + 1.35% i.e. presently 10.15% per annum	700.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	10 half yearly equal instalments
Karur Vyasya Bank Modification in Sanction dated May 18, 2018 Deed of Accession to JTA dated May 18, 2018 Deed of Accession to STA dated May 18, 2018	Term Loan – 750.00	1 Year MCLR of 9.65% presently annum	562.50	Current Assets (including receivables), Letter of comfort from EFSL	20 Quarterly equal instalments

Sanction letter dated April 26, 2018					
Citibank N.A Deed of Accession to JWA dated May 23, 2018 Deed of Accession to STA dated May 23, 2018				Current Assets (including receivables); ##; Letter of comfort from EFSL	Bullet payment in June 2019
Sanction letter dated May 17, 2018	WCDL submission 750	special rate 10.15% per annum	750.00	Current Assets (including receivables); ##; Letter of comfort from EFSL	On Demand
ICICI Bank Limited Deed of Accession to JWA dated Sept 5, 2018 Deed of Accession to STA dated Sept 5, 2018 Sanction letter dated May 18, 2018	Cash Credit – 500.00	6 months MCLR of 8.70% plus 2.25% i.e 10.95% per annum	300.00	Current Assets (including receivables); Letter of comfort from EFSL	On Demand

NABARD Agreement for assessment of Book Debt 14th Aug 2019 Corporate Guarantee 14th Aug 2019 Demand Promissory Note 14th Aug 2019 Delivery letter to DPN 14th Aug 2019	Term Loan – 2500.00	SP rate 10.50%	2,500.00	Current Assets (including receivables); Letter of comfort from EFSL	6 Half yearly installment of Rs. 375.0 Mio each and 6 Half yearly installments of Rs. 50.00 Mio each
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#Inter Creditor Agreement dated August 25, 2015 amongst, Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of Baroda (e Vijaya Bank), Bank of Baroda (e Dena Bank) Bank of India, Canara Bank, Central Bank of India, Citibank N.A., Federal Bank, Karnataka Bank Limited, Karur Vysya Bank Limited, Oriental Bank of Commerce, Punjab National Bank, Punjab and Sind Bank, State Bank of India, Syndicate Bank, Union Bank of India, RBL Bank Limited (formerly The Ratnakar Bank Limited), Corporation Bank, Bank of Maharashtra and The South Indian Bank Limited, Axis Bank Ltd, HDFC Bank Ltd, Catholic Syrian Bank, DCB Bank, Indian Bank, United Bank of India, ICICI Bank (“Consortium Members”) and Union Bank of India (Lead Bank) and Axis Trustee Services Limited (“Security Trustee”). [“Inter Creditor Agreement”]

Joint term loan agreement dated August 25, 2015 amongst our Company (Borrower) and Andhra Bank, Bank of Baroda, Bank of Baroda (e Vijaya Bank), Bank of Baroda (e Dena Bank) Bank of India, IndusInd Bank Limited, Karnataka Bank Limited, Karur Vysya Bank Limited, Oriental Bank of Commerce, State Bank of India, Syndicate Bank, RBL Bank Limited (formerly The Ratnakar Bank Limited), Punjab and Sind Bank, Punjab National Bank, Axis Bank Ltd, HDFC Bank Ltd, Catholic Syrian Bank, DCB Bank, Indian Bank, United Bank of India, ICICI Bank Ltd (Consortium Members), Federal Bank, Corporation Bank, Bank of Maharashtra, Central Bank of India, and Union Bank of India (Consortium Member & Lead Banker) and Axis Trustee Services Limited (Security Trustee) [“Joint Term Loan Agreement” or “JTA”]

Joint working capital facility agreement dated August 25, 2015 amongst our Company (Borrower) and Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of Baroda (e Vijaya Bank), Bank of Baroda (e Dena Bank) Bank of India, Canara Bank, Central Bank of India, Citibank N.A., Federal Bank, Oriental Bank of Commerce, Punjab National Bank, The South Indian Bank Limited, RBL Bank Limited (formerly The Ratnakar Bank Limited), Bank of India, Bank of Maharashtra, Axis Bank Ltd, HDFC Bank Ltd, Catholic Syrian Bank, DCB Bank, Indian Bank, United Bank of India, ICICI Bank (“Consortium Members”), Union Bank of India, (Consortium Member & Lead Banker) and Axis Trustee Services Limited (Security Trustee) [“Joint Working Capital Facility Agreement” or “WCA”]

Security Trust Deed dated August 25, 2015 between our Company (Borrower) and Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of Baroda (e Vijaya Bank), Bank of Baroda (e Dena Bank), Bank of India, Canara Bank, Central Bank of India, Citibank N.A., Federal Bank, , Karnataka Bank Limited, Karur Vysya Bank Limited, , Oriental Bank of Commerce, Punjab National Bank, State Bank of India,

Syndicate Bank, RBL Bank Limited (formerly The Ratnakar Bank Limited), Punjab and Sind Bank, Karnataka Bank, Corporation Bank, Bank of Maharashtra, The South Indian Bank Limited (“Consortium Members”) and Union Bank of India, Axis Bank Ltd, HDFC Bank Ltd, Catholic Syrian Bank, DCB Bank, Indian Bank, United Bank of India, ICICI Bank (Consortium Member and Lead Bank) and Axis Trustee Services Limited (“Security Trustee”)

Indenture of mortgage dated April 30, 2014 which was further amended on August 25, 2015 between our Company and Axis Trustee Services Limited

##First pari-passu charge by way of mortgage (without possession over flat located at Flat No. 1, Ground Floor, Shree Chintamani CHS Ltd, Aptewadi, Shirgaon, Badlapur (East) Taluka – Ambarnath, Thane.

First pari passu charge on all of its rights, title, interests, benefits, claims and demands, in, to, or in respect of all the current assets of the borrower including receivables, provided that the receivables shall be to the extent of 1.12 times of the total amounts of the outstanding loans.

Letter of Comfort by Edelweiss Financial Services Limited in favour of Axis Trustee Services Limited

Terms and conditions of the term loans

Term loans under the Joint Term Loan Agreement

Re-scheduling	Prepayment	Penalty	Default
Nil	Prepayment of loans before the expiry of the stipulated payment date shall carry a prepayment penalty of two (2) % premium per annum for the unexpired term of the loan or 1% absolute over the amount of the loan, whichever is lower.	The borrower shall pay on the defaulted amounts, an additional penal interest at the rate of 2% per annum, for the period of default.	<p>The following event shall also constitute an event of default (if it is not cured within a period of 30 (thirty) business days of written intimation issued to the borrower of the same):</p> <p>If the borrower shall fail to repay the loans or interest or any portion thereof in terms of the Joint Term Loan Agreement dated August 25, 2015.</p> <p>If the borrower commits any breach of any covenant to be observed or performed on its part herein contained or contained in the sanction letters;</p> <p>If any circumstances shall occur which in the opinion of the consortium members or any of them is prejudicial to or imperils the security assets (including the security interest created therein) or any part thereof;</p> <p>If the security assets (including the security interest created therein) or any part thereof becomes enforceable;</p> <p>If any person shall take any steps towards applying for or obtaining an order for the appointment of a receiver/liquidator (provisional or otherwise) of any property or assets whatsoever of the borrower (and/or any other person creating security interest over</p>

Re-scheduling	Prepayment	Penalty	Default
			<p>the security assets on its behalf) and a receiver/liquidator is appointed;</p> <p>If the borrower (and/or any other person creating security interest over the security assets on its behalf) makes compromises with its creditors or defaults or attempts to default in respect of any of its financial obligations;</p> <p>If the Borrower (and/or any other person creating security interest over the security assets on its behalf) suspends or ceases to carry on business or fails to conduct its business to the satisfaction of the consortium members or any of them; and</p> <p>If the quantum of security assets is not maintained at 1.33 times of the total amounts of the term loans availed by the Borrower and outstanding at any point in time.</p> <p>The following event shall also constitute an event of default (if it is not cured within a period of 45 (forty-five) business days of its occurrence):</p> <p>Any representation or statement made or deemed to be made by a borrower or any other person (creating security interest on its behalf) in any of the consortium documents or any other document delivered under or in connection with any consortium document is or is proved to have been incorrect or misleading when made or deemed to be made.</p> <p>Any financial indebtedness of the borrower (and/or any other person creating security interest over the security assets on its behalf) is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) in connection therewith;</p> <p>The occurrence of any event or circumstance, which would or is likely to prejudicially or adversely affect in any manner the capacity of the borrower to repay the loans;</p> <p>The borrower (and/or any other person creating security interest over the security assets on its behalf) is or is presumed by law or deemed by law to be unable or admits inability to pay its debts as they fall due, or</p>

Re-scheduling	Prepayment	Penalty	Default
			<p>suspends making payments on any of its debts, or by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;</p> <p>Any part of a consortium documents is not binding and effective in accordance with its written terms or is alleged by any party not to be binding and effective in accordance with its written terms for any reason; and</p> <p>Any security document (once executed) ceases to be in full force and effect or is otherwise prejudiced, impaired, or imperilled, or any security document does not (once executed) create in favour of the security trustee (for the benefit of the consortium members the security interest which it is expressed to create) with the ranking and priority it is expressed to have.</p>

Terms and conditions of Term Loans not forming part of the consortium

Name of the Lender	Re-scheduling	Prepayment	Penalty
Small Industries Development Bank of India	Nil	Nil	<p>Disbursement of loan made, if any, pending creation of stipulated security, shall also carry additional interest at the rate of 1% per annum on the principal amount of the loan outstanding from time to time, from the date of disbursement till creation of the stipulated security.</p> <p>A charge of 2% per annum over and above the applicable rate, by way of penal interest, will be levied for defaults in payment of principal, interest and other monies payable under the loan agreement. Arrears of penal interest shall carry interest at the rate applicable for the loan.</p>

Terms of Default

- Events of default under the term loans not forming part of the consortium inter-alia include the following:
- Any instalment of the principal moneys being unpaid on the due date for payment thereof;

- Any interest remaining unpaid and in arrears, after the same shall have become due whether formally or legally demanded or not;
- The borrower committing any breach or default in the performance or observance of the terms and conditions contained in these presents and/or the borrower's proposal and/or the security document or any other terms or conditions relating to the advance;
- The borrower's entering into any arrangement or composition with its creditors or committing any act of insolvency;
- Execution or distress being enforced or levied against the whole or any part of the borrower's property;
- The borrower's (if a company) going into liquidation (except for the purpose of amalgamation or reconstruction);
- Any partners of the borrower being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;
- A receiver being appointed in respect of the whole or any part of the property of the borrower;
- The occurrence of any circumstances which would or is likely to prejudicially or adversely affect in any manner the capacity of the borrower to repay the loan;
- Any representation or statement of the borrower's proposal being found incorrect or the borrower committing any breach or default in the performance or observance of the borrower's proposal or the security or any other terms or conditions relating to the advance;
- In case of the diversion of funds/amount of loan/advance or attempt to divert the same, so disbursed/paid;
- In case the borrower changes its constitution, more particularly in promoter director or in the core management team or any merger/acquisition/amalgamation without the previous written permission of the bank;
- In case the borrower undertakes any new project/any further expansion, without the written prior approval of the bank;
- If the borrower shall without the consent in writing of the bank create or attempt or purport to create any mortgage, charge, pledge, hypothecation, or lien or encumbrance on assets which is subject of the bank's security;
- If any other event or circumstances shall occur which shall in the opinion of the bank be prejudicial to or endanger or be likely to prejudice or endanger its security;
- Declaration as per the bank guidelines as per the bank with regard to cases, litigation filed and pending by other financiers, including banks against the company or the directors, if any to be furnished;
- The borrower ceasing or threatening to cease, to carry on business;
- Minimum asset coverage to be maintained;

- Diversion of funds, if funds utilized for any activity not eligible for bank financing to NBFC's as per RBI norms
- On the question whether any of the matters, events or circumstances mentioned in the above clauses has happened, the decision of the bank shall be conclusive and binding on the borrower.

Secured Non-Convertible Debentures

Our Company has, vide public offering, issued secured, redeemable, non-convertible debentures of which ₹ 29,746.74 million is outstanding as on October 4, 2019, the details of which are set forth below:

(in ₹ million)

Series	Tenor	Coupon (in %)	Amount outstanding as on Oct 04, 2019	Date of Allotment	Redemption Date	Security	Credit Rating
INE804I07ZL1	60 months	10.15	419.81	11-Mar-15	11-Mar-20	##	'CARE AA-' [ICRA] AA-
INE804I07ZM9	60 months	10.6	754.04	11-Mar-15	11-Mar-20	##	'CARE AA-' [ICRA] AA-
INE804I07ZN7	60 months	NA	230.84	11-Mar-15	11-Mar-20	##	'CARE AA-' [ICRA] AA-
INE804I073Y9	36 months	NA	461.42	6-Aug-18	6-Aug-21	##	'CRISIL AA-' [ICRA] AA-
INE804I070Z2	36 months	MIBOR Linked	7.11	6-Aug-18	6-Aug-21	##	'CRISIL AA-' [ICRA] AA-
INE804I074Y7	36 months	9.45	10,539.38	6-Aug-18	6-Aug-21	##	'CRISIL AA-' [ICRA] AA-
INE804I075Y4	60 months	9.25	821.40	6-Aug-18	6-Aug-23	##	'CRISIL AA-' [ICRA] AA-
INE804I076Y2	60 months	NA	439.99	6-Aug-18	6-Aug-23	##	'CRISIL AA-' [ICRA] AA-
INE804I077Y0	60 months	9.65	2661.09	6-Aug-18	6-Aug-23	##	'CRISIL AA-' [ICRA] AA-
INE804I078Y8	120 months	9.43	581.29	6-Aug-18	6-Aug-28	##	'CRISIL AA-' [ICRA] AA-
INE804I079Y6	120 months	9.85	1767.20	6-Aug-18	6-Aug-28	##	'CRISIL AA-' [ICRA] AA-
INE804I076Z9	39 months	NA	754.53	4-Jan-19	4-Apr-22	##	'CRISIL AA-' [ICRA] AA-
INE804I075Z1	39 months	10.2	1,670.89	4-Jan-19	4-Apr-22	##	'CRISIL AA-' [ICRA] AA-
INE804I079Z3	60 months	NA	586.68	4-Jan-19	4-Jan-24	##	'CRISIL AA-' [ICRA] AA-
INE804I078Z5	60 months	10.4	1,790.71	4-Jan-19	4-Jan-24	##	'CRISIL AA-' [ICRA] AA-
INE804I077Z7	60 months	9.95	1,220.86	4-Jan-19	4-Jan-24	##	'CRISIL AA-' [ICRA] AA-
INE804IA7022	120 months	10.6	1,332.32	4-Jan-19	4-Jan-29	##	'CRISIL AA-' [ICRA] AA-
INE804IA7014	120 months	10.15	1,013.67	4-Jan-19	4-Jan-29	##	'CRISIL AA-' [ICRA] AA-
INE804IA7063	24 months	9.9	169.69	23-May-19	23-May-21	##	'CRISIL AA-' CARE AA-

Series	Tenor	Coupon (in %)	Amount outstanding as on Oct 04, 2019	Date of Allotment	Redemption Date	Security	Credit Rating
INE804IA7071	24 months	NA	162.19	23-May-19	23-May-21	##	'CRISILAA-' CARE AA-
INE804IA7089	39 months	10.2	654.82	23-May-19	23-Aug-22	##	'CRISILAA-' CARE AA-
INE804IA7097	39 months	NA	190.44	23-May-19	23-Aug-22	##	'CRISILAA-' CARE AA-
INE804IA7105	60 months	9.95	650.49	23-May-19	23-May-24	##	CRISILAA-' CARE AA-
INE804IA7113	60 months	10.4	298.98	23-May-19	23-May-24	##	CRISILAA-' CARE AA-
INE804IA7121	60 months	NA	148.40	23-May-19	23-May-24	##	CRISILAA-' CARE AA-
INE804IA7147	120 months	10.4	63.73	23-May-19	23-May-29	##	CRISILAA-' CARE AA-
INE804IA7139	120 months	9.95	354.77	23-May-19	23-May-29	##	CRISILAA-' CARE AA-

##First pari-passu charge on (i) Flat No. B/301, Real Home, in the Building No. 11, in the layout of 'Madhuban Township' on the land forming part of the Housing Project known as "Madhuban Township" on land bearing Survey No. 90, Hissa No. 12 & 13, Survey No. 91, Hissa No. 1 village Gokhiware, in Taluka Vasai, District Thane in the State of Maharashtra and (ii) receivables of our Company (both present and future) to the value of one time of the debentures.

Company has issued on private placement basis, secured, redeemable, non-convertible debentures of which ₹ 46,783.94 million is outstanding as on Oct 04, 2019, the details of which are set forth below:

(in ₹ million)

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
INE804I07 XM4	6.01	10.35	1,333.34	**	16-Oct-14	16-Oct-20	CARE AA-
INE804I07 YF6	10.01	10.5	100.00	**	1-Dec-14	1-Dec-24	CARE AA-
INE804I07 YP5	10.01	10.4	50.00	**	24-Dec-14	24-Dec-24	CARE AA- [[ICRA]] AA-
INE804I07 YP5	10.01	10.4	50.00	**	24-Dec-14	24-Dec-24	CARE AA- [[ICRA]] AA-
INE804I07 ZE6	10	10.1	50.00	**	16-Feb-15	14-Feb-25 14-Feb-25	CARE AA- [[ICRA]] AA-
INE804I07 ZT4	10.01	10.2	100.00	**	28-Mar-15	28-Mar-25	CARE AA- [[ICRA]] AA-
INE804I07 ZY4	10.01	10	100.00	**	21-Apr-15	21-Apr-25	CARE AA - [[ICRA]] AA-
INE804I07 E34	10	10	200.00	**	5-Oct-15	3-Oct-25	CARE AA - [[ICRA]] AA-
INE804I07 E42	10.01	9.8	125.00	**	6-Oct-15	6-Oct-25	CARE AA - [[ICRA]] AA-
INE804I07 E59	10	9.18	3,000.00	**	12-Oct-15	10-Oct-25	[[ICRA]] AA-
INE804I07 H49	10.01	9.81	250.00	**	22-Dec-15	22-Dec-25	CARE AA- [[ICRA]] AA-
INE804I07 I30	4	9.8	1,650.00	**	31-Dec-15	31-Dec-19	CARE AA- [[ICRA]] AA-
INE804I07 I48	5.01	9.8	1,220.00	**	31-Dec-15	31-Dec-20	CARE AA - [[ICRA]] AA-
INE804I07 O32	10.01	9.65	250.00	**	18-Mar-16	18-Mar-26	BWR AA [[ICRA]] AA-
INE804I07 V09	10.01	9.6	100.00	**	11-May-16	11-May-26	BWR AA [[ICRA]] AA-
INE804I07 V82	10.01	9.61	100.00	**	20-May-16	20-May-26	BWR AA [[ICRA]] AA-
INE804I07 X49	10	9.6	200.00	**	7-Jun-16	5-Jun-26	BWR AA [[ICRA]] AA-
INE804I07 X49	10	9.6	25.00	**	7-Jun-16	5-Jun-26	BWR AA [[ICRA]] AA-
INE804I07 2O2	3.39	8.75	37.00	**	13-Dec-16	4-May-20	[[ICRA]] AA-
INE804I07 7P8	7	9	290.00	**	9-Jan-17	9-Jan-24	[ICRA] AA -and CARE AA-
INE804I07 4Q3	3.2	9	42.00	**	9-Feb-17	21-Apr-20	[[ICRA]] AA-

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
INE804I076Q8	3	9	250.00	**	14-Feb-17	14-Feb-20	CRISIL AA- & BWR AA
INE804I077Q6	3.33	9	28.00	**	3-Mar-17	1-Jul-20	CRISIL AA-
INE804I078Q4	10	9	5,000.00	**	6-Mar-17	5-Mar-27	[[ICRA]] AA-
INE804I079Q2	3.13	9.1	215.00	**	21-Mar-17	6-May-20	CRISIL AA-
INE804I072R5	3.01	8.95	65.00	**	24-Apr-17	28-Apr-20	[ICRA] AA-
INE804I078R2	2.9	8.97	22.00	**	9-May-17	3-Apr-20	BWR AA[[ICRA]] AA-
INE804I075W8	2.88	8.8	27.00	**	12-Jun-17	28-Apr-20	[ICRA] AA-
INE804I076W6	2.98	8.8	170.00	**	12-Jun-17	2-Jun-20	[ICRA] AA-
INE804I077W4	2.84	8.8	30.00	**	12-Jun-17	15-Apr-20	[ICRA] AA-
INE804I076W6*	2.72	8.45	144.30	**	13-Sep-17	2-Jun-20	[ICRA] AA-
INE804I072X3	10	8.5	1,250.00	**	19-Sep-17	17-Sep-27	CRISIL AA-
INE804I073X1	3	8.3	500.00	**	11-Dec-17	11-Dec-20	CRISIL AA-
INE804I074X9	3.25	8.25	1,000.00	**	12-Dec-17	12-Mar-21	[ICRA] AA- and CRISIL AA-
INE804I075X6	2	9	250.00	**	21-Feb-18	21-Feb-20	[ICRA] AA- and CRISIL AA-
INE804I076X4	3.5	9	5,000.00	**	9-Mar-18	9-Sep-21	[ICRA] AA- and CRISIL AA-
INE804I079X8	1.81	9.18	500.00	**	21-May-18	13-Mar-20	CRISIL AA-
INE804I070Y5	3	MCLR Linked	1,200.00	**	25-Jun-18	25-Jun-21	[ICRA] AA- and CRISIL AA-
INE804I071Y3	10	9.85	1,800.00	**	31-Aug-18	31-Aug-28	CRISIL AA-
INE804I073Z6	7	10.75	360.00	**	19-Nov-18	19-Nov-25	CRISIL AA- and BWR AA
INE804I074Z4	2	10.4	14,990.00	**	11-Dec-18	11-Dec-20	CRISIL AA-
B3J901A	4.00		4.00	**	30-Aug-19	29-Aug-23	CRISIL PP-MLD AA-r
C3I901A	4.00		22.50		29-Jul-19	28-Jul-23	CRISIL PP-MLD AA-r
H1G901A05	2.70		10.00	**	20-Jun-19	2-Mar-22	CRISIL PP-MLD AA-r
C2I901A04	3.35		34.20	**	30-May-19	4-Oct-22	CRISIL PP-MLD AA-r

Debt Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
H1G901A03	2.78		40.00	**	24-May-19	2-Mar-22	CRISIL PP-MLD AA-r
H1G901A02	2.78		10.90	**	22-May-19	2-Mar-22	CRISIL PP-MLD AA-r
H1G901A01	2.82		10.00	**	9-May-19	2-Mar-22	CRISIL PP-MLD AA-r
C2I901A01	3.43		93.80	**	30-Apr-19	4-Oct-22	CRISIL PP-MLD AA-r
H1G901A	2.84		165.00	**	30-Apr-19	2-Mar-22	CRISIL PP-MLD AA-r
C2I901A	3.50		241.20	**	5-Apr-19	4-Oct-22	PP-MLD[ICRA]AA-
L9A901A	1.24		70.00	**	2-Jan-19	31-Mar-20	PP-MLD[ICRA]AA-
K7L602C05	1.09		46.50	**	29-Nov-18	2-Jan-20	PP-MLD[ICRA]AA-
H1I804A01	3.33		599.50	**	7-Sep-18	3-Jan-22	PP-MLD[ICRA]AA-
H1I804A	3.34		500.00	**	3-Sep-18	3-Jan-22	PP-MLD[ICRA]AA-
K7L602C04	1.35		9.00	**	27-Aug-18	2-Jan-20	PP-MLD[ICRA]AA-
K7L602C03	1.36		132.00	**	24-Aug-18	2-Jan-20	PP-MLD[ICRA]AA-
K7L602C02	1.43		9.30	**	30-Jul-18	2-Jan-20	PP-MLD[ICRA]AA-
K7L602C01	2.10		50.00	**	27-Nov-17	2-Jan-20	PP-MLD[ICRA]AA-
L8F701B	3.50		10.00	**	16-Jun-17	15-Dec-20	CRISIL PP-MLD AA-r
E0E704A	3.50		10.20	**	5-Jun-17	4-Dec-20	PP-MLD[ICRA]AA-
A0A703A	3.50		21.00	**	3-Feb-17	4-Aug-20	PP-MLD[ICRA]AA-
L9F702A	3.50		10.40	**	16-Jan-17	17-Jul-20	PP-MLD[ICRA]AA-
L9F701A	3.51		10.50	**	6-Jan-17	10-Jul-20	PP-MLD[ICRA]AA-
L9A701A	3.50		24.80	**	5-Jan-17	6-Jul-20	PP-MLD[ICRA]AA-
L8L604B	3.50		10.00	**	23-Dec-16	23-Jun-20	BWR PP-MLD AA
C8L601B	3.50		50.00	**	16-Dec-16	16-Jun-20	PP-MLD[ICRA]AA-
K9E601A	3.50		20.00	**	8-Dec-16	8-Jun-20	PP-MLD[ICRA]AA-
L9E602A	3.67		12.50	**	7-Dec-16	7-Aug-20	PP-MLD[ICRA]AA-
L9E601A	3.67		51.00	**	6-Dec-16	6-Aug-20	PP-MLD[ICRA]AA-
K7L602C	3.08		20.00	**	2-Dec-16	2-Jan-20	PP-MLD[ICRA]AA-

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
K7L602D	4.08		20.00	**	2-Dec-16	1-Jan-21	PP-MLD[ICRA]AA-
K7L602E	5.09		20.00	**	2-Dec-16	3-Jan-22	PP-MLD[ICRA]AA-
K9D601E	3.25		10.00	**	25-Nov-16	25-Feb-20	BWR PP-MLD AA
K9D601F	3.33		54.00	**	25-Nov-16	26-Mar-20	BWR PP-MLD AA
K9K601A	3.50		13.00	**	24-Nov-16	25-May-20	PP-MLD[ICRA]AA-
K7K601A	3.01		30.00	**	23-Nov-16	25-Nov-19	PP-MLD[ICRA]AA-
K7K601B	3.01		20.00	**	23-Nov-16	25-Nov-19	PP-MLD[ICRA]AA-
K7K601C	3.01		20.00	**	23-Nov-16	25-Nov-19	PP-MLD[ICRA]AA-
K7K601D	3.01		10.00	**	23-Nov-16	25-Nov-19	PP-MLD[ICRA]AA-
K9A601A	3.50		10.00	**	21-Nov-16	22-May-20	BWR PP-MLD AA
K9K602A	3.33		51.00	**	17-Nov-16	18-Mar-20	PP-MLD[ICRA]AA-
J9K602A	3.42		25.00	**	7-Nov-16	8-Apr-20	PP-MLD[ICRA]AA-
J9K602B	3.34		15.00	**	7-Nov-16	9-Mar-20	PP-MLD[ICRA]AA-
J9K602C	3.25		25.00	**	7-Nov-16	7-Feb-20	PP-MLD[ICRA]AA-
J8K601B	3.50		1.00	**	2-Nov-16	4-May-20	PP-MLD[ICRA]AA-
J8J601C	3.50		20.00	**	28-Oct-16	28-Apr-20	PP-MLD[ICRA]AA-
J8J601E	3.50		10.00	**	28-Oct-16	28-Apr-20	PP-MLD[ICRA]AA-
J9J602A	3.50		15.00	**	26-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J9J602B	3.50		20.00	**	26-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J8J603B	3.51		20.00	**	25-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J8J603C	3.51		5.00	**	25-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J8J603D	3.51		4.00	**	25-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J8J603E	3.51		4.00	**	25-Oct-16	27-Apr-20	PP-MLD[ICRA]AA-
J9J601A	3.25		40.00	**	20-Oct-16	20-Jan-20	PP-MLD[ICRA]AA-
I9C601A	3.50		81.00	**	14-Oct-16	14-Apr-20	PP-MLD[ICRA]AA-
I7J603B	3.33		35.00	**	7-Oct-16	6-Feb-20	PP-MLD[ICRA]AA-

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
I9J601A	3.51		39.50	**	4-Oct-16	6-Apr-20	PP-MLD[ICRA]AA-
I9I602A	3.51		13.50	**	27-Sep-16	30-Mar-20	PP-MLD[ICRA]AA-
I9B601B	3.50		10.00	**	23-Sep-16	24-Mar-20	PP-MLD[ICRA]AA-
I9I601A	3.42		21.50	**	20-Sep-16	20-Feb-20	PP-MLD[ICRA]AA-
I9I601D	3.42		10.00	**	20-Sep-16	20-Feb-20	PP-MLD[ICRA]AA-
H9I601A	3.51		11.00	**	1-Sep-16	5-Mar-20	PP-MLD[ICRA]AA-
H8H602D	3.43		42.50	**	30-Aug-16	3-Feb-20	PP-MLD[ICRA]AA-
H8H602I	3.33		60.00	**	30-Aug-16	30-Dec-19	PP-MLD[ICRA]AA-
H9H602A	3.51		39.50	**	29-Aug-16	2-Mar-20	PP-MLD[ICRA]AA-
H9A601B	3.42		8.00	**	25-Aug-16	27-Jan-20	PP-MLD[ICRA]AA-
G6H601A	9.99		16.30	**	22-Aug-16	17-Aug-26	BWR PP-MLD AA
H9H603A	3.33		30.00	**	19-Aug-16	19-Dec-19	PP-MLD[ICRA]AA-
H7H601C	3.33		25.50	**	18-Aug-16	18-Dec-19	PP-MLD[ICRA]AA-
G9L601C	3.51		29.70	**	16-Aug-16	18-Feb-20	PP-MLD[ICRA]AA-
G9H601A	3.25		10.00	**	12-Aug-16	12-Nov-19	PP-MLD[ICRA]AA-
G9H601B	3.42		65.00	**	12-Aug-16	14-Jan-20	PP-MLD[ICRA]AA-
F9H601A	3.51		20.10	**	3-Aug-16	5-Feb-20	PP-MLD[ICRA]AA-
G7H601B	3.51		19.50	**	2-Aug-16	4-Feb-20	PP-MLD[ICRA]AA-
G8G601C	3.51		13.50	**	28-Jul-16	30-Jan-20	PP-MLD[ICRA]AA-
G9G606A	3.42		30.00	**	22-Jul-16	23-Dec-19	PP-MLD[ICRA]AA-
G9G606B	3.51		12.00	**	22-Jul-16	24-Jan-20	PP-MLD[ICRA]AA-
G9G605A	3.51		20.00	**	20-Jul-16	22-Jan-20	PP-MLD[ICRA]AA-
G9G604A	3.51		69.30	**	18-Jul-16	20-Jan-20	PP-MLD[ICRA]AA-
G7G601C	3.42		30.00	**	14-Jul-16	16-Dec-19	PP-MLD[ICRA]AA-
B8G602B	3.51		10.00	**	12-Jul-16	14-Jan-20	PP-MLD[ICRA]AA-
B8G601B	3.51		19.00	**	8-Jul-16	10-Jan-20	PP-MLD[ICRA]AA-

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount Outstanding as on Oct 04, 2019	Security	Issuance Date	Redemption Date	Credit Rating
F8F605C	3.34		80.00	**	28-Jun-16	31-Oct-19	PP-MLD[ICRA]AA-
F9F602A	3.51		10.00	**	22-Jun-16	26-Dec-19	PP-MLD[ICRA]AA-
E9F603A	3.51		50.00	**	15-Jun-16	18-Dec-19	PP-MLD[ICRA]AA-
E9F602A	3.41		135.30	**	10-Jun-16	8-Nov-19	PP-MLD[ICRA]AA-
D9E602A	3.51		77.00	**	30-May-16	2-Dec-19	[ICRA] PP MLD AA-
E9J601A	3.51		23.00	**	27-May-16	29-Nov-19	
E9J603A	3.55		23.00	**	25-May-16	13-Dec-19	[ICRA] PP MLD AA-
E9H601A	3.51		10.00	**	18-May-16	20-Nov-19	PP-MLD[ICRA]AA-
L7E603F	3.51		10.00	**	12-May-16	14-Nov-19	[ICRA] PP MLD AA-
D9E603A	5.01		50.00	**	10-May-16	12-May-21	[ICRA] PP MLD AA-
L7E602D	3.51		25.00	**	6-May-16	8-Nov-19	[ICRA] PP MLD AA-
D9E601A	3.42		2.50	**	5-May-16	7-Oct-19	[ICRA] PP MLD AA-
C9E601C	3.51		10.00	**	4-May-16	6-Nov-19	[ICRA] PP MLD AA-
D8D601H	5.01		15.00	**	28-Apr-16	30-Apr-21	[ICRA] PP MLD AA-
D9G601A	3.51		12.80	**	27-Apr-16	30-Oct-19	[ICRA] PP MLD AA-
D7D602C	3.51		30.00	**	26-Apr-16	29-Oct-19	[ICRA] PP MLD AA-
C6C601A	9.99		400.00	**	17-Mar-16	13-Mar-26	BWR PP MLD AA
A6A601A	9.99		8.00	**	19-Jan-16	13-Jan-26	[ICRA] PP MLD AA-
L5L501A	10.00		10.00	**	23-Dec-15	19-Dec-25	[ICRA] PP MLD AA-
F7K503B	5.01		10.00	**	2-Nov-15	2-Nov-20	[ICRA] PP MLD AA-
I5I501A	9.99		70.00	**	18-Sep-15	12-Sep-25	[ICRA] PP MLD AA-CARE AA-
H5H501A	10.00		30.00	**	17-Aug-15	14-Aug-25	[ICRA] PP MLD AA-
H9L401	5.00		13.00		2-Jan-15	1-Jan-20	CARE PP MLD AA-
C6L301	6.83		54.00		1-Jan-14	30-Oct-20	CARE PP MLD AA-

represents face value of the instrument.

Reissuance under the applicable ISIN, issued at a premium of ₹ 38.75 Million

** Debenture Trust Deed wise details of security provided:

DTD date	Value	Total Cover	Particulars
August 07, 2013	4000	1.25 times	Property# + Receivables & Stock in Trade + Corporate Guarantee of Promoter
January 21, 2014	7,500	1 time	Property# + Receivables & Stock in Trade
September 2, 2014	10,000	1 time	Property# + Receivables & Stock in Trade
January 5, 2015	10,000	1 time	Property# + Receivables & Stock in Trade
March 9, 2015	8,000	1 time	Property# + Receivables
July 13, 2015	30,000	1 time	Property# + Receivables & Stock in Trade
September 28, 2015	25,000	1 time	Property# + Receivables
June 16, 2016	20,000	1 time	Property# + Receivables & Stock in Trade
October 28, 2016	5,020	1 time	Receivables & Stock in Trade
August 1, 2018	20,000	1 Time	Property# + Receivables
December 7, 2018	15,000	1.25 Time\$	ESOP Receivables*
December 28, 2018	20,000	1 Time	Property# + Receivables
May 23, 2019	20000	1 Time	Property# + Receivables

- First pari passu mortgage and charge over the mortgaged premises situated at Flat No. B/301, Real Home, Gokhiware Village, Vasai Taluka, Thane

\$ - Security cover of 1.25 times with Collateral cover of 1.75 times.

* - “ESOP Receivables” means the amounts accruing or due, from time to time, together with all other monies whatsoever stipulated in or payable by or on behalf of the borrowers to the Issuer in connection with its financing operations by way of extending credit facilities in the form of loans to the borrowers for the purpose of purchase of shares by such borrowers under various employee stock option schemes to which such borrowers are entitled.

***“Ineligible Assets” means any asset including present or future assets which are not / may not form part of the Security, including without limitation, receivables pertaining to capital markets exposures and ESOP Receivables, the books debts hypothecated by way of exclusive first charge in favour of SIDBI pursuant to the terms loans dated 26 December, 2014, 24 September 2015, 22 March 2016, 30 March 2017, 5 December 2017 and 28 November 2018 entered into between the Issuer and SIDBI

For details relating to eligible investors please see “Our Business” on page 95 of Shelf Prospectus.

As on October 04, 2019, we have outstanding borrowing of ₹ 10,921.72 million from Collateralised borrowing and lending obligation (“CBLO”) and Clearcorp repo order matching system (“CROMS”).

- *Restrictive Covenants*

Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the lenders before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

- to alter its capital structure, or issue any voting capital or effect any buyback of its securities;
- to enter into borrowing arrangements either on secured basis with any other bank, financial institution, company or otherwise;
- to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
- to sell, assign, mortgage, alienate or otherwise dispose of any of the assets of the borrower charged to the consortium members;
- to enter into any contractual obligation of a long term nature affecting the borrower financially to a significant extent;
- to undertake any activity other than those indicated in the object clause of the Memorandum of Association of the borrower;
- to permit any transfer of the controlling interest or make any drastic change in the management setup of the borrower;
- to divert/utilize the loans to other sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned;
- to register, or allow the registration of, any transfer of any of its share capital;
- to formulate any scheme of amalgamation or reconstruction;
- to implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure; and/or
- to undertake guarantee obligations on behalf of any third party or any other company.

Unsecured facilities

- Unsecured, Subordinated Non-Convertible Debentures

Our Company has, vide public offering, issued unsecured, subordinated, redeemable, non-convertible debentures of which ₹ 4,000 million is outstanding as on October 4, 2019, the details of which are set forth below

(in ₹ million)

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount outstanding as on Oct 04, 2019	Date of Allotment	Redemption Date	Security	Credit Rating
INE804I08601	70 months	12	3,340.49	June 26, 2014	April 26, 2020	NA	CARE AA-/BWR AA
INE804I08619	70 months	12	182.69	June 26, 2014	April 26, 2020	NA	CARE AA-/

Debenture Series	Tenor (in Years)	Coupon (in %)	Amount outstanding as on Oct 04, 2019	Date of Allotment	Redemption Date	Security	Credit Rating
							BWR AA
INE804I08627	70 months	0	476.82	June 26, 2014	April 26, 2020	NA	CARE AA-/BWR AA

Unsecured Non-Convertible Debentures

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible subordinate debt (Tier II) of which ₹ 15,365.70 million is outstanding as on Oct 04, 2019, the details of which are set forth below:

(in ₹ million)

Debenture Series	Tenor Period of Maturity	Coupon	Amount Outstanding as on October 4, 2019	Issuance Date	Redemption Date	Credit Rating	
INE804I08593		7.01	12	100.00	30-Dec-13	30-Dec-20	CARE AA-BWR AA
INE804I08593		7.01	12	100.00	30-Dec-13	30-Dec-20	CARE AA-BWR AA
INE804I08635		7.5	11.25	500.00	30-Dec-14	30-Jun-22	CARE AA-BWR AA
INE804I08643		10.25	11.25	3,000.00	4-Feb-15	3-May-25	CARE AA-[ICRA] AA-
INE804I08650		5.51	11.25	500.00	19-Mar-15	18-Sep-20	CARE AA-[ICRA] AA-
INE804I08668		10.01	10.62	100.00	3-Sep-15	3-Sep-25	CARE AA-[ICRA] AA-
INE804I08676		10.01	10.6	100.00	30-Sep-15	30-Sep-25	CARE AA-[ICRA] AA-
INE804I08692		10.01	10.15	2,500.00	16-Jun-16	16-Jun-26	CARE AA-[ICRA] AA-
INE804I08734	Perpetual	10.25		250.00	8-May-17	N/A (Perpetual)	BWR AA-SMERA AA
INE804I08734	Perpetual	10.25		250.00	8-May-17	N/A (Perpetual)	BWR AA-SMERA AA
INE804I08734	Perpetual	10.25		1,000.00	8-May-17	N/A (Perpetual)	BWR AA - SMERA AA
INE804I08742	Perpetual	10.25		200.00	16-May-17	N/A (Perpetual)	BWR AA-SMERA AA
INE804I08742	Perpetual	10.25		550.00	16-May-17	N/A (Perpetual)	BWR AA-SMERA AA
INE804I08742	Perpetual	10.25		750.00	16-May-17	N/A (Perpetual)	BWR AA-SMERA AA

Debenture Series	Tenor Period of Maturity	Coupon	Amount Outstanding as on October 4, 2019	Issuance Date	Redemption Date	Credit Rating
INE804I08833	10.01	9.25	200.00	12-Sep-17	15-Sep-27	[ICRA] AA-CRISIL AA-
INE804I08841	10.01	9.25	1,000.00	6-Oct-17	6-Oct-27	[ICRA] AA-CRISIL AA-
D3F701A03	5.61		10.00	21-Nov-17	30-Jun-23	CRISIL PP-MLD AA-r
A3A701A03	5.78		19.30	6-Nov-17	18-Aug-23	CRISIL PP-MLD AA-r
A3A701A02	5.82		21.60	24-Oct-17	18-Aug-23	CRISIL PP-MLD AA-r
D3F701A02	5.87		400.00	18-Aug-17	30-Jun-23	CRISIL PP-MLD AA-r
A3A701A01	6.02		532.00	11-Aug-17	18-Aug-23	CRISIL PP-MLD AA-r
A3A701A	6.02		628.20	10-Aug-17	18-Aug-23	CRISIL PP-MLD AA-r
D3F701A01	5.91		743.70	4-Aug-17	30-Jun-23	CRISIL PP-MLD AA-r
D3F701A	6.00		347.90	30-Jun-17	30-Jun-23	CRISIL PP-MLD AA-r
L2H701A	6.03		150.00	29-Jun-17	10-Jul-23	CRISIL PP-MLD AA-r
L2H701D	6.03		10.00	29-Jun-17	10-Jul-23	CRISIL PP-MLD AA-r
L2G701A	6.03		83.00	22-Jun-17	3-Jul-23	CRISIL PP-MLD AA-r
L2G701B	6.03		10.00	22-Jun-17	3-Jul-23	CRISIL PP-MLD AA-r
F5F701A	8.00		50.00	14-Jun-17	13-Jun-25	CARE PP MLD AA
F7F701A	9.99		100.00	13-Jun-17	8-Jun-27	CARE PP MLD AA-
E7E701A	9.99		450.00	5-May-17	30-Apr-27	CRISIL PP MLD AA-
I9J603A	3.33		300.00	6-Oct-16	5-Feb-20	PP-MLD[ICRA]AA-
I9J602A	3.33		300.00	5-Oct-16	4-Feb-20	PP-MLD[ICRA]AA-
D6E601A	9.99		110.00	3-May-16	28-Apr-26	[ICRA] PP MLD AA-

List of top ten debenture holders as on September 30, 2019: -

Name	Amount (in ₹ million)
Life Insurance Corporation of India	12,383.34
CDPQ Private Equity Asia Pte. Ltd.	10,394.97
Credit Suisse Ag Singapore Branch	6,100.00
Axis Bank Limited	5,223.40
Bank of Baroda	5,178.47
L And T Finance Limited	3,000.00
Kotak Equity Hybrid	2,950.00
Credit Suisse Finance (India) Pvt. Ltd.	2,740.00
IndusInd Bank Limited	2,491.98
Standard Chartered Bank	2,490.00

- **Commercial Papers**

Our Company has issued the following commercial papers:

(in ₹ million)

Sr. No.	Party	Issue/Value Date	Maturity Date	Amount Maturity Value
1	ICICI Prudential Mutual Fund	4-Oct-19	11-Oct-19	7500
2	Baroda Mutual Fund	4-Oct-19	11-Oct-19	1000
3	LIC Mutual Fund	4-Oct-19	11-Oct-19	1000

- **Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on October 4, 2019**

Party Name (in case of Facility) /Instrument Name	Type of Facility /Instrument	Amount Sanctioned/ Issued	Principal Amount Outstanding as on Oct 4, 2019	Repayment Date/ Schedule	Credit Rating	Secured /Unsecured	Security
Senior Secured INR Denominated USD Settled Notes due 2019 (“Notes”)		5,020	5,020	December 28, 2019	Un - rated	Secured	@

@ Notes are secured by a charge over all present and future receivables and stock in trade of our Company on a first ranking and pari passu basis, to the extent of the security coverage ratio. (i.e., the ratio of the value of the security to the outstanding principal amount of the Notes and any accrued but unpaid interest from time to time).

Company has raised Compulsory Convertible Debentures as below mention:

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

- *Loan from Directors and Relatives of Directors -*

Our Company has not raised any loan from directors and relatives of directors as on October 04, 2019.

- *Inter Corporate Loans:*

As on October 04, 2019, our Company doesn't have any Inter Corporate Loans outstanding in the nature of demand loans from Companies under same management, except for INR 5.91 million loan from Edelweiss Rural and Corporate Services Limited.

- **Inter Corporate Deposit:**

Our Company does not have any inter corporate deposit outstanding as on October 04, 2019.

Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities

As on the date of this Shelf Prospectus, there has been no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness in the past 5 years. Our Company has not issued any corporate guarantee.

There are no outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on the date of this Shelf Prospectus, except as disclosed above.

- *Corporate Guarantee*

Our Company has not issued any corporate guarantees.

OUTSTANDING LITIGATION AND STATUTORY DEFAULTS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and its Board of Directors that may have an adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company as of the date of this Tranche II Prospectus.

The Debentures Committee in its meeting held on April 18, 2019 has adopted a materiality threshold of 5% of the standalone net worth of the Company for disclosure of litigation involving our Company, the Directors, Promoter and Group Companies which may have an adverse impact on the position of our Company.

For the purposes of disclosure, all other pending litigation involving our Company, Promoter, group companies or any other person other than criminal proceedings, statutory or regulatory actions, would be considered 'material' if the monetary amount of claim is more than 5 % of the standalone net worth of the Company for the Fiscal 2019.

Save as disclosed herein below, there are no: -

- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Tranche II Prospectus and any direction issued by such Ministry or Department or statutory authority;*
- *pending litigation involving our Company, our Promoters, our Directors, Subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of the issuer;*
- *material fraud committed against our Company in the last five years;*
- *inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of the Shelf Prospectus in the case of our Company and all of our Subsidiaries;*
- *pending proceedings initiated against our Company for economic offences; and*
- *default and non-payment of statutory dues etc.*
- *Further from time-to-time, we have been and continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. These legal proceedings are mostly civil in nature. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India.*

I. Litigation involving our Company

Except as disclosed below, there are no other important legal proceedings involving our Company.

(a) Civil proceedings

- *Against our Company*
 1. The State Bank of India and others (“Appellants”) has filed an O.S.A. No. 43/13 (“Appeal”) dated September 25, 2013 before the High Court of Karnataka, Bangalore against United Breweries (Holdings) Ltd (“UBHL”), the Company and others, for a

direction to UBHL for the deposit of the entire sale proceeds of the 13,612,591 shares of United Spirits Limited (“USL”), the release of the said amounts to the Appellants and an interim order restraining UBHL from paying any part of the sale proceeds to the pledge holders. The Appellants filed an appeal against the order dated May 24, 2013 in company application numbers 437,441,440, 439 and 438 of 2013 in company petition number 122, 121, 248, 185 and 57 of 2012 pursuant to which the single judge in the appeal partly allowed the applications filed by UBHL and permitted the Appellants to sell 13,612,591 equity shares of USL held by them to Relay BV and Diageo plc and others and to use the sale proceeds to make payment to UBHL's secured creditors. The said shares were pledged with various lenders including the Company. The Appellants also made the Company and other lenders of UBHL as parties in the Appeal and claimed that these pledges of shares, which were created in favour of the Company, as invalid on the ground that these pledges were created in breach of certain warranties contained in the guarantee agreement executed by UBHL in favour of and the benefit of the Appellants. Pursuant to the judgment dated December 20, 2013, the appellate court (Company Court) set aside the Company Court's order dated May 24, 2013 of the Company Court and held that the sale of shares was void.

Relay BV and Diageo plc and others filed a petition for special leave appeal (civil) numbers 967, 2955, 4826, 4827, 4828 and 4829 of 2014 against the Appellants to seek leave to appeal against the judgment dated December 20, 2013. The Appellants filed special leave petition (civil) numbers 6270, 13589 and 1501 of 2014, against UBHL and others, including the Company, in the Supreme Court praying to set aside the judgment dated December 20, 2013 of the Appellate Court. The matter was last listed on 9 April 2018 for consideration of impleadment applications filed by various parties in connected civil appeals. The Supreme Court was pleased to allow the impleadment applications. The Supreme Court also observed that in view of winding up order having been passed, United Breweries (Holdings) Limited shall sue and be sued in the name of Official Liquidator and accordingly the Supreme Court directed notice be issued to official liquidator. The matter is currently pending.

2. In the matter of Reliance Project Venture & Management Pvt. Ltd. (“RPVMPL”) (“Plaintiff”) v. ECL Finance & Ors. the Plaintiffs had earlier moved to the Bombay High Court, single judge bench *inter alia* for restraining ECL Finance from selling the pledge share of R Power and of RCOM, to pay damages of Rs. 3,008.41 crore and declare the sale of pledge shares illegal. The suit is currently pending.
3. Sunil Kumar Aggarwal (“Plaintiff”), a minority shareholder in Rudra Buildwell Homes Private Limited (“Project Company”), on whose land the Company holds a mortgage over certain lands, has filed a suit for declaration of his alleged rights before the Patiala House Court. Prayer has been made for injunction restraining the Company from creating any charge or encumbrance over the assets of the Project Company, and for declaration that a prior charge exists in favour of the Plaintiff. Further, the Plaintiff has filed a suit for enforcement of rights under a conciliation agreement executed between the Plaintiff and the Project Company before the Delhi High Court. The matter is currently pending.
4. Yogendernath Bhardwaj and other have filed Writ Petition (c) being No. 8748 of 2017 before Delhi High Court against SEBI and other including ECL Finance limited *inter-alia* seeking injunction against sale of shares belonging to the Petitioners in furtherance of an order likely to be passed by SEBI in pending inquiry against Amrapali Aadya Trading and Investment Pvt. Ltd, who fraudulently and without any authorization pledged the shares with ECLFL and 2 others as collateral against loan borrowed by Amrapali Aadya Trading and Investment Pvt. Ltd. By an Order dated 27th September 2017, the Hon’ble Court directed to maintain status quo without creating any hurdle in the investigation undertaken by SEBI. The matter is currently pending and listed for hearing on January 23, 2020.

5. Arvind Ghai, a resident of Ghaziabad and a retail client of ECL Finance Limited filed an injunction suit bearing No 1288 of 2018 before the Court of Civil Judge, Senior Division, Ghaziabad against the Company and some of its directors namely, Rashesh Shah, Venkat Ramaswamy, Himanshu Kaji, Vidya Shah, Biswamohan Mahapatra and Rujan Panjwani, one of the directors of its Promoter Company seeking permanent injunction and has prayed to restrain any dispossession from his residential property till the final disposal of the recovery suit filed by the Company before District Judge of Patiala House Court. On March 7, 2019 the Company filed its counter reply in the matter. On April 8, 2019, the Company filed its Application under Section 10 of Code of Civil Procedure for stay of proceedings. On July 23, 2019 the Hon'ble Court after hearing dismissed the said Suit. Being aggrieved, the client Arvind Ghai filed an Application bearing No. 19 of 2019 before the Upper Civil Judge (Senior Division) Ghaziabad against the Company and its above stated directors for restoration of the same. The matter is currently pending.

(b) *Criminal proceedings*

- *Against our Company*

1. The Directorate of Enforcement (“Complainant”) has filed an original complaint dated September 03, 2016 (O.C. No-639/2016) with the Adjudicating Authority under the Section 5 (5) of the Prevention of Money Laundering Act of 2002 (ECIR/07/MBZO/2016) against M/s. Kingfisher Airlines Ltd, Mr. Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2 (1) (u) of Prevention of Money Laundering Act of 2002. Certain shares of Mr. Vijay Mallya and his associates were pledged with the Company as security (“**Pledged Securities**”) for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The adjudicating authority has confirmed the provisional attachment under O.C. No-639/2016 vide an order dated February 22, 2017 and our Company has challenged the same vide Appeal No. FPA-PMLA-1773/MUM/2017 before the Appellate Authority. The Matter is currently pending, and the next date of hearing is listed for final disposal of February 18, 2020.
2. Our Company has received a notice dated February 23, 2018 from Investigating Officer, General Cheating – 1, Economic Offence Wing (“EOW”), Mumbai under Section 91 and 160 of Criminal Procedure Code, 1973 *inter-alia* seeking details of clients of ECLF namely, Gaurav Sudhirkumar Davda and Vipul Hiralal Shah in relation to the loan transaction in Shree Ashtavinayak Cine Vision Limited. ECLF has provided all necessary information and documents related to loan facilities and also recorded the statement of the concern officials before Investigating Officer (“IO”). The matter is currently pending.
3. Our Company received a Notice dated September 6 2018 received on September 14, 2018 from the office of the Asst. Commissioner of Police, Economic Offences Wing, Delhi under Section 91 of Criminal Procedure Code, 1973 *inter-alia* asking to provide details of pledged shares belonging to client, Amarpali Aadya Trading and Investments Private Limited, along with supporting documents as regards to pledge, liquidation etc., which notice was duly complied with by furnishing the necessary documents and information. On October 24, 2018, our Company has been served with fresh notice dated October 9, 2018 asking for additional about 09 clarifications mentioned therein with respect to authorization to liquidate securities, pending quantities of securities, and the Company has complied with the same. The Company vide its letter dated December 20, 2018, have furnished the necessary details to the authority. The matter is currently pending.

4. Our Company received Notice dated January 9, 2019 under Section 91 Cr. P.C from the Additional Commissioner of Police, Economic Offences Wing , Mandir Marg Complex Police station, Delhi inter-alia informing that department commenced investigation against CPR Capital Services Limited and its directors for forgery of Bonds, NCDs and shares belonging to the complainant one Ravinder Gupta and subsequently pledging the same to avail loan facilities. Our Company has been directed to provide all the information about loan facilities availed by CPR Capital Services Limited and its directors together with details of securities. our Company provided the required details. The matter is currently pending.

- *By our Company*

1. Our Company has filed criminal complaints dated December 4, 2010 and December 10, 2010 against Mr. Prakash Patel, Mr. Kalpesh Padhya, Mr. Vyomesh Trivedi and Mr. Gaurav Davda (together referred to as “Accused”) before the Joint Commissioner of Police, Economic Offences Wing, Crime Branch, Mumbai (“EOW”) under Sections 403, 406, 420, 120 - B, 34 and other applicable provisions of Indian Penal Code, 1860 for criminal breach of trust and cheating in relation to a loan, resulting in a loss of INR 82.9 million to our Company. During investigation, one more person, Mr. Mukesh Kanani was impleaded as an Accused. Subsequently, a first information report dated November 3, 2011 was registered against the Accused including Mr. Mukesh Kanani for an offence under section 420 and Section 34 of Indian Penal Code, 1860. Thereafter, on August 28, 2014 EOW filed a case before the Additional Chief Metropolitan Magistrate’s 19th Court at Esplanade Court Mumbai against the Accused for committing the alleged offence under Section 420 and Section 34 of the Indian Penal Code, 1860. The matter is currently pending for hearing and recording evidence of Company’s authorised officials.
2. Our Company has filed a criminal complaint before the BKC police station, Bandra against Mr. Mahesh Chavan, proprietor of Global Overseas, Mr. Kaushal *alias* Renu Menon, Ms. Deepali, Sandeep Kelkar and Mr. Rohit Paranjpe, Deodhar Gholat (“Accused”) for committing an act of cheating with respect to purchase of a car, being C – 220 CDI, Grand Edition, manufactured by Mercedes Benz, for our company’s employee Mr. Ram Yadav. Subsequently, first information report (“FIR”) number 236/14 dated December 2, 2014 was filed with the BKC Police station for procurement of documents. Statements of Ram Yadav and Neelu Chandni recorded by police on January 21, 2015. Police case number PW/329/2015 was filed on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra (“Court”). The Police authorities filed charge sheet only against Sandeep Kandalkar and Mahesh Chavan. The matter is currently pending and listed for hearing under the caption of not heard cases.
3. Our Company, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde (“Borrowers”) under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of INR 5.83 million by ECLF against their property. ECLF upon its internal investigation found that the Borrowers have (a) obtained loan from another financial institution post the disbursement of loan from ECLF and (b) sold the property (mortgaged to ECLF) without consent/no objection certificate from ECLF. Therefore, it was suspected that the Borrowers have created multiple property documents (forged documents) in connection with the property which was mortgaged with ECLF and taken loan from other financial institutions. Subsequently, ECLF filed a complaint dated August 12, 2016 against the Borrowers before the Senior Police Inspector, Shivaji Nagar Police Station, Pune requesting them to take cognizance of the offences punishable under Sections 420, 465, 467, 468, 471, 34 read with 120B of the Indian Penal Code, 1860 and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 allegedly violated by the Borrowers. Further, ECLF submitted certain documents to the Senior Police Inspector,

Economic Offences Wing, Pune in relation to the loan sanctioned to the Borrowers, pursuant to a notice dated March 14, 2017 issued to ECLF. ECLF filed its statement before the Economic Offences Wing, Pune on 10 May 2017. The matter is currently pending.

4. Our Company has filed a criminal writ petition (criminal writ petition no. 2494 of 2018) against order dated 18/4/2018 passed by 47th Magistrate Court, in Misc. Application No.730 of 2017 in Case No.169/PW of 2017. In the said order the execution of the documents as prayed for in the miscellaneous application was granted subject to the condition that the Petitioners shall satisfy the claim of certain 18 flat purchasers in case they approach the Hon'ble Court. The matter is pending.

(c) *Taxation proceedings*

NIL

(d) *Other proceedings*

Our Company has filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, against our customers for dishonour of cheques which were presented to our Company. These cases are pending across different courts in India. Further, in some of the cases, our customers have filed appeals against our Company.

II. Litigation involving our group companies

Except as disclosed below, there are no other important legal proceedings involving our group companies.

(a) *Civil proceedings*

- *Against our group companies:*

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)

1. Nathella Sampath Jewellery Private Limited (“NSJPL”) filed an arbitration application dated December 1, 2014 (“Application”) before the High Court of Bombay to constitute an arbitration tribunal (“Tribunal”) in relation to a dispute arising out of an agreement dated December 1, 2008 entered into between ECAL Advisors Limited (now known as Edelweiss Rural & Corporate Services Limited (“ERCSL”) and NSJPL for purchase of bullion on fixed or unfixed price basis (“Agreement”). As per the terms of the Agreement, if NSJPL chose to purchase bullion on unfixed price basis, it would be required to pay ERCSL, deposit margin money (“Margin”) and the price of the bullion would be fixed within 15 calendar days of making payment of the Margin. Also, NSJPL would be liable to replenish the shortfall in the Margin for all open positions. ERCSL *vide* its letter dated September 5, 2013 intimated NSJPL the amount due by NSJPL upon fixation of an unfixed open bullion position. However, NSJPL withheld certain payments for losses caused to it allegedly on account of the positions wrongly being kept open by ERCSL despite non-payment of shortfall in Margin. Since the parties failed to resolve the dispute amicably, ERCSL served notices of pending dues to NSJPL dated October 11, 2013 and March 25, 2014, demanding a total outstanding amount of Rs 59.02 million and also filed a winding-up petition dated November 12, 2014 against NSJPL before the High Court of Madras. Upon the constitution of the Tribunal pursuant to the Application, ERCSL filed a claim dated March 10, 2016 against NSJPL for an outstanding amount of INR 59.02 million along with interest at a rate of 18% per annum from September 6, 2013 till actual payment. ERCSL also moved an Application under Section 16 of Arbitration and Conciliation Act, 1996 for determination of the Tribunal’s jurisdiction in deciding Nathella’s claim for illegality of transaction.

Subsequently, NSJPL filed a counter claim against ERCSL for either a sum of INR 244.61 million along with an interest of 18% from March 16, 2016 till actual payment or a sum of INR 47.00 million along with interest of 18% from September 1, 2013 till actual payment and direction to ERCSL to render true and correct account of transactions during the entire currency of the Agreement. On October 24, 2016, an application on maintainability of NSJPL's claim as a preliminary objection was rejected. ERCSL filed an Evidence Affidavit thereafter and the cross-examination of ERCSL's witness Rakesh Udyawar commenced from September 08, 2017 and was thereafter adjourned from time-to-time to November 23, 2017, November 30, 2017, as part heard and concluded on January 18, 2018. NSJPL is required to file an affidavit of evidence in lieu of examination in chief on or before March 01, 2018, which NSJPL complied with. On April 25, 2018 the cross examination of NSJPL's witness concluded. In the meantime, NSJPL has filed a Company Petition No. CA/129/IB/2018 before the National Company Law Tribunal ("NCLT"), Chennai Bench for initiation of corporate insolvency resolution process, which has been admitted by the NCLT on April 23, 2018. In view of the above, the Learned Arbitrator has cancelled the hearings and directed resuming the hearings after the conclusion of the corporate insolvency resolution process. ERCSL thereafter, moved an arbitration petition under Section 29A of the Arbitration and Conciliation Act, 1996 seeking a further extension of time for a period of six months to complete the arbitration proceedings and pass a final award, which proceedings were restrained on account of order under Section 14 of the Insolvency and Bankruptcy Code, 2016. By an order dated March 05, 2019 the Hon'ble Bombay High extended the time to complete the arbitration proceedings and pass a final award within a period of six months. Subsequently, Arbitration hearing conducted on 15th June 2019 and ERCSL concluded its arguments. On 22nd June 2019 NSJPL initiated its arguments and continued on to 20 July 2019, 27th July 2019 and 09th August 2019 On 9 August 2019, NSJPL concluded its arguments. On 20th August 2019, ERCSL commenced its arguments but remained in completed. On September 19, 2019, ERCSL moved an Application before Bombay High Court under Section 29A of Arbitration and Conciliation Act for extension of Arbitrator's tenure for a further period of two months, which was allowed by the Court. On 14th October 2019 ERCSL concluded its arguments and filed its written submissions. Arbitration reference closed for award. The matter is currently pending.

2. Edelweiss Rural & Corporate Services Limited ("ERCSL") (*formerly known as Edelweiss Commodities Services Limited*) received a notices dated April 03, 2019 and June 14, 2019 ("Notices") issued under Section 41 read with Section 36(2) of the Competition Act, 2002 ("the Act") from the office of the Director General, Competition Commission of India, New Delhi along with copy of Commission Order dated November 9, 2018 under Section 26(1) of the Act ("the Order") to conduct an investigation against 11 trading organizations which included ERCSL for allegedly being part of a cartel involved in increasing the prices of pulses in India. Through the Notice, ERCSL has been inter-alia directed to furnish various information and documents (which include details of pulses business of ERCSL such as procurement, stocking, local sale, etc.) for the period 2010-2011 to 2017-2018. ERCSL has furnished the said information and documents in compliance with the said Notice. The matter is currently pending with the CCI.

3. Edelweiss Rural & Corporate Services Limited ("ERCSL") (*formerly known as Edelweiss Commodities Services Limited*) received a Notice dated March 29, 2019 ("Notice") on April 01, 2019 in Form 3, being demand notice / invoice demanding payment under the Insolvency and Bankruptcy Code, 2016 from Vision Millennium Exports Private Limited, Operational Creditor issued under rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 in respect of unpaid operational debt due from ERCSL for an amount of INR 3,43,41,700.84. ERCSL received the said Notice, which demands a payment of Rs. 3,43,41,700.84, comprising of balance TDS amount with interest @ 12% from 2012 and the computation is as on March 29, 2019. On April 12, 2019, ERCSL replied the said notice on merit through its Advocates inter-alia challenging

the maintainability of the said Notice under I&B Code and denied the purported claim. Subsequently, Vision Millennium Exports Private Ltd. has filed an application in the NCLT Hyderabad for recovery of the said amount which the NCLT has accepted and directed Vision Millennium to issue Notice to Edelweiss about the filing of the insolvency petition. In June 2019. The same is being responded to in NCLT. Proceedings in the matter are not concluded.

- *By our group companies:*

Edelweiss Rural & Corporate Services Limited (formerly Edelweiss Commodities Services Limited) (“ERCSL”)

NIL

- (b) *Criminal proceedings Against our group companies:*

Edelweiss Broking Limited (“EBL”)

1. EBL received a notice under Section 91 of the Criminal Procedure Code, 1973 from Vidhayak Puri Police Station, Jaipur under Enquiry No 1 of 2019 inter-alia, directing to produce all trading details of clients Mr. Hanuman Prasad Sharma including KYC, Ledger etc. and also all the employment / contact details of ex-employee Bhanwar Lal Teli of Jaipur Branch. Trading client of EBL filed a criminal complaint before Vidhayak Puri Police Station, Jaipur against ex-employee Bhanwar Lal Teli alleging unauthorized trading in his account by the employee thereby causing loss of Rs. 14 lacs. EBL provided all the required details through Jaipur branch office. The matter is currently pending.
2. Srimati Iti of Agra (“Complainant”), a client of Edelweiss Financial Advisors Limited (“EFAL”) (now amalgamated with EBL) filed a first information report (No. 592 of 2012) (“FIR”) before Hari Parvat, Janpad Police Station, Agra (“Police Station”) against Saurabh Jain, Richa Jain and Mahendra Jain (collectively, the “Accused”), under Sections 420, 467, 468, 471 read with Section 120B of the IPC and Sections 66, 66C and 66D of the Information Technology Act, 2000 for alleged unauthorised trading by modifying her trading account and password. Pursuant to notices dated October 8, 2012 and December 12, 2012, the investigation officer sought KYC documents, trade details, trading account password, user IP details and other documentation from the date of opening trading account by the Complainant from EFAL. The station in-charge of the Police Station issued notices under Section 160 of the Cr. P.C. addressed to Sunil Mitra, Sanjiv Misra and Himanshu Kaji, respectively, directors of Edelweiss Financial Services Limited for inquiry in respect of the FIR (“Notices”). EBL *vide* its letter dated July 15, 2016 replied to the Notices, *inter alia*, stating that addresses were neither the directors nor were they holding any official position in respect of any of the contracting entities in which the Complainant had opened her trading account.

On October 10, 2018 Sunil Mitra and Himanshu Kaji have been served with the summons dated September 09, 2018 issued pursuant to the order dated April 23, 2018 by the Ld. Chief Judicial Magistrate, Agra based on the supplementary / additional charge-sheet dated December 07, 2017 filed by SHO, Hari Parvat PS, Agra in Case No. 16324/2018 under Sections 420, 406, 120 of IPC read with Sections 66, 66C & 66D of IT Act to appear before Court.

Sanjiv Misra has not been served with any summons, however from bare perusal of the charge sheet and subsequent orders passed by the Ld. Magistrate, Agra; it can be inferred that the process has already been issued against Sanjiv Misra as well. Sunil Mitra, Sanjiv Misra and Himanshu Kaji have therefore, filed a joint Criminal Misc. Application No. (L) 245 of 2018 challenging against the said summoning order before the High Court at Allahabad under Section 482 of the Code of Criminal Procedure to quash and set aside the charge sheet, summoning orders and issuance of process from amongst the grounds including on the ground of vicarious liabilities cannot be extended in criminal jurisprudence

without substantiating the role of the officials in alleged offences. On December 4, 2018, the Allahabad High Court stayed further proceedings in the Agra Court against Mr. Sunil Mitra, Mr. Himanshu Kaji and Mr. Sanjiv Misra in Criminal Miscellaneous Application under Section 482 of Code of Criminal Procedure No. 43606 of 2018. On January 03, 2019 the stay order dated December 04, 2018 granted by Allahabad High Court was produced before CJM, Agra, which was taken on record.

By another Order dated May 07, 2019, Allahabad High Court granted stay in Second Petition No. 18339 of 2019 filed by Sanjeev Chandiramani, Nirmal Rewaria, Prashant Mody and Manish Dhanuka under Section 482 of Cr. P.C. challenging Supplementary / additional charge-sheet filed against them in Agra. Allahabad High Court further directed to list for hearing in July 2019 along with first petition after parties filed their respective counter reply & rejoinder, if any.

On June 22, 2019, the stay order dated May 07, 2019, granted by Allahabad High Court in Second Petition was produced before CJM, Agra, which was taken on record. The Ld. Magistrate was pleased to stay the proceedings before him till the next date of hearing i.e. August 20, 2019.

By an order passed in July 2019, both the Petitions pending before Allahabad High Court clubbed together and listed for hearing on 09th August 2019, when Complainant made their appearance and sought time to file their say within 03 weeks and stay orders granted stand continued. State also filed its reply in second Petition bearing No. 18339 of 2019.

On August 20, 2019, EBL filed Allahabad High Court Order *inter-alia* clubbing both the Petitions before CJM, Agra, which was taken on record. The matter is currently pending.

3. Manish Varshney (“Complainant”) filed a first information report (No. 139 of 2012) dated March 28, 2012 (“FIR”) against its ex-employees Manoj Tomar and Manoj Gupta (collectively, the “Accused”) under Sections 406, 417 and 506 of the Indian Penal Code, 1860 for alleged fraudulent trading using the Complainant’s trading account. Subsequently, Manoj Gupta filed a criminal petition (miscellaneous No. 18155 of 2012) under Article 226 of the Constitution of India, 1949 before the High Court of Judicature at Allahabad (“Court”), seeking a stay order and directions to quash the FIR. The Court granted a stay and directed the police to submit a police report under Section 173(2) of the Criminal Procedure Code, 1973. Accordingly, Police filed its final report before Chief Judicial Magistrate, Aligarh and matter stands transferred to Judicial Magistrate, Aligarh. The matter is currently pending.
4. Edelweiss Broking Limited (“EBL”) received an undated notice (“Notice”) under Section 91 of the Code of Criminal Procedure, 1973 from Mr. Kundan Singh, Investigating Officer, Udyong Vihar Police Station, Gurgaon (“IO”), in pursuance of first information report number 76 of 2012 dated June 26, 2012 under Sections 406, 420, 467, 468, 471 and 120 – B of the Indian Penal Code, 1860 (“FIR”). The IO has directed EBL to furnish necessary documents for purposes of investigation into the FIR. EBL replied to the Notice on May 5, 2016, seeking further information on the matter. However, EBL is not a party to the dispute. The matter is currently pending.
5. EBL received two email Notices both dated November 14, 2018 from Inspector of Police, Office of the Deputy Inspector General of Police, CBI, Anti-corruption Branch, Hyderabad under Section 91 and 160 of the Criminal Procedure Code, 1973 *inter-alia* seeking trading and Demat details pertaining to the client of EBL namely, P. Durga Prasad DP ID: 12032300 Client ID: 01564294 in relation to investigation in RC 12 (A)/2018/CBI/HYD and to appear before him on November 23, 2018 for the purpose of answering questions relating to the case. On November 30, 2018 EBL furnished all necessary information and

documents to the authorities. EBL is not a party to the dispute. The case is currently pending.

6. EBL received email notice dated November 15, 2018 Crime Branch Police Station, Zone-1, M.P. Nagar, Bhopal, Pin Code 462011 (M.P.) India under Section 91 of the Criminal Procedure Code, 1973 inter-alia informing that Crime Branch Police Bhopal is investigating Crime No 457/15 under Section 408,420,467,468,120B of Indian Penal Code and inquired with EBL to ascertain whether the telephone numbers namely, 8085870001, 9039136189, 8305344861, 9977140007 and PAN Number :AFQPL4923E pertains to any of the account with EBL at any time. EBL after ascertaining the telephone and PAN numbers provided by authority found that PAN Number: AFQPL4923E is linked with Trading and Demat Account belonging to one of our client, namely Devansh Linjhara residing at H No B-26, Aamra Vihar Kolar Road, Bhopal – 462 042 having his Trading Account No. 60001377 and Demat Account No. -12032300-00710736. Accordingly, EBL provided the necessary information and documents to the authority. EBL is not a party to the dispute. The matter is currently pending. The case is currently pending.
7. Client Mr. Baburajan Pillai filed police complaint No. 537 of 2015 before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under Sections 408, 418, 468 and 420 of the Indian Penal Code, 1860 for unauthorised trading in his account. His complaint is that one of the company officials (Mr. Hariharan) took 300 Bank of India share certificates from the client and carried out unauthorized trading in his account. All the shares were sold at loss. Branch officials have visited the police station from time to time and have filed requisite documents. Thereafter, a notice dated January 7, 2016, was sent by the police, under Section 91 of Cr PC (“Notice”) directing EBL to provide the relevant documents, which have been duly submitted. The matter is currently pending.
8. EBL received a notice dated March 28, 2013 (No. 109-5A/EOWING) (“Notice”) from the Economic Offences Wing at Ludhiana (“EOW”) pursuant to a complaint filed by Amarjeet Arora (“Complainant”) in relation to alleged wrongful transactions carried out in the Complainant’s account by EBL (“Complaint”). An application for arbitration was instituted before the National Stock Exchange Arbitral Tribunal (“Tribunal”) on May 15, 2013 by the Complainant against EBL on similar grounds (“Arbitration”). EBL vide its letter dated July 24, 2013, inter alia, denied the allegations of carrying out the trade transactions on behalf of the Complainant without his consent and prayed to dispose of the Complaint as the Arbitration has been instituted on similar grounds. The Tribunal vide its award dated December 30, 2014 dismissed the Arbitration (“Award”) and the Complainant filed an appeal before the National Stock Exchange Appellate Tribunal (“Appellate Tribunal”) against the Award (“Appeal”). However, the Appellate Tribunal rejected the Appeal vide its award dated April 15, 2015. (“Impugned Award”). Thereafter, the Complainant filed an appeal dated May 20, 2015 against the Impugned Award before the High Court of Delhi which was returned by the High Court of Delhi, directing the Complainant to file an application before an appropriate forum. The Complainant subsequently filed an application before the Additional District and Sessions Judge, Ludhiana on March 30, 2016 (“Appeal dated March 30, 2016”). EBL vide its reply dated July 1, 2016 denied the allegations and prayed for dismissal of the Appeal dated March 30, 2016. The matter is currently pending.
9. Fazal Bhai (“Complainant”) filed a criminal case (No. 3213/2007) before the Judicial Magistrate First Class, Chhindwara (Madhya Pradesh) (“Court”) under Sections 420 and 406 of the Indian Penal Code, 1860 against V. K. Sharma, Darshan Mehta, Mayank Shah, Abhijeet Dikshit (all employees of Anagram Stock Broking Limited (now amalgamated with EBL)) and one Pramod Kumar Jain (collectively, the “Accused”) for an alleged fraud in the transaction of shares worth INR 3,00,000 (Indian Rupees Three lakh). By an order dated December 16, 2015 (“Order”), the Court dismissed the Complaint against the Accused. The Complainant has filed a revision petition before the First Additional Sessions

Judge, Chhindwara against the Order in pursuance of which summons dated September 16, 2016 was issued to V. K. Sharma, ex-director of EBL. Summons dated June 28, 2018 were also served upon an ex-employee Mr. Abhijeet Dikshit through the Commissioner of Police, Nagpur, Maharashtra. The matter is currently pending.

10. A first information report (No. 393/13) dated December 5, 2013 was filed by Gaurang Doshi (“Complainant”) against one Mr. Mehul Kantilal Vala, ex-employee of the complainant under Section 154 of the Criminal Procedure Code, 1973 for violation of Sections 408, 418, 381 and 506(2) of the Indian Penal Code, 1860 with Ellisbridge Police Station at Ahmedabad, for alleged theft of the physical share certificates of different companies, challan of the banks and cash of INR 30,000/- aggregating to value of INR 4 million. Pursuant to which EBL received a Notice dated December 11, 2013 from Ellisbridge Police Station at Ahmedabad *inter-alia* requesting to produce relevant documents pertaining to Delivery Instruction Slips (“DIS”) lodged by Mehul Kantilal Vala along with relevant share certificates as well as Demat Account Statement of the Complainant, which has been provided by EBL vide its letter dated December 13, 2013 and December 23, 2013. The matter is currently pending.
11. H. R. Verma (“Complainant”) filed a criminal complaint (No. UR/2014) (“Complaint”) before the Judicial Magistrate First Class, Bhopal (“Judicial Magistrate”) under Sections 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with EBL) (collectively, the “Accused”) for fraudulent transfer of shares of 4,000 Reliance Industries Limited shares from their designated accounts. The Judicial Magistrate dismissed the Complaint *vide* an order dated March 16, 2015 (“Order”). Subsequently, the Complainant filed a criminal revision petition (No. 236/15) under Section 397 of the Criminal Procedure Code, 1973 before the District and Sessions Court, Bhopal (“Court”) against the Order of the Judicial Magistrate. The Court heard the matter and directed the Judicial Magistrate to conduct further investigations *vide* an order dated December 22, 2015. The matter is currently pending.
12. EBL received a notice dated February 01, 2018 from Investigating Officer, General Cheating – 1, Economic Offence Wing (EOW), Mumbai under Section 91 and 160 of Criminal Procedure Code, 1973 *inter-alia* seeking details of clients of EBL namely, Mukesh Jayantilal Simaria, Gaurav Sudhirkumar Davda, Ashok Rasikbhai Solanki, Rahul Himatlal Mehta, Vipul Hiralal Shah, Mukesh Mansukhabhai Kanani and Smt. Jasmin Kumar Lodhiya in relation to the transaction in Shree Ashtavinayak Cine Vision Limited. EBL has provided all necessary information and documents related to trades of above clients in script of Shree Ashtavinayak Cine Vision Limited and also recorded the statements of the concern officials/dealers before Investigating Officer (“IO”). EBL is not a party to the dispute. The matter is currently pending.
13. EBL received Notice dated March 26, 2019 from the office of Economic Offences Wing- Mumbai under Section 91 of Cr PC *inter-alia* informing that offence under Section 409, 406, 420, 120 (B) of IPC and Section 3 and 4 of Maharashtra Protection of Interest of Depositors Financial Establishment Act 1999 has been registered against Arrows Dynamic Enterprises and its directors for duping the investors to the tune of Rs.3.30 cores. The investigation officer has directed EBL to furnish necessary information and documents like transaction statement, DP holding statement, KYC etc. By its letter dated April 10, 2019, EBL furnished the necessary information and documents to the authority. However, EBL is not a party to the dispute. The matter is currently pending.

14. George Ommen (“**Complainant**”) filed a criminal case dated July 10, 2008 (No. CC/137/2009) (“**Criminal Case**”) before the Chief Judicial Magistrate Court at Ernakulum (“**Court**”) against Anagram Securities Limited (now amalgamated with EBL) and its employees, alleging criminal breach of trust and misappropriation of the Complainant’s money by conducting unauthorised trades leading to a loss of INR 0.03 million under Sections 406, 409 and 34 of the Indian Penal Code, 1860. Subsequently, the Complainant moved an application dated December 24, 2014 (“**Application Order**”) before the Court to implead Rashesh Shah as one of the co–accused in the Criminal Case, subsequent to the amalgamation of Anagram Securities Limited with EBL. Pursuant to an order dated July 7, 2015 (“**Order**”), the Court allowed the Application for impleading Rashesh Shah as one of the co-accused in the Criminal Case. Pursuant to a criminal miscellaneous application (No. 10897/2015), Rashesh Shah applied to stay the Order and all further proceedings in the Criminal Case. EBL filed quashing petition bearing No. CMP/ 7337/2014 in CRI MC No. 7340/2015 at High Court against the order and Criminal Complaint. The High Court of Kerala subsequently stayed the Order. On November 25, 2015 a stay order passed in the Criminal Miscellaneous Application by Kerala High Court (Ernakulum) was produced before the Metropolitan Magistrate Court. By an Order dated January 10, 2018, the Kerala High Court has set aside the Order dated July 7, 2015 passed by the Magistrate Court, Ernakulum to implead Mr. Rashesh Shah as party respondent as in the finding the High Court concluded that the procedure adopted by the Metropolitan Magistrate Court to implead Rashesh Shah per se is illegal. On 15 February 2019, Mr. George Ommen filed another petition to implead Mr. Rashesh Shah as an accused and the same has been dismissed by the Court. Complainant thereafter, on May 27, 2019 filed fresh Petition before CJM, Kochi for substitution of M/s Anagram Securities Ltd to Edelweiss Financial Services Ltd. On August 31, 2019 EBL filed its objection to the fresh Petition. The matter is currently pending.
15. EBL received Notice dated July 17, 2019 from the office of Central Bureau of Investigation, Bank Securities & Fraud Branch, Bangalore under Section 91 & 160 of Criminal Procedure Code, 1973 inter-alia seeking details of mutual fund investments and other investments of client, S. V. Venkatesan during the period from 2009 till 2019 including applications, mode of payment, redemption etc. On July 24, 2019 EBL furnished the necessary information and documents to the authority. However, EBL is not a party to the dispute. The matter is currently pending.
16. On August 23, 2019 EBL received two Notices both dated June 25, 2019 from Deputy Superintendent of Police, Central Bureau of Investigation, Anti-Corruption Branch, Nagpur *inter-alia* seeking information such as Investment / Redemption of Funds and Buying & Selling of Shares since the subscription to 12th October 2017 in respect of client Mr. Anand Rajjoram Azami, Mrs. Meena Anand Azami (Client ID: 10754082 / DP ID: IN302201) and their family members / all other connected Client IDs / DP IDs. EBL is in process of furnishing the same. The matter is currently pending.

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)

1. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra (“Authority”) issued show cause notices to ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 (“Act”) resulting in seizure of the stock stored at various warehouses by the Authority and registration of first information reports (“FIRs”) under the Act. ERCSL argued that the stock limits were not applicable to ERCSL as the stock was imported. Pursuant to the directions issued by the Authority, the ceased stock was released, subject to certain conditions. ERCSL, upon fulfilment of the specified conditions and execution of the undertakings, lifted and sold the released stock in open market and subsequently informed the Authority. The matter is currently pending.

Additionally, ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / Economic Offences Wing (“Police”) dated August 16, 2016 (No. 439/SO/DCP/CCC/EOW/NEW DELHI) in relation to a complaint (No. C-786) received by the Police regarding cartelisation and nexus of importers-traders causing artificial scarcity of pulses and exploiting the price supply gap and operation of an illegal ‘*satta market*’. The matter is currently pending.

ERCSL also received a notice dated August 26, 2016 (F. no. T-3/165/B/2016) from the Directorate of Enforcement demanding certain documents in relation to an enquiry for violation of the provisions of the Foreign Exchange Management Act, 1999 relating to the import of pulses. The matter is currently pending.

2. Mr. Pravin Virchand Shah of Shri Ashirwad Traders (“Complainant”) filed a criminal enquiry being number 12/2014 (“Complaint”) before Judicial Magistrate First Class (“Court”) at Unjha, Gujarat against Edelweiss Trading & Holdings Limited (“ETHL”), subsequently amalgamated with Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (“ERCSL”), its chairman, managing director & chief executive officer, ERCSL, Mr. Ashok Patni and Mr. Vimallesh Kumar Ghiya, partner of R. K. Exports (“Accused”) under Sections 406, 420 read with Section 120–B of the Indian Penal Code, 1860 for alleged mishandling of account and alleged siphoning–off an amount of about INR 38.7 million and an alleged unauthorized sale 568 metric tonnes of commodity lying with R. K. Exports. The Court through an order dated July 30, 2014 directed the local police authorities to inquire into the Complaint and submit their report by September 29, 2014. On December 3, 2014, the Accused received 3 notices issued by the police authorities, directing them to attend & record statements in respect of the Complaint. On December 30, 2014, Mr. Tarang Mehta recorded his statement on behalf of ERCSL, ETHL and chairman & managing director – chief executive officer, ETHL and also submitted copies of the arbitration proceedings initiated by Shri Ashirwad Traders against ERCSL along with the order of Bombay High Court dated August 8, 2014 appointing a sole arbitrator in the matter. ERCSL filed its reply to the Notices on December 5, 2014. The matter is pending.
3. On July 1, 2013, the Food Supply Officer, Panvel (“Complainant”), inspected the premises of M/s. Akshay Warehouse, situated on the old Poona Highway, at village Derawali, Panvel, Raigad, suspecting overstocking of pulses. Upon inspection the Complainant instructed the Senior Inspector of Police, Panvel Police Station to register a complaint under Sec 3, 7, 8 and 10 of the Essential Commodities Act, 1955 (“Act”). Subsequently, a first information report number 3021/2013 (“FIR”) was filed with Panvel police station by the Complainant against Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (“ERCSL”), (“Accused”) naming, Mr. Sudeep Agarwal as an authorized representative under relevant provisions of the Act for exceeding the storage limit of pulses which were imported and stored in a warehouse (“Commodity”). Further, the police authorities filed a chargesheet dated November 19, 2014 before the

Judicial Magistrate First Class, Panvel (“Court”). Additionally, proceedings were also initiated before the Collector, Raigad for release of the Commodity as the same was not governed by the Act, not being domestic produce. The Collector vide order dated March 5, 2014 ordered the release of the commodity. Subsequently, Mr. Sudeep Agarwal filed a discharge application under section 239 of the Code of Criminal Procedure, 1973 before the Court and proceedings of the same are pending.

4. On October 20, 2015, the Food Supply Officer, Panvel (“Complainant”) inspected the premises of M/s. Akshay Warehouse for overstocking of pulses and simultaneously on October 22, 2015, first information report number 24/15 (“FIR”) was registered in the Panvel Police Station against Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (“ERCSL”), naming Mr. Mahesh Kumar Bhuri as an authorized representative, for storing pulses in quantities exceeding the permissible limit (“Commodity”) under Sections 3 and 7 of the Essential Commodities Act, 1955 and the Commodity was seized. The Accused moved the Collector’s Court, Panvel against seizure of the Commodity and vide orders dated November 7, 2015 and November 26, 2015, the Commodity was released. Police investigation in pursuance of the FIR is pending.
5. On October 21, 2015 the Food Supply Officer, Panvel (“Complainant”) inspected the premises of Karm Warehouse for overstocking of pulses and subsequently a police complaint dated October 28, 2015 (“Complaint”) was filed before the Panvel Police Station by the Complainant against Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) (“ERCSL”), under Sections 3 and 7 of the Essential Commodities Act, 1955, for storing pulses in quantities exceeding the permissible limit (“Commodity”) and the Commodity was seized. The Accused moved the Collector’s Court, Panvel against seizure of the Commodity and vide order dated November 27, 2015 the Commodity was released. Police investigation in pursuance of the Complaint is pending.
6. ECSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as Edelweiss Rural and Corporate Services Limited) has been served with the Notice dated 15th February 2019 on 12th March 2019 at 12.46 pm via email from the office of EOW-NSEL SIT, Mumbai issued under Section 91 of the Cr PC inter-alia informing that department is investigating the offences registered against NSEL, its directors, FTIL, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust and also EOW is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited (NSEL). EOW therefore, directed to provide the information along with supporting documents like original membership form with agreement with NSEL, Certified ROC documents, PAN card, volume of trades, brokerage etc. and attend the office of EOW to record statement. ECSL furnished all the information as called for. The matter is currently pending.
7. The Food Safety Officer, Kasganj, Uttar Pradesh (“Complainant”) has filed a criminal complaint bearing No. 6703 of 2016 (“Complaint”) before the Additional Chief Judicial Magistrate, Kasganj (“Court”), for charge against Mr. Neeresh Kumar and M/s Edelweiss Agri Value Chain Limited (now merged with Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)) (“Accused”) under Sections 26 (2) (iii) and 31(1) of the Food Safety and Standards Act, 2006. The Complainant had inspected B.B Warehouse (Sarvesh Kumari) at Kasganj on 17 June 2016 and prepared an inspection report. The inspection report was sent vide letter dated 27 June 2016 by the Complainant to the concerned authority to take further action. On permission being granted by the concerned authority vide letter dated 16 September 2016, the Complainant has filed the said Complaint. Thereafter, summons have been issued against the Accused and an arrest warrant has been issued against Mr. Neeresh Kumar. The Court

had granted bail vide order dated 20 April 2017, pursuant to a bail application filed by Mr. Neeresh Kumar.. The matter is currently pending.

8. A fire broke out at Chhayani Gordhanbhai Ghelabhai Warehouse located at Khanpar Road, Nr. Jasdan, Ahmadabad in the early hours of 9 September 2017 where 1400 bales of S-6 variety of cotton were stored. The gunman called the Rajkot cluster in-charge of EAVCL at about 5.15 am. The fire brigade reached at about 6:15 am and the police were informed about the incident by 6:30 am. Mr. Mahendrabhai, the security guard had wrongly submitted that he was on duty. Thereafter, the security guard, gunman and some of the holders of goods have been suspected. Therefore, we have filed a FIR No. CR No. I-90/2017 dated 19 September 2017 against Shri Mahendrabhai Gida- Guard, Shri Ashokbhai Dhadhal, Mr. Babubhai Bhayabhai Ramani, Mr. Ramani Sanjaybhai Khimjibhai Mr. Shambhubhai Jivabhai Ramani, Mr. Mansukhbhai Khimjibhai Ramani, Shri Ravjibhai Ramani and Shri Sanjaybhai (“Accused”) in connection with the fire. The said Accused have thereafter filed CRIMINAL MISC. APPLICATION NO. 24554 OF 2017 dated 29 September 2017 for quashing of FIR I-90/2017. We had filed early hearing application. Post hearing, the Hon’ble Court directed Police to file charge sheet, accordingly the Police had completed the investigation and submitted the charge sheet against the accused. The matter is currently pending.

Edelweiss Securities Limited

1. S & D Financials Private Limited (“Complainant”) filed an application under section 156(3) of the Criminal Procedure Code, 1973 pursuant to which a first information report (No. 142) dated March 22, 2008 (“FIR”) was registered under Sections 406, 420 and 120B of the Indian Penal Code, 1860 with the Hare Street Police Station, Calcutta against Edelweiss Securities Limited, Rashesh Shah and Venkatchalam Ramaswamy and others (collectively, the “Accused”). The Complainant alleged that the Accused committed criminal breach of trust and cheated the Complainant in future and options transactions amounting to INR 8.48 million. Thereafter, Edelweiss Securities Limited denied the allegations *vide* a letter dated September 8, 2008. The matter is currently pending.
2. Sharad Jagtiani (“Complainant”) filed an application dated November 11, 2008 (“Complaint”) under section 156(3) of the Criminal Procedure Code, 1973 (“Cr. P.C”) before the A.C.M.M. Rohini Courts, Delhi (“Court”) against senior officials and directors of Edelweiss Securities Limited, including against P. N. Venkatachalam, Venkatchalam Ramaswamy, Kunnasagaran Chinniah and Rashesh Shah (collectively, the “Accused”). Pursuant to the Complaint filed by the Complainant and an order dated January 13, 2009 passed by the Court, a first information report dated January 16, 2009 (No. 27 of 2009) was registered in Subhash Palace Police Station, Delhi, alleging loss of Rs 4.10 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Accused. The police proceeded to investigate the allegations and subsequently, a closure report was filed by the investigating officer before the Metropolitan Magistrate. The closure report was protested by the Complainant before the Court, which *vide* an order dated January 31, 2012 directed the police to further investigate the matter. Subsequently, the investigating officer issued notices to Edelweiss Securities Limited, under Sections 91 and 160 and 175 of the Criminal Procedure Code, 1973 to produce information, documents and materials for the purpose of further investigation. The matter is currently pending for the investigating officer’s report.

- *By our group companies:*

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)

1. ERCSL filed a Winding-up petition, against Ganpati Oil & Foods Limited, Gwalior (GOFL) being Company Petition No. 6 of 2012 before Madhya Pradesh High Court, Gwalior Bench, for recovery of its dues amounting to Rs. 15.25 crores along with interest in relation to sale and warehousing of Mustard Seeds and Sesame Seeds. The said Petition came up for admission on December 03, 2012 and the Hon'ble Court was pleased to issue notice against GOFL on interim Application for appointment of provisional official liquidator. On August 28, 2013 GOFL filed its defence before High Court at Gwalior, Madhya Pradesh, and refuting its claim and for entitlement to get wound down by Court. ERCSL have filed its rejoinder on April 22, 2014. Company Petition is currently pending for hearing and final disposal.

ERCSL also filed complaint before EOW, Mumbai on 01st June 2012 against Ganpati Oil & Foods Limited, Gwalior, Madhya Pradesh Warehousing & Logistics Corporation, and others named in the complaint for criminal breach of trust, cheating and forgery amounting to Rs. 15.25 Crores for purported sale and warehousing of Mustard Seeds and Sesame Seeds. BKC Police Station registered a FIR No. 138 of 2012 on September 13, 2012 against accused persons. The complaint is pending for investigation.

Edelweiss Broking Limited ("EBL")

1. EBL ("Complainant") filed a criminal complaint dated March 2, 2016 ("Complaint") with the Gandhi Nagar Police Station, Jammu against AEN Collective Market Management Private Limited and its directors (collectively, the "Accused") under the applicable criminal laws of the State of Jammu and Kashmir and the Trade Marks Act, 1999 restraining the Accused from posing as the Complainant's franchise and conducting fraudulent transactions. Subsequently, the Complainant filed an application under the applicable criminal procedure code of the State of Jammu and Kashmir ("Application") before the Chief Judicial Magistrate, Jammu ("Court") for investigation of the Complaint. The Court *vide* its order dated April 26, 2016, issued a direction to the Gandhi Nagar Police Station, Jammu to register a first information report and commence investigation. Additionally, the Complainant filed a complaint dated October 20, 2016 with the cyber-crime cell against the Accused for violating of Sections 66A and 66D of the Information and Technology Act, 2000 by fraudulently and dishonestly using electronic media to mislead the public at large by using the Complainant's registered logo. The matter is currently pending.

Further, one A.K. Dewani *vide* his letter dated November 17, 2016 has raised a complaint with the RBI against the Complainant demanding that the value of bonds invested in pursuance of the fraud committed by the Accused be refunded to him stating that the Accused is related to the Complainant. A copy of this letter has also been sent to the RBI and the RBI has forwarded the letter to the Complainant advising the Complainant to resolve the complaint amicably within ten days. A.K. Dewani has through an undated letter highlighted that the total amount of fake bonds issued by Accused is INR 2.33 million. Thereafter, EBL denied any involvement of itself. The matter is currently pending.

2. EBL received a legal notice dated August 10, 2016 ("Notice") from Chandra Kanta ("Complainant") with respect to unauthorised trading and misappropriation of funds by Gulam Rasul, an employee of EBL, and the Complainant's relationship manager (collectively, the "Accused"). Pursuant to the Notice, EBL filed police complaints dated September 21, 2016 and November 16, 2016 before the Karol Bagh Police Station, New Delhi under Sections 406, 408, 409, 418, 420, 465 and 468 of the Indian Penal Code, 1860

and section 66D and other applicable provisions of the Information Technology Act, 2000 against the Accused. Further, EBL filed a complaint dated April 13, 2017 before the Court of the Additional Chief Metropolitan Magistrate, Tis Hazari Court, Delhi. On August 29, 2017 Court directed SHO to file ATR (Action taken report) by Police and the same is filed by the Police. The Court vide its order dated July 04, 2018 dismissed the Application under Section 156(3) of Cr. PC. The matter is currently pending for leading Pre-Summoning Evidence.

3. EBL has filed a Criminal Writ Petition against State of Maharashtra and BKC police station before High Court at Bombay praying that CBI or any other investigating agency be directed to investigate the offence committed by Pranav Patki under Section 385 of Indian Penal code. Petition is currently pending for hearing before the Hon'ble High Court.

Edel Finance Company Limited

1. Edel Finance Company Limited ("Complainant") filed criminal complaint number 156/SW/2011 ("Complaint") before the Additional Chief Metropolitan Magistrate Court, Bandra, Mumbai ("Court") on August 29, 2011 against Mr. Vipul Shah ("Accused") seeking an order from the Court directing the Senior Inspector of Police, Bandra West Police Station to register a complaint against the Accused for committing an offence under Section 420 of the Indian Penal Code, 1860 in relation with a loan facility and defaulting on repayment of the facility causing a loss to the Complainant to the tune of INR 10 million. Matter is currently pending for hearing and police enquiry/report.

Edel Investments Limited

1. A suit was filed by Om Builders Private Limited against Orbit Abode Private Limited and Edel Investments Limited (Suit No. 507 of 2017) in relation to the sale of 95% of 1/4th share of property known as Kilachand House via sale deed dated 4th May, 2016 executed by and between Orbit Abode Private Limited (vendor) and Edel Investment Limited (purchaser) for a claim amount of INR 300 crores. Edel Investments Limited is yet to file its written statement. The matter is currently pending.

Edelweiss Housing Finance Limited ("EHFL")

1. EHFL filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("Authority") vide its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "Accused") for cheating and forgery in relation to a property situated at 4th Floor, Shree Samarth Ashirwad Apartment, Thane ("Secured Property"). Subsequently, EHFL filed a first information report dated January 20, 2015 ("FIR") under Section 154 of the Criminal Procedure Code, 1973 against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the Indian Penal Code, 1860. Thereafter, EHFL issued a notice dated January 20, 2016 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") to the Accused for payment of the outstanding amount due to EHFL. However, EHFL did not receive any reply to such notice. Hence, EHFL filed an application under Section 14 of the SARFAESI on September 22, 2016 before Court of District Magistrate, Thane ("Court") seeking possession of the Secured Property. An order dated November 19, 2016 was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to EHFL. Subsequently, Reshma Khan, alleging to be the real owner of the Secured Property, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against EHFL and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("Defendants") praying, inter alia, to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property and for any ad-interim relief in favour of Reshma Khan

and also instituted an application for temporary injunction. Reshma Khan has filed a special civil suit against EHFL at the Thane Special Civil Suit and has been placed for arguments. The matter is currently pending.

2. EHFL filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the “Accused”) *vide* its letter dated July 28, 2016 alleging fraud and cheating with reference to a property situated at flat No. 6, 2nd floor and flat No. 10 on 4th floor, Chaya Smruti, Suncity Road, Pune (“Secured Property”). Subsequently, EHFL filed an application dated August 9, 2016 before District Magistrate, Pune (“Authority”) under Section 14 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Subsequently, Anil Kenjalkar, alleging to be the original owner of the Secured Property (“Applicant”), instituted a special civil suit dated April 13, 2017 before the Civil Judge, Junior Division, Pune (“Court”) against EHFL, Accused, Collector of Pune and other parties (“Defendants”) praying, *inter alia*, to restrain the Defendants from creating any third party interest or taking possession of flat No. 6 on 2nd floor, Chaya Smruti, Suncity Road, Pune and for an ad-interim injunction to be passed in favour of the Applicant (“Suit dated April 13, 2017”). Further, the Applicant has filed an application for condonation of delay dated May 19, 2017 before the Debt Recovery Tribunal, Pune, praying, *inter alia*, to restrain EHFL from taking physical possession of the Secured Property. EHFL filed an application dated October 24, 2017 before the Court under Section 9A of the Civil Procedure Code, 1908 to set aside the Suit dated April 13, 2017. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune and the matter is currently pending before the Court. The matter was heard on August 4, 2018. The matter is currently pending.
3. EHFL issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the “Accused”) under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) for payment of the amount due to EHFL in relation to charge created on the property under a home loan dated August 30, 2014 entered between EHFL and the Accused (“Home Loan Agreement”). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under Section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, EHFL filed a complaint against P. Aravindan, Tholkappian, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by EHFL, it was found that P. Aravindan and Tholkappian along with the previous employees of EHFL i.e. J. Vinayagamoorthy, K. Babu and B. Saravanan (“Ex-Employees”) had, *inter alia*, forged the ‘Know Your Customer’ documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.
4. EHFL issued a notice dated October 20, 2016 to Prem Anand (“Accused”) under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”) for payment of the amount due to EHFL in relation to charge created on the property under a home loan dated January 1, 2015 entered between EHFL and the Accused (“Home Loan Agreement”). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, EHFL filed a complaint against the Accused, Tholkappian and J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by EHFL, it was found that the Accused along with Tholkappian and a previous employee of EHFL i.e. J. Vinayagamoorthy, had, *inter alia*,

forged the 'Know Your Customer' documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.

5. EHFL disbursed a loan to Mr. Om Prakash Singh on 31-December 2017 for an amount of INR 2,00,50,000 for purchase of Residential Property in Jangpura Extension Delhi. Mr. Om Prakash Singh runs software company in Noida Namely "V3 Mobi Communication Pvt. Ltd.", a company engaged in developing software & providing online platform for Trading. The company had been defaulting since March 2018 and was hence declared a non-performing asset in August 2018.

EHFL filed a complaint to the Police and Economic Offences Wing, New Delhi ("EOW") on 28 June 2018. EHFL filed Application Order 39 R1&2 before the Delhi High Court for seeking Stay of Sale proceeding and the Delhi High Court allowed the stay on sale proceeding and directed Punjab National Bank to file their reply on 29 October 2018. Meanwhile EHFL also tried to obtain a certified copy pertaining to the SARFAESI proceeding filed by Punjab National Bank. A securitization application under Section 17 of the Sarfaesi Act was filed before DRT II on 6 September 2018. The complaint has been registered after rigorous follow up with EOW and the FIR was lodged on dated 28 September 2018 by the EOW. The matter is currently pending.

6. EHFL issued a notice dated January 20, 2016 against Somprashant M. Patil and Sonali S. Patil (collectively, the "Accused") under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Act"). Having received no response from the Accused, EHFL issued a notice dated March 29, 2016 under Section 13(4) of the Act to the Accused intimating them about the symbolic possession of the mortgaged property by EHFL. Further, EHFL received notices dated July 15, 2015 and April 25, 2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by EHFL to the Accused, pursuant to a first information report filed by Ganpat Datta Salunkhe against the Accused, to which EHFL has provided the relevant documents. The Accused are presently in jail for committing serious offences under the provisions of the Maharashtra Control of Organised Crime Act, 1999. The matter is currently pending.
7. EHFL has filed five (5) separate criminal complaints against its borrowers Mr. Amit Sesmal Jain and 9 others before Economic Offences Wing, Pune under Sections 406,408,415,417,418,420,423,463,464,465,467,468 to 471 read with 34 and 120 B of Cr PC for fraudulently siphoning off our Company's money amounting to Rs.1.40 crores (approximate) while availing home loan facility from the Pune branch.. The matter is currently pending for investigation.

(c) *Other proceedings*

Edelweiss Housing Finance Limited (“EHFL”)

EHFL sanctioned a loan for an amount of INR 31.10 million as a loan to N. K. Proteins Limited (“Borrower”) *vide* a loan agreement dated January 27, 2012 to purchase a property being flat number 1203, Tower B, 12 Floor, Bhagtani Krishaang, Powai, Mumbai (“Suit Property”) from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of EHFL. A notice dated August 26, 2013 was issued to the Borrower for recall of the total loan amount sanctioned to which no reply was received by EHFL. Thereafter, a first information report (No. 216/2013) was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the Economic Offences Wing, Mumbai Police, the Enforcement Directorate (“Authority”) attached the Suit Property as proceeds of fraud *vide* its provisional attachment order dated August 27, 2014, which was confirmed *vide* an order dated February 20, 2015 (“Impugned Order”). EHFL received a show cause notice dated September 30, 2014 (“SCN”) issued by the Authority seeking why the provisional attachment should not be confirmed.

Subsequently, EHFL filed a writ petition before the High Court of Delhi (No. 8971 of 2014) (“High Court”) against the Impugned Order and the SCN. The High Court granted a stay on the Impugned Order *vide* its interim order dated December 18, 2014 and directed to file a petition before the High Court of Bombay. The High Court of Bombay disposed the writ petition filed by EHFL *vide* its order dated November 28, 2016, granting liberty to EHFL to approach the Appellate Tribunal (under the Prevention of Money Laundering Act, 2002 (“Act”) New Delhi (“Tribunal”). EHFL filed an appeal dated January 5, 2017 before the Tribunal under Section 26 of the Act for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

Our group companies have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, against their customers for dishonour of cheques which were presented to the respective group companies. These cases are pending across different courts in India. Further, in some of the cases, customers have filed appeal against our group companies.

Litigation involving our Directors

1. Sharad Jagtiani (“Complainant”) filed an application dated November 11, 2008 (“Complaint”) under Section 156(3) of the Criminal Procedure Code, 1973 (“Cr. P.C”) before the A.C.M.M. Rohini Courts, Delhi (“Court”) against senior officials and directors of Edelweiss Securities Limited, including against P. N. Venkatachalam, Venkatachalam Ramaswamy, Kunnasagan Chinniah and Rashesh Shah (collectively, the “Accused”). Pursuant to the Complaint filed by the Complainant and an order dated January 13, 2009 passed by the Court, a first information report dated January 16, 2009 (No. 27 of 2009) was registered in Subhash Palace Police Station, Delhi, alleging loss of Rs 4.10 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Accused. The police proceeded to investigate the allegations and subsequently, a closure report was filed by the investigating officer before the Metropolitan Magistrate. The closure report was protested by the Complainant before the Court, which *vide* an order dated January 31, 2012 directed the police to further investigate the matter. Subsequently, the investigating officer issued notices to Edelweiss Securities Limited, under Sections 91 and 160 and 175 of the Criminal Procedure Code, 1973 to produce information, documents and materials for the

purpose of further investigation. The matter is currently pending for the investigating officer's report.

2. S & D Financials Private Limited ("Complainant") filed an application under Section 156(3) of the Criminal Procedure Code, 1973 pursuant to which a first information report (No. 142) dated March 22, 2008 ("FIR") was registered under Sections 406, 420 and 120B of the Indian Penal Code, 1860 with the Hare Street Police Station, Calcutta against Edelweiss Securities Limited, Rashesh Shah and Venkatchalam Ramaswamy and others (collectively, the "Accused"). The Complainant alleged that the Accused committed criminal breach of trust and cheated the Complainant in future and options transactions amounting to INR 8.48 million. Thereafter, Edelweiss Securities Limited denied the allegations *vide* a letter dated September 8, 2008. The matter is currently pending.
3. Srimati Iti of Agra ("Complainant"), a client of Edelweiss Financial Advisors Limited ("EFAL") (now amalgamated with EBL) filed a first information report (No. 592 of 2012) ("FIR") before Hari Parvat, Janpad Police Station, Agra ("Police Station") against Saurabh Jain, Richa Jain and Mahendra Jain (collectively, the "Accused"), under Sections 420, 467, 468, 471 read with Section 120B of the IPC and Sections 66, 66C and 66D of the Information Technology Act, 2000 for alleged unauthorised trading by alleged modifying her trading account and password. Pursuant to notices dated October 8, 2012 and December 12, 2012, the investigation officer sought KYC documents, trade details, trading account password, user IP details and other documentation from the date of opening trading account by the Complainant from EFAL. The station in-charge of the Police Station issued notices under Section 160 of the Cr. P.C. addressed to Sunil Mitra, Sanjiv Misra and Himanshu Kaji, respectively, directors of Edelweiss Financial Services Limited for inquiry in respect of the FIR ("Notices"). EBL *vide* its letter dated July 15, 2016 replied to the Notices, *inter alia*, stating that addresses were neither the directors nor were they holding any official position in respect of any of the contracting entities in which the Complainant had opened her trading account.

On October 10, 2018 Sunil Mitra and Himanshu Kaji have been served with the summons dated September 09, 2018 issued pursuant to the order dated April 23, 2018 by the Ld. Chief Judicial Magistrate, Agra based on the supplementary / additional charge-sheet dated December 07, 2017 filed by SHO, Hari Parvat PS, Agra in Case No. 16324/2018 under Sections 420, 406, 120 of IPC read with Sections 66, 66C & 66D of IT Act to appear before Court.

Sanjiv Misra has not been served with any summons, however from bare perusal of the charge sheet and subsequent orders passed by the Ld. Magistrate, Agra; it can be inferred that the process has already been issued against Sanjiv Misra as well. Sunil Mitra, Sanjiv Misra and Himanshu Kaji have therefore, filed a joint Criminal Misc. Application No. (L) 245 of 2018 challenging against the said summoning order before the High Court at Allahabad under Section 482 of the Code of Criminal Procedure to quash and set aside the charge sheet, summoning orders and issuance of process from amongst the grounds including on the ground of vicarious liabilities cannot be extended in criminal jurisprudence without substantiating the role of the officials in alleged offences. On December 4, 2018, the Allahabad High Court stayed further proceedings in the Agra Court against Mr. Sunil Mitra, Mr. Himanshu Kaji and Mr. Sanjiv Misra in Criminal Miscellaneous Application under Section 482 of Code of Criminal Procedure No. 43606 of 2018. On January 03, 2019 the stay order dated December 04, 2018 granted by Allahabad High Court was produced before CJM, Agra, which was taken on record.

By another Order dated May 07, 2019, Allahabad High Court granted stay in Second Petition No. 18339 of 2019 filed by Sanjeev Chandiramani, Nirmal Rewaria, Prashant Mody and Manish Dhanuka under Section 482 of Cr. P.C. challenging Supplementary /

additional charge-sheet filed against them in Agra. The Allahabad High Court further directed to list for hearing in July 2019 along with first petition after parties filed their respective counter reply & rejoinder, if any.

On June 22, 2019, the stay order dated May 07, 2019, granted by Allahabad High Court in Second Petition was produced before CJM, Agra, which was taken on record. The matter is before the Magistrate, at Agra and is currently pending.

By an orders passed in July 2019, both the Petitions pending before Allahabad High Court clubbed together and listed for hearing on 09 August 2019, when Complainant made their appearance and sought time to file their say within 03 weeks and stay orders granted stand continued. State also filed its reply in second Petition bearing No. 18339 of 2019.

On August 20, 2019, EBL filed Allahabad High Court Order *inter-alia* clubbing both the Petitions before CJM, Agra, which was taken on record. The matter is currently pending.

4. Betul Oil Limited, a client of Edelweiss Rural & Corporate Services Limited (ERCSL) filed a Civil Suit before District Court, Betul. Betul against ERCSL and its eight other directors including Mr. Rujan Panjwani, inter-alia for recovery of an amount of Rs.59,13,333.48 .14 together with interest at 18% pa being amount towards TDS erroneously payable on purchase transactions between the parties. The matter is pending for hearing and filing of written statement.

5. Arvind Ghai, a resident of Ghaziabad and a retail client of ECL Finance Limited filed an injunction suit bearing No 1288 of 2018 before the Court of Civil Judge, Senior Division, Ghaziabad against the Company and some of its directors namely, Rashesh Shah, Venkat Ramaswamy, Himanshu Kaji, Vidya Shah, Biswamohan Mahapatra and Rujan Panjwani, one of the directors of its Promoter Company seeking permanent injunction and has prayed to restrain any dispossession from his residential property till the final disposal of the recovery suit filed by the Company before District Judge of Patiala House Court. On March 7, 2019 the Company filed its counter reply in the matter. On April 8, 2019, the Company filed its Application under Section 10 of Code of Civil Procedure for stay of proceedings. On July 23, 2019 the Hon'ble Court after hearing dismissed the said Suit. Being aggrieved, the client Arvind Ghai filed an Application bearing No. 19 of 2019 before the Upper Civil Judge (Senior Division) Ghaziabad against the Company and its above stated directors for restoration of the same. The matter is currently pending.

III. Litigations by and against our Promoter

Except as disclosed below, there are no other outstanding important legal proceedings involving our Promoter.

(a) *Criminal Proceedings*

By our Promoter

Edelweiss Financial Services Limited (“EFSL”)

1. Edelweiss Financial Services Limited and another (“Petitioners”) filed a criminal writ petition bearing number 1899 of 2012 (“Writ Petition”) before the High Court of Judicature at Bombay (“Court”) against The State of Maharashtra and others, (“Respondents”), praying *inter-alia*, that the Respondents or the Central Bureau of Investigation or any other agency be directed to register and investigate the complaint dated December 30, 2011 made by the Petitioner. The Petitioner *vide* letter dated December 30, 2011 filed a complaint under Sections 417, 419, 420, 465, 468, 469 and 471 read with Section 120-B of the Indian Penal Code, 1860 and under certain sections of the Information Technology Act, 2000, Trademark Act 1999 and the Copyright Act, 1957 against Mr. Vaibhav Singh, Percept Profile, Mr. Harindra Singh, Mr. Shailendra Singh, Mr. Rajeev Mehrotra and unknown persons before the Senior Inspector Police, N.M. Marg Police Station Mumbai. (“Complaint”). The Complaint was filed in relation to press release titled “*Edelweiss Asset Management - Head Quits, to Start Own*”, which was allegedly released by the aforesaid employees of Percept Profile on behalf of the Petitioners. The Court *vide* order dated July 23, 2012 directed the police to register a First Information Report (“FIR”). Subsequently Harindra Singh and Shailendra Singh filed a Criminal Application bearing number 956 of 2012 praying *inter-alia* for quashing the FIR. Further Mr. Rajeev Mehrotra filed a writ petition bearing number 3093 of 2012 *inter-alia* praying for staying further proceedings in the FIR. The Court, *vide* order dated December 3, 2012, in the writ petition bearing number 3093 of 2012 and the Criminal Application bearing number 956 of 2012 directed that in case the investigating officer desires to arrest the applicants, the investigating officer shall give 72 hours’ advance notice (excluding Sundays and court holidays), so that the applicants can adopt appropriate remedy. The matter is currently pending.

Against our Promoter

Edelweiss Financial Services Limited (“EFSL”)

EFSL received Notice dated September 17, 2019 from the office of the Property Cell, Detection Crime Branch, CID, Mumbai under Section 91 of Cr PC *inter-alia* informing that Detection Crime Branch is investigating an offence *vide* D.C.B., C.I.D., C.R. No 64/2019 under Section 419, 420, 465, 467, 468, 471 read with 34 and 120 B of Indian Penal Code and during investigation it was revealed that the arrested Accused, namely Pravin Rameshbhai Bhatt had prepaid and applied to EFSL for housing loan. It was further informed that based on said fake documents EFSL sanctioned the housing loan of Rs. 27,36,700/- and disbursed the said amount on in February 2019.

The investigation officer has directed EFSL to furnish necessary information and documents in respect of the said Loan. On September 27, 2019 EFSL furnished the required documents to Police authorities and recording of Statement of EFSL’s officials is in process. The matter is pending.

(b) *Civil proceedings*

Against our Promoter

NIL

By our Promoter

NIL

(c) *Taxation proceedings*

NIL

(d) *Other proceedings*

NIL

- IV.** Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years

NIL

- V.** Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Tranche II Prospectus.

Edelweiss Financial Services Limited (“EFSL”)

1. EFSL, Axis Capital Limited and SBI Capital Markets Limited (“Appellants”) filed an appeal before the Securities Appellate Tribunal, Mumbai (“SAT”) on May 19, 2016 to, *inter alia*, set aside an order dated March 31, 2016 (“Order”) passed by an adjudicating officer of SEBI (“Respondent”) and to grant an interim stay on the Order. The Respondent *vide* the Order had imposed a penalty of INR10.00 million jointly and severally on the Appellants for violation of Regulation 57(1), Regulation 57(2)(a)(ii) and Regulation 64(1) of the SEBI ICDR Regulations and Regulation 13 of the SEBI (Merchant Bankers) Regulations, 1992 (“MB Regulations”) in relation to certain disclosure requirements set forth under the SEBI ICDR Regulations and adherence to the code of conduct set forth under the MB Regulations for the merchant bankers, respectively, for the initial public offer of Electrosteel Steels Limited. The matter is currently pending.

2. Edelweiss Financial Services Limited and other merchant bankers in the matter of Initial Public Offer of Credit Analysis and Research Limited (together referred to as the “Appellants”) have filed an appeal before the Securities Appellate Tribunal, Mumbai (“SAT”) against the impugned order dated November 28, 2014 (“Order”). SEBI *vide* Order had imposed the maximum penalty prescribed under Section 15 HB of the SEBI Act amounting to INR 10 million jointly and severally on the Appellants for the violation of Clause 1 of Form C of Schedule VI of Regulation 8 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Regulation 13 read with clause 1, 4, 6, 7 and 20 of Code of Conduct for Merchant Bankers as specified in Schedule III of the SEBI (Merchant Bankers) Regulations 1992. Aggrieved, the Appellants have filed the Appeal *inter-alia* to set aside the order and to stay the Order. The Securities Appellate Tribunal by a majority order dated September 30, 2016 has set aside the order passed by SEBI as well as the penalty imposed on the merchant bankers.

VI. Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company.

NIL

VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

NIL

STATEMENT OF TAX BENEFITS

To

The Board of Directors
ECL Finance Limited
Edelweiss House, Off CST Road,
Kalina,
Mumbai – 400 098.

Dear Sirs,

Sub: Proposed public issue of Non-convertible debentures ('NCD') by ECL Finance Limited with a shelf limit up to INR 20,000 million (Issue)

The following note discusses the material tax provisions applicable to the Clients investing in the NCD of ECL Finance Limited under the Income-tax Act, 1961 ("the IT Act").

We have performed the following procedures:

- (i) Read the statement of tax benefits as given in Annexure I, and
- (ii) Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

Because the above procedures do not constitute either an audit or review made in accordance with the Standard on Related Services (SRS) 4400, "Engagements to perform Agreed-upon procedures regarding Financial information", issued by the Institute of Chartered Accountants of India, we do not express any assurance on the Statement of Tax Benefits, as set out in Annexure.

We confirm that the Statement of Tax Benefits as set out in Annexure materially covers all the provisions of the IT Act as amended with respect to Debenture Holders. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed annexure are not exhaustive. The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation.

The contents of the enclosed annexure are based on the information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the company.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We hereby consent to inclusion of the extracts of this certificate in the draft shelf prospectus, shelf prospectus and tranche prospectus (es) or any other document in relation to the Issue.

This certificate has been issued at the request of the company for use in connection with the proposed Public Issue of secured, redeemable NCDs and may accordingly be furnished as required to the BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005
UDIN:19102102AAAAZX1526

per Shrawan Jalan
Partner
Membership No. 102102
September 30, 2019
Mumbai

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

The note is based on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance (No. 2) Act, 2019 (FA 2019) and the Taxation Laws (Amendment) Ordinance 2019, issued by the Government of India on 20 September 2019.

This note intends to provide general information on the applicable Indian tax provisions. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

Taxability under the IT Act

1. Taxability under various heads of Income

The returns received by the investors from NCD in the form of interest and the gains on the sale/ transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other sources.

The returns from the investment in the form of interest would generally be subject to tax under the head “income from other sources”. Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

The gains from the sale of the instrument or security may be characterised either as “Profits and gains from business” or as “Capital Gains”. This is discussed in the following paragraph.

“Profit and gains from business” versus “Capital gain”

Gains from the transfer of securities/instruments of the investee companies may be characterised as “Capital Gains” or as “Profits and gains from business” in the hands of an investor, depending upon whether the investments in NCD are held as ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention to earn a profit from sale or to earn interest etc.)

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

2. Taxation of interest, profits from business and capital gains

Taxation of Interest

Income by way of interest received on debentures, bonds, and other debt instruments held as investments

will be charged to tax as under the head “Income from Other Sources”. Such interest is taxed under the head “Income from other sources”, would therefore be taxed at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially, expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures, bonds or other debt instruments held as stock in trade and sold before their maturity, the interest accrued thereon till the date of sale and included in the sale price, may also be charged to tax as “business income” (treatment separately discussed below).

Further, in case of certain specific fixed income securities and certain debt instruments, purchased and held as investments and transferred prior to maturity, the gain from the transfer may also possibly be characterised as “capital gains” (treatment separately discussed below).

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.

Taxation of Profits and gains from business

As discussed above, depending on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of stock in trade and, hence, the gains from the transfer/ sale of such investments would be considered to be in the nature of “Profits and gains from business”.

In such a scenario, the gains from the business of investing in the NCD chargeable to tax on a ‘net’ basis (that is, net of allowable deductions for expenses/allowances under Chapter IV-D of the IT Act).

The “Profits and gains from business” so computed, as reduced on account of set-off of losses and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions if any available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (refer Note 1).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

Taxation of Capital Gains

As discussed above, based on the particular facts of each case, the investments may, in certain cases, be regarded to be in the nature of capital assets and hence the gains from the transfer/ sale of such investments would be considered to be in the nature of “capital gains”.

As per section 2(14) of the Act, the term ‘capital asset’ had been defined to inter alia mean any securities held by a foreign institutional investor which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992.

- ***Period of holding – long-term & short-term capital assets***

A security (other than a unit) listed on a recognised stock exchange in India or zero-coupon bonds (as

defined) held for a period of more than 12 months are considered long-term capital assets.

In case of share of an unlisted company and immovable property, they will be considered as a long-term capital asset where they are held for a period of more than 24 months.

Any assets (other than as described above), are considered long-term capital assets where they are held for a period of more than 36 months.

The above assets, where held for a period of not more than 12 months/ 24 months/ 36 months, as the case may be, will be treated as short-term capital assets.

The gains arising from the transfer of long-term capital assets are termed as long-term capital gains.

The gains arising from the transfer of short-term capital assets are termed as short-term capital gains.

- ***Computation of capital gains***

Capital gains are computed after reducing from the consideration received from the transfer of the capital asset, the cost of acquisition of such asset and the expenses incurred wholly and exclusively in connection with the transfer.

- ***Nature of transactions and resultant capital gain treatment***

The capital gains tax treatment of transactions is given in Note 4.

The following transactions would attract the “regular” capital gains tax provisions:

- ✓ Transactions of sale of debentures, bonds, listed or otherwise; and
- ✓ Transactions in structured debentures.

- ***Set off of capital losses***

Long-term capital loss of a year can be set off only against long-term capital gains arising in that year and cannot be set off against short-term capital gains arising in that year. On the other hand, short-term capital loss in a year can be set off against both short-term and long-term capital gains of the same year.

Unabsorbed short-term and long-term capital loss of prior years can be separately carried forward for not more than eight assessment years immediately succeeding the assessment year for which the first loss was computed. Unabsorbed short-term capital loss shall be eligible for set off against short-term capital gains as well as long-term capital gains. However, unabsorbed long-term capital loss shall be eligible to be set off only against long-term capital gains.

- ***Certain deductions available under Chapter VI-A of the IT Act***

Individuals and Hindu Undivided Families would be allowed a deduction in computing total income, *inter alia*, under section 80C of the IT Act for an amount not exceeding INR 150,000 with respect to sums paid or deposited in the previous year in certain specified schemes.

- ***Alternate Minimum Tax (“AMT”)***

The Finance Act 2012 has provided the levy of AMT to tax investors (other than companies) to pay AMT at the rate of 18.5 per cent (plus applicable surcharge and health and education cess) on the adjusted total income. In a situation where the income-tax computed as per the normal provisions of the IT Act is less than the AMT on “adjusted total income”, the investor shall be liable to pay tax as per AMT. “Adjusted total income” for this purpose is the total income before giving effect to the deductions claimed under section C of chapter VI-A (other than section 80P) and deduction claimed, if any, under section 10AA and deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed. AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs. Further, the credit of AMT can be further carried forward to fifteen subsequent years and set off in the years(s) where regular income tax exceeds the AMT.

The provisions of AMT also provide that the Foreign Tax Credit (FTC) claimed against AMT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under AMT.

- ***Minimum Alternative Tax (MAT)***

Section 115JB of the IT Act, provides that where the tax liability of a company (under the regular provisions of the IT Act) is less than 15 per cent of its 'book profit', then the book profit is deemed to be its total income and tax at the rate of 15 per cent (plus applicable surcharge and health and education cess – refer note 2) is the MAT payable by the company.

Tax credit is allowed to be carried forward for fifteen years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax becomes payable on the total income is in accordance with the regular provisions of the IT Act and not under MAT.

As per the provisions of section 115JB of the IT Act, the amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, royalty, or fees for technical services chargeable to tax at the rates specified in Chapter XII of the IT Act, shall be excluded from the purview of MAT, if such income is credited to the Profit and Loss Account and the tax payable on such income under the normal provisions is less than the MAT rate of 15 per cent. Consequently, corresponding expenses shall also be excluded while computing MAT.

Further, Explanation 4 to section 115JB of the IT Act clarifies that provisions of MAT will not apply to a foreign company if:

- (a) It is a resident of a country with which India has a DTAA and the company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
- (b) it is a resident of a country with which India does not have a DTAA and the foreign company is not required to register under any law applicable to companies.

The above Explanation is inserted vide FA 2016 and shall be deemed to be effective from AY 2001-02.

Further, it is provided that the FTC claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.

Also, sub-section 5A to section 115JB, inserted vide the Taxation Laws (Amendment) Ordinance, 2019 provides that the provisions of section 115JB shall not apply to a person who has exercised the option referred under section 115BAA or section 115BAB of the Act.

- ***Taxability of non-resident investors under the tax treaty***

In case of non-resident investor who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) (which is in force) income tax is payable at the rates provided in the IT Act, as discussed above, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident investor.

For non-residents claiming such tax treaty benefits, the IT Act mandates the obtaining from the home country tax authority of a Tax Residency Certificate (‘TRC’).

Section 90(5) of the IT Act (introduced by the Finance Act, 2013) provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) has been issued prescribing the format of information to be provided under section 90(5) of the IT Act, i.e. in Form No 10F. Where the required information¹ is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

- ***General Anti Avoidance Rules (GAAR)***

The General Anti Avoidance Rule (GAAR) was introduced in the Income-tax Act by the FA, 2012 and was proposed to be made effective 1 April 2013. The FA 2015 makes the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

- ***Widening of taxability of Capital Gains***

¹ - Status (individual, company, firm etc) of the taxpayer;

- Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

- Taxpayer's tax identification number in the country or specified territory of residence (In case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the taxpayer claims to be a resident);

- Period for which the residential status, as mentioned in the certificate of residence is applicable; and

- Address of the taxpayer in the country or specified territory outside India, during the period for which the certificate is applicable.

In the context of taxation of capital gains, the definitions of “capital asset” and “transfer” are widened with retro-effect from 1 April 1961 specifically with a view to tax, in the hands of non-residents, gains from direct or indirect transfer of assets in India.

- **Withholding provisions**

Sr. No	Scenarios	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	<ul style="list-style-type: none"> • Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the Act at the rate of 10 per cent.
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FPI)	<ul style="list-style-type: none"> • Interest on NCD issued to FPI may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the Act. • Interest on NCD issued to FPI may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the Act provided specific approval is obtained from Central Government for interest rate. <p>If both sections i.e. 194LC and 194LD of the Act are not applicable, then tax deduction should be made as per sections 196D read with section 115AD of the Act i.e. at 20 per cent subject to relief under the relevant DTAA</p> <ul style="list-style-type: none"> • Withholding rate will be increased by surcharge as applicable, if applicable – see Note 2 and an additional surcharge by way of health and education cess of 4 per cent on the amount of tax plus surcharge.
3	Withholding tax rate on interest on NCD issued to non-residents other than FPIs	<ul style="list-style-type: none"> • Interest payable to non-resident (other than FPI) would be subject to withholding tax at the rate of 30 per cent/40 per cent as per the provisions of section 195 of the Act. <p>Alternatively, benefits of concessional rates of 5 per cent under section 194LC of the Act could be availed provided an application is made to the Central Government with respect to the rate of interest.</p> <ul style="list-style-type: none"> • Withholding rate will be increased by surcharge as applicable, if applicable – see Note 2 and an additional surcharge by way of health and education cess of 4 per cent on the amount of tax plus surcharge.

Notes:

Note 1: Tax rates

Resident Individuals and Hindu Undivided Families

The individuals and HUFs are taxed in respect of their total income at the following rates:

Slab	Tax rate *
Total income up to Rs 250,000 [#]	Nil
More than Rs 250,000 [#] but up to	5 per cent of excess over Rs 250,000

Rs 500,000@	
More than Rs 500,000 but up to Rs 1,000,000	20 per cent of excess over Rs 500,000 + Rs 12,500 [§]
Exceeding Rs 1,000,000	30 per cent of excess over Rs 1,000,000 + Rs 112,500 [§]

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.”

* plus surcharge (refer **Note 2**) and health and education cess at the rate of 4 per cent.

for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age ‘and above Rs 250,000’ has to be read as Rs 500,000.

[§]Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for resident senior citizens of eighty years of age and above Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

Partnership Firms & LLP’s

The tax rates applicable would be 30 per cent (plus surcharge if applicable – see Note 2 and an additional surcharge by way of health and education cess of 4 per cent on the amount of tax plus surcharge).

Domestic Companies

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover of less than Rs 400 Cr in FY 2017-18	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2023, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15per cent

Note 2: Surcharge (as applicable to the tax charged on income)

Non-corporate assessee other than firms and co-operative societies (other than FPIs)

Particulars	Rate of Surcharge
Where total income (including income under the provisions of section 111A and section 112A of the Act) does not exceed Rs 50 lacs	Nil
Where total income (including income under the provisions of section 111A and section 112A of the Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including income under the provisions of section 111A and section 112A of the Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	- 25 per cent on tax on income excluding income under the provisions of section 111A and section 112A of the Act - 15 per cent on tax on income under the provisions of section 111A and section 112A of the Act
Where total income (excluding income under the provisions of section 111A and section 112A of the Act) exceeds Rs 5 crore	- 37 per cent on tax on income excluding income under the provisions of section 111A and section 112A of the Act - 15 per cent on tax on income under the provisions of section 111A and section 112A of the Act
Where total income (excluding income under the provisions of section 111A and section 112A of the Act) does not exceed Rs 2 crore but total income (including income under the provisions of section 111A and section 112A of the Act) exceeds Rs 2 crore	15 per cent on total tax

FPIs (Non –corporate)

Particulars	Rate of Surcharge
Where total income (including income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 50 lacs	Nil
Where total income (including income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore but does not exceed Rs 5 crore	<ul style="list-style-type: none">- 25 per cent on tax on income excluding income of the nature referred to in section 115AD(1)(b) of the Act- 15 per cent on tax on income of the nature referred to in section 115AD(1)(b) of the Act
Where total income (excluding income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 5 crore	<ul style="list-style-type: none">- 37 per cent on tax on income excluding income of the nature referred to in section 115AD(1)(b) of the Act- 15 per cent on tax on income of the nature referred to in section 115AD(1)(b) of the Act
Where total income (excluding income of the nature referred to in section 115AD(1)(b) of the Act) does not exceed Rs 2 crore but total income (excluding income of the nature referred to in section 115AD(1)(b) of the Act) exceeds Rs 2 crore	15 per cent on total tax

For assesseees other than those covered above

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where taxable income does not exceed Rs 1 crore
	12 per cent where income exceeds Rs 1 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the Act)	Nil where taxable income does not exceed Rs 1 crore
	7 per cent where taxable income does not exceed Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where taxable income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the Act	10 per cent (irrespective of taxable income)
Foreign Companies (including corporate FPIs)	Nil where taxable income does not exceed is equal to or less than Rs 1 crore
	2 per cent where taxable income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where taxable income exceeds Rs 10 crore

A health and education cess of 4 per cent is payable on the total amount of tax plus basic surcharge.

Note 3: Taxability of interest income

For all Residents (including Indian Corporates)

In case of residents, where interest income is taxable as 'income from other sources' or 'income from business or profession' should be chargeable to tax as per the rates given in note 1 above.

For Non-residents (other than FPI entities)

In case of non-residents, under the IT Act the interest income should be chargeable to tax at the rate of 30/40 per cent, based on the status of the investor.

However, the above is subject to any relief available under DTAA and any Covered Tax Agreement entered into by the Government of India.

For FPI entities

In case of FPI, interest on NCD may be eligible for concessional tax rate of 5 per cent under section 194LD or 194LC of the Act. Further, in case where section 194LD or 194LC is not applicable, the interest income earned by FPI should be chargeable tax at the rate of 20 per cent under section 115AD of the IT Act.

However, the above is subject to any relief available under DTAA and Covered Tax Agreements (CTA) entered into by the Government of India.

Note 4: Regular capital gains tax rates

1. Tax on Long-term Gains

1.1 For all Residents (including Indian Corporates)

Long-term Capital Gains will be chargeable to tax under Section 112 of the IT Act, at a rate of 20 per cent (plus applicable surcharge and health and education cess respectively – see note 2) with indexation.

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess– see note 2) in respect of listed securities (other than a unit) or zero-coupon bonds (as defined).

However, as per the third proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.2 For Resident Individuals and HUFs only

Where the taxable income as reduced by long-term capital gains is below the exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be charged at a rate of 20 per cent with indexation (plus applicable surcharge and health and education cess – see note 2).

Alternatively, the tax rate may be reduced to 10 per cent without indexation (plus applicable surcharge and health and education cess – see note 2) in respect of listed securities (other than a unit) or zero-coupon bonds as defined.

However, as per the third proviso to section 48 of the IT Act, benefit of indexation of cost of acquisition under second proviso to section 48 of the Act, is not available in case of bonds, debentures, except capital indexed bonds. Accordingly, long term capital gains arising to the bond holders, should be subject to tax at the rate of 10 per cent, computed without indexation, as the benefit of indexation of cost of acquisition is not available in the case of debentures.

1.3 For Non-Resident Individuals

Long-term capital gains in case of listed securities will be chargeable under Section 112 of the IT Act at a rate of 20 per cent (plus applicable surcharge and health and education cess – see note 2) with applicable foreign exchange fluctuation benefit or indexation, as the case may be. The tax payable (for other than a listed unit) could alternatively be determined at 10 per cent (plus applicable surcharge and health and education cess – see note 2) without indexation.

The above-mentioned rates would be subject to applicable treaty relief.

1.4 For FPI entities

As per section 115AD of the IT Act, long term capital gains on transfer of NCD by FPI are taxable at 10 per cent (plus applicable surcharge and cess).

The above-mentioned rates would be subject to applicable treaty relief.

2. Tax on Short-term Capital Gains

Short-term capital gains are chargeable to tax as per the applicable general tax rates (discussed in Note 1 above).

In case of FPI, as per section 115AD of the IT Act, short term capital gains are taxable at the rate of 30 per cent (plus applicable surcharge and cess).

Note 5: Relevant definitions under the IT Act

“*Securities*” shall have the same meaning as assigned in section 2(h) of the Securities and Contracts (Regulation) Act, 1956, which, *inter alia*, includes:

- shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- derivative;
- units or any other such instrument issued to the investors under any mutual fund scheme; and
- rights or interest in securities;

For the purpose of section 112 of the IT Act:

- “*Listed securities*” means the securities which are listed on any recognised stock exchange in India.
- “*Unlisted securities*” means securities other than listed securities.

“*Zero coupon bond*” means a bond-

- issued by any infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank] on or after 1 June 2005;
- in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company [or scheduled bank]; and
- which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Note 6: Amendments in the withholding tax provisions effective 1 April 2010

Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.

As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS is 20 per cent or any higher rate of TDS, as may be applicable, plus applicable surcharge and health and education cess.

The FA 2016 has amended section 206AA of the IT Act to provide that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, the CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

(The following regulations comprised in these Articles of Association were adopted by the members at the Extraordinary General Meeting of the Company held on April 25, 2019, in substitution for, and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.)

1. These articles of association consist of two parts, viz., Part 'A' and Part 'B'. The provisions of Part 'A' shall apply to all the matters to which they pertain, to the extent, and only in so far as they are not inconsistent with, the special provisions of Part 'B'.
- 1A. The Regulations for the management of the Company shall be those as contained in these Articles and the matters in respect of which no Regulations is specified herein, Regulations as contained in Table F in Schedule I to the Companies Act, 2013 shall be applicable.

INTERPRETATION

2. Unless the context otherwise requires words or expressions contained in Part A of these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.
 - (1) The marginal note hereto shall not affect the construction hereof and in these presents, unless there be something in the subject or context consistent therewith:
 - (a) "The Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof from time to time and shall include the Rules and Regulations framed thereunder.
 - (b) "The Company" means ECL FINANCE LIMITED, incorporated under the Companies Act, 1956.
 - (c) "The Directors" means the Director for the time being of the Company.
 - (d) "The Board of Directors" or "The Board" means the Board of Directors for the time being of the Company.
 - (e) "The Managing Director" means the Managing Director for the time being of the Company.
 - (f) "The Office" means the Registered Office for the time being of the Company.
 - (g) "The Registrar" means the Registrar of Companies, Maharashtra.
 - (h) "Seal" means the Common Seal of the Company includes Attorneys duly constituted under a power of Attorney.
 - (2) "In writing" and "Written" include printing, and other modes of representing or reproducing words in a visible form any communication made by letter or e-mail.
 - (3) Words importing the singular number only include the plural number and vice versa.
 - (4) Words importing persons include corporations.
 - (5) Any reference to any statute or statutory provision shall include:
 - i. all subordinate legislation, rules or regulations made or enacted from time to time under that statute or provision; and
 - ii. such statute or provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the Effective Date);

- (6) Any references to the masculine, the feminine and the neuter shall include each other;
- (7) References to any agreement or any other document shall be construed as references to such agreement or that other document as amended, varied, novated, supplemented or replaced from time to time (except where such amendment, variation, novation, or replacement is made in breach of such document);
- (8) For avoidance of doubt, it is clarified that unless otherwise agreed contractually under the SHA or the context otherwise requires in accordance with Applicable Law, Promoter 2, Promoter 3 and Promoter 4 as mentioned in these Articles shall not be considered as promoter under the Companies Act, 2013 or the rules made thereunder or any SEBI regulations, if any.
- (9) The expression “this Article” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Article (not merely the sub-Article) in which the expression occurs;
- (10) Unless the contrary is expressly stated, no article in this Part limits the extent or application of another article;
- (11) Headings to articles, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Part;
- (12) The words “include”, “including” and “in particular” shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (13) Where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words;
- (14) A reference to a party to any document includes that party’s successors and permitted assigns;
- (15) For the purpose of the Articles, a Shareholder and its Affiliate who is holding Equity Securities of the Company shall be deemed to be a single “Shareholder” in all respects for the purposes of this Part and the Shareholding Percentage of such Shareholder and its Affiliate shall be combined for the purposes of the Articles.

PART – ‘A’

SHARE CAPITAL AND VARIATION OF RIGHTS

3. Subject to the provisions of the Act and these Articles (including provisions contained in Part B), the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium and at such time as they may from time to time think fit.
4. Subject to the provisions of the Act and these Articles (including provisions contained in Part B), the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind, whatsoever, sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued either as fully paid-up or partly paid-up otherwise than for cash.
5. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:
 - (a) Equity Share Capital:
 - i. With voting right; and/or
 - ii. With differential rights as to dividend, voting or otherwise in accordance with the Act; and

- (b) Preference Share Capital.
6. A Person subscribing to the securities of the Company shall have the option either to receive certificates for such securities or hold such securities in a dematerialised state with a depository. Where a person opts to hold any securities with the depository, the Company shall intimate such depository the details of the securities to enable the depository to enter in its records the name of such person as the beneficial owner of such securities.
- 7.
- (1) The Company may exercise the powers of paying commission conferred by the Act to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act.
 - (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.
- 8.
- (1) Subject to the provisions contained in Part B of these Articles, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class as prescribed by the Act.
 - (2) The provisions of this Article shall *mutatis mutandis* apply to other securities including debentures of the Company.
 - (3) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. Subject to the provisions of the Act and Part B of these Articles, the Board shall have the power to issue preference shares of one or more classes which are liable to be redeemed, or converted in to equity shares or other securities, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
11. Subject to Part B of these Articles, any further issue of securities may be made in any manner and on such terms, whatsoever, as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

LIEN

- 12.
- (1) The Company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a person, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
13. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.
- 14.
- (1) To give effect to any such sale, the Board may authorise a person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
- 15.
- (1) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
16. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
17. The provisions of these Articles (including provisions contained in Part B) relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

18. Subject to the provisions of the Act and the provisions contained in Part B of these Articles, the Company may, by an ordinary resolution:-
- (a) increase the share capital by such sum, to be divided into shares of such amount, as it may think expedient;

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

19. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/”member” in those Regulations shall include “stock” and “stock-holder” respectively.

20. Subject to the provisions contained in Part B of these Articles, the Company may, by a resolution, or as may be prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:-

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any security premium account; and/or
- (d) any other reserve in the nature of share capital.

CAPITALISATION OF PROFITS

21.

- (1) Subject to the provisions contained in Part B of these Articles, the Company by an ordinary resolution may, upon the recommendation of the Board, resolve—
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s Reserve Account(s), or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) hereunder, either in or towards—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- (3) The Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, be applied in the paying up of un-issued shares to be issued to the members of the Company as fully paid bonus shares;
- (4) Subject to the provisions contained in Part B of these Articles, the Board shall give effect to the resolution passed by the Company in pursuance of this Article.

22.

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the amount resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (3) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

23. Subject to the provisions contained in Part B of these Articles and all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as per the Act.

GENERAL MEETINGS

24. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
25. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

26. No business shall be discussed or transacted at any general meeting except the election of Chairperson, whilst the chair is vacant.

27. The Chairperson, if any, of the Board shall preside as a Chairperson at every general meeting of the Company.

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.

VOTING RIGHTS

28. Subject to provisions of Part B of these Articles and any rights or restrictions for the time being attached to any class or classes of shares—
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
29. Subject to provisions of Part B of these Articles, a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 30.
- (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (2) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
31. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share(s) shall be by his guardian or any one of his guardians.
32. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
33. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised the right of lien.
34. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

- 35.
- (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, subject to the provisions of the Act.
 - (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes

to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

36. An instrument appointing a proxy shall be in the form as prescribed in the Act.
37. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

- 38.
- (1) The remuneration payable to the Directors, including any Managing Director, Whole-Time Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.
 - (2) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
 - (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; and
 - (b) in connection with the business of the Company.
39. The Company may exercise the powers conferred on it under the provisions of the Act with regard to the keeping of a foreign Register; and the Board may make and vary such Regulations as it may think fit in keeping of any such Register.
40. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 41.
- (1) Subject to the provisions of the Act and provisions of Part B of these Articles, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
 - (2) Subject to the provisions of the Act, such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting.
42. Subject to provisions of Part B, the Board may appoint any person as a director nominated by: (i) any lender of the Company in pursuance of the provisions of any law for the time being in force or of any financing agreement; (ii) any regulatory authority and/or statutory authority, in pursuance of the provisions of any law for the time being in force. .
- 43.
- (1) Subject to provisions of Part B of these Articles, if the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

- (2) Subject to provisions of Part B of these Articles, the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held the office if it had not been vacated.

PROCEEDINGS OF THE BOARD

44. A Chairperson or any Director with the prior consent of the Chairperson may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
45.
 - (1) Subject to provisions of Part B of these Articles, the Board may, subject to the provisions of the Act, delegate any of its powers to Committee(s) consisting of such member(s) of its body as it thinks fit.
 - (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any Regulations that may be imposed on it by the Board and under these Articles.
46.
 - (1) Subject to provisions of Part B of these Articles, a Committee may elect a Chairperson of its meetings unless the Board while constituting a Committee has appointed a Chairperson of such Committee.
 - (2) Subject to provisions of Part B of these Articles, if no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
47.
 - (1) Subject to provisions of Part B of these Articles, a Committee may meet and adjourn as it thinks fit.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

48. Subject to the provisions of the Act—
 - (1) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
 - (2) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
49. The provisions of the Act or these Regulations requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

THE SEAL

50. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of a Director/ Manager/Chief Executive Officer/Chief Financial Officer/Secretary or such other person as the Board/Committee of the Board may appoint for the

purpose, who shall sign every instrument to which the Seal is so affixed in his presence, provided nevertheless, that any instrument bearing the Seal of the Company, and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity of the authority to issue the same.

The Company shall also be at liberty to have an official seal in accordance with the provisions of the Act or any amendment thereof for use in any territory, district or place outside India and shall be used by or under the authority of the Directors or a Committee of the Directors and granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

DIVIDENDS AND RESERVES

51. Subject to the provisions in Part B of these Articles, the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in the General Meeting may declare a lesser dividend.
52. Subject to the provisions of the Act and Part B of these Articles, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such interval as it may think fit.
53.
 - (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
 - (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
 - (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
54. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
55.
 - (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post/courier/other mode specified in the Act, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
 - (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
56. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
57. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
58. No dividend shall bear interest against the Company.

REGISTERS

59. The Company shall keep and maintain the statutory registers for such duration as the Board may, unless otherwise prescribed decide, and in such manner and containing such particulars as may be prescribed in the Act.

The Registers and the other documents which are required to be kept open for inspection, shall be open for inspection during 11.00 a.m. and 1.00 p.m. (or such other time as the Board including Committee thereof may decide from time to time) on all working days, at the Registered Office of the Company, by the persons entitled thereto on payment, where required of such fees as may be fixed by the Board.

WINDING UP

60. Subject to the applicable provisions of the Act—

- (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction or approvals required by the Act or these Articles, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company in accordance with the provisions of Part B of these Articles, whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

PART – ‘B’

DEFINITIONS

1.1 As long as Part ‘B’ remains a part of these Articles, in the event of any conflict or inconsistency between Part A and Part B, the provisions of Part ‘B’ shall prevail over the provisions of Part ‘A’.

1.2 In this Part B (including the Schedules hereto), except where the context otherwise requires, the following capitalized words and expressions shall have the assigned meanings:

“Acceptance Letter” has the meaning given in Article 9.3 of this Part;

“Acceptance Period” has the meaning given in Article 9.3 of this Part;

“Accounting Standards” means the Indian Accounting Standards (IND-AS) issued under the Companies (Indian Accounting Standards) Rules, 2015, together with any pronouncements issued under Applicable Law thereon from time to time and shall be deemed to include any alternate accounting principles adopted/promulgated in place of and in lieu of IND-AS, or any other accounting principles and/or standards that may be prescribed under Applicable Law from time to time;

"Act" means the (Indian) Companies Act, 2013 as amended, modified, supplemented or re-enacted from time to time read with the rules, circulars, orders, notifications and clarifications issued thereunder;

“Additional Securities” has the meaning given in Article 9.3 of this Part;

“Adjustment Event” has the meaning given in Article 10.1 of this Part;

“Affiliate” with respect to a Person, means any other Person, either directly or indirectly through 1 (one) or more intermediate Persons, Controlling, Controlled by, or under common Control with, that Person;

“Alternate Director” has the meaning given to it in Article 2.4(a) of this Part;

“Annual Budget” has the meaning given in the SHA;

“Anti-Dilution Right” has the meaning given in Article 10.1 of this Part;

“Applicable Law” shall mean all applicable statutes, enactments, laws, ordinances, bye-laws, rules, regulations, guidelines, notifications, notices, policies, directions, directives and/or judgments, decrees, injunctions, writs, rulings or orders of any Governmental Authority (including applicable international treaties and regulations) in any jurisdiction as may be in force and effect during the subsistence of this Part;

“Applicable Period” means the period commencing on the Effective Date and ending on the date which is the earlier of: (i) the date of listing of the Shares of the Company upon successful completion of a QIPO; and (ii) the Exit Date;

“Approval” means any permit, permission, license, approval, authorization, consent, clearance, waiver, grant, franchise, concession, no objection certificate, certificate, exemption, order, registration, declaration, filing, report, decree, notice or other authorization of whatever nature and by whatever name called which is, or is required to be, granted by any Governmental Authority or any other authority or lender or any third party under any Applicable Law or contract;

“Articles” means this amended and restated articles of association, as amended from time to time;

“Associate Company/s” with respect to a Person, means any other Person who is: (i) an ‘associate company’ of that Person as per the meaning assigned to such term under the Act; and (ii) an

‘associate’ of that Person as per the meaning ascribed to such term under the Accounting Standards;

“Audited Accounts” means the books of accounts of the Company as per the Act (including the audited balance sheet, profit and loss account, statements of income and cash flows and statement of changes in shareholders’ equity), as of the end of the relevant Financial Year, together with the statutory auditor’s report thereon and notes thereto and any other notes, reports, statements or documents included in or annexed or attached to them, prepared in accordance with the Accounting Standards;

“Big Four” means the Indian affiliates of KPMG, EY, Deloitte Touche Tohmatsu and PricewaterhouseCoopers;

“Board Reserved Matter” means the matters specified in Part A of SCHEDULE 1 (*List of Reserved Matters*) of this Part;

“Business” has the meaning assigned to it in the SHA;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are generally open in Mumbai, Montreal and Singapore for normal banking operations; *provided however*, for the purposes of Article 3.2, Article 3.3 and Article 3.6; , ‘Business Day’ shall mean a day (other than a Saturday or Sunday) on which banks are generally open in Mumbai and Singapore for normal banking operations;

“Business Plan” has the meaning assigned to it in the SHA;

“Call Price” has the meaning given in Article 13.4 (a)(i) of this Part;

“Chairman” means the chairman of the Board;

“Company Notification” has the meaning given in Article 9.5 of this Part;

“Competitor” shall have the meaning set out under the SHA;;

“Constitutional Documents” means the Memorandum and Articles as amended from time to time;

“Control” means with respect to a Person, the power to direct or cause the direction of management and policies of such Person, either directly or indirectly, whether through the ownership, either directly or indirectly, of more than such percentage of the voting securities as mentioned in the SHA, of such Person, or the power to appoint or remove a majority of the members of the board of directors or equivalent governing body of such Person whether by operation of law, by contract or otherwise; The terms “Controlling”, “Common Control”, “Controlled by” and “under Common Control with” shall be /construed accordingly;

“Conversion Price” has the meaning assigned to it in the SHA;

“Deemed Conversion Price” has the meaning assigned to it in the SHA;

“Deed of Adherence” has the meaning assigned to it in the SHA;

“Dilution Instruments” has the meaning given in Article 10.1 of this Part;

“Drag Along Right” has the meaning given in Article 13.2(a) of this Part;

“Drag Notice” has the meaning given in Article 13.2(f) of this Part;

“Drag Sale Identified Matters” has the meaning given in Article 13.2(f) of this Part;

“Dragged Securities” has the meaning given in Article 13.2(a) of this Part;

“Dragged Shareholders” has the meaning given in Article 13.2(a) of this Part;

“Edelweiss Group” means collectively, the Promoter 1, its Affiliates and Associate Companies;

“Effective Date” has the meaning assigned to it in the SHA;

“Election Notice” has the meaning given in Article 13.2(d) of this Part;

“Encumbrance” means any encumbrance including without limitation any claim, charge (fixed or floating), mortgage, pledge, hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, right to acquire, right of first refusal, right of first offer or similar right, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements), public right, common right, wayleave, easement, any provisional or executorial attachment or any other direct interest held by any third party, or any agreement to create any of the foregoing;

“Equity Securities” in respect of the Company or other Person, means equity shares and preference shares, debentures, bonds, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for Equity Shares (in case of the Company) or ordinary equity shares (in case of other Person); or which carry any right to purchase or subscribe to Equity Shares (in case of the Company) or ordinary equity shares (in case of other Person), or any instrument by their terms convertible into or exchangeable for Equity Shares (in case of the Company) or ordinary equity shares (in case of other Person);

“Equity Shares” or “Shares” means the fully paid up equity shares of the Company, each having a face value of INR 1 (Indian Rupee One) each;

“Exit” has the meaning assigned to it in Article 11.2 of this Part;

“Exit Date” shall mean a date which is 84 (eighty-four) months from the Effective Date;

“Exit Default Notice” has the meaning given in Article 13.2(b) of this Part;

“Exit Default Response Notice” has the meaning given in Article 13.2(c) (A) of this Part;

“Exit Default ROFO Right” has the meaning given in Article 13.2(c) (A) of this Part;

“Exit Default ROFO Price” has the meaning given in Article 13.2(c) (A) of this Part;

“Exit ROFO Completion Period” has the meaning given in Article 13.2(e) of this Part;

“Exit Default Rights” has the meaning given in Article 13 of this Part;

“Exit Trigger Date” shall mean a date which is 60 (sixty) months from the Effective Date;

“Fair Market Value” has the meaning given in Article 13.4(b) of this Part;

“Financial Investor” means asset management companies, private equity/venture capital entities (incorporated as limited liability partnerships, trusts, or companies), hedge funds, buy-out funds, mutual funds, alternative investment funds, proprietary investment arm of a foreign bank, financial institutions (excluding non-banking financial company, housing finance company, retail or commercial banks), sovereign wealth funds, pension funds, and institutional investors and if applicable, their sub-accounts, foreign portfolio investors or other similar financial investors who are engaged in the business of making and holding investments only for economic /financial returns on their investment;

“Financial Year” means the accounting year of the Company, commencing each year on 1 April and ending on the following 31 March or if changed by Applicable Law, then such other period

of 12 (twelve) successive months;

“Fresh Issue” has the meaning given in Article 9.1 of this Part;

“Fresh Issue Notice” has the meaning given in Article 9.2 of this Part;

“Fully Diluted Basis” means the number of equity shares of the Company, or other Person, as applicable, calculated as if all Equity Securities then outstanding, which are convertible to, or exercisable or exchangeable for, equity shares of the Company or of such other Person, as applicable, had been converted, exercised or exchanged in full;

Provided that, until the conversion of the Investor CCDs into Equity Shares in accordance with the relevant terms and conditions prescribed therefor in the SHA, ‘Fully Diluted Basis’ calculation shall be made on the assumption that the Investor CCDs are converted into Equity Shares at the Deemed Conversion Price;

“Future Investor” has the meaning given in Article 9.1 of this Part;

“Governmental Authority” means any national, regional or local government or governmental, statutory, administrative, fiscal, regulatory, or department, commission, authority, agency or entity government-owned body, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank) or any court, tribunal, or judicial, quasi-judicial or arbitral body or any other entity or agency in India authorized to make laws, and shall include without limitation the Competition Commission of India, the National Housing Bank, the RBI, any recognized stock exchange(s) on which the securities of the Company (or its Affiliates, as the case may be) are listed;

“Identified Reserved Matters” means the Board Reserved Matters listed under Paragraph (1), (2) and (4) of Part A of SCHEDULE 1 (*List of Reserved Matters*) and Investor Reserved Matters listed under Paragraph (2) of Part B of SCHEDULE 1 (*List of Reserved Matters*) of this Part;

“Inter-Se Share” has the meaning given in Article 9.1 of this Part;

“Inter-Se Shareholding” means the shareholding of the Promoters or the Investor, as the case may be, expressed as a fraction: (A) numerator of which is the number of Equity Securities held by the Promoters or the Investor, as the case may be, on a Fully Diluted Basis; and (B) the denominator of which is the sum of the Equity Securities held by the Promoters and the Investor, on a Fully Diluted Basis;

“Interest” has the meaning assigned to it in the SHA;

“Investor” means CDPQ Private Equity Asia Pte. Ltd., a company existing under the laws of Singapore and having its company registration number 201621354H and having its principal place of business at #21-01 North Tower, One Raffles Quay, Singapore 048583 (which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns);

“Investor CCDs” means fully paid up compulsorily convertible debentures of the face value INR 100 (Indian Rupees One Hundred) each, issued by the Company to the Investor on the terms and conditions as set forth in the SHA which terms and conditions are deemed to be incorporated by reference into these Articles;

“Investor Initiated QIPO” has the meaning given in Article 13.1(a) of this Part;

“Investor Initiated QIPO Notice” has the meaning given in Article 13.1(a) of this Part;

“Investor Observer” has the meaning given in Article 2.8 of this Part;

“Independent Directors” has the meaning given in the Act;

“Investor Nominee Directors” has the meaning given in Article 2(b)(i) of this Part;

“Investor Put Notice” has the meaning given in Article 13.4 (a) of this Part;

“Investor Put Right” has the meaning given in Article 13.4 (a) of this Part;

“Investor Reserved Matters” means the matters specified in Part B of SCHEDULE 1 of this Part;

“Investor Securities” means the Equity Securities of the Company held by the Investor from time to time and includes any Equity Securities issued and allotted to the Investor under the SSA;

“IPO” means the initial public offering by the Company;

“IT Act” means the (Indian) Income Tax Act, 1961 as amended from time to time;

“Key Performance Indicators” has the meaning assigned to it in the SHA;

“Material Adverse Effect” has the meaning as given in SHA;

“Memorandum” means the memorandum of association of the Company, as amended from time to time;

“New Securities” has the meaning given in Article 9.1 of this Part;

“Nominee Director(s)” means the Investor Nominee Director(s) and/or the Promoters Nominee Director(s), as the context may require or permit;

“Notice for Shareholders Consideration” means the notice issued by the Investor Nominee Director to the Company notifying the Company of his/her decision to refer a Board Reserved Matter to the Shareholders for their consideration for the purposes of Article 7;

“Ordinary Course of Business” includes any action, event or circumstance taken by or on behalf of a Person that is: to the extent relevant, consistent with past custom and practice but only to the extent not in violation of the Applicable Law, and is taken: (a) in the usual and regular course of the Person’s normal day-to-day operations; or (b) is similar in nature and magnitude to actions taken in the usual and regular course of normal day-to-day operations of other Persons engaged in businesses similar to the first mentioned Person’s business;

“Participating Shareholder” has the meaning given in Article 9.5 of this Part;

“Party” means each of the Company, the Promoter 1, Promoter 2, Promoter 3, Promoter 4 and the Investor individually who are collectively referred to as the “Parties”;

“Permitted Transferees” has the meaning given in Article 8.2(a)(ii) of this Part;

“Person” means any natural person, limited or unlimited liability company, bodies corporate (wherever incorporated), unincorporated associations, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

“Potential Buyer” has the meaning given in Article 13.2(a) of this Part;

“Pre-emption Right” has the meaning given in Article 9.1 of this Part;

“Promoter Call Notice” has the meaning given in Article 13.4 (a) of this Part;

“Promoter 1” means Edelweiss Financial Services Limited as defined in the SHA ;

“Promoter 2” mean Edelweiss Securities Limited as defined in the SHA;

“Promoter 3” means Edelweiss Rural and Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) as defined in the SHA;

“Promoter 4” means Edel Finance Company Limited as defined in the SHA;

“Postponed Board Meeting” has the meaning assigned to it in Article 3.3 of this Part;

“Potential Buyer” has the meaning given in Article 13.2(a) of this Part;

“Promoter Call Right” has the meaning assigned to it in Article 13.4 of this Part;

“Promoter Lock-in” has the meaning assigned to it in Article 8.2 (a) of this Part;

“Promoter Nominee Directors” means the Directors nominated by the Promoters in accordance with Article 2.2(b) (ii) of this Part;

“Proposed Price” has the meaning given in Article 9.2 of this Part;

“Promoter Sale Securities” has the meaning given in Article 8.5(b)(A) of this Part;

“Proposed Transferee” has the meaning given in Article 8.4(a) of this Part;

“Put Price” has the meaning given in Article 13.4 (a) of this Part;

“QIPO” means an initial public offering of the Equity Shares of the Company in accordance with Applicable Laws, which satisfies each of the following conditions:

- (i) it results in the listing or quoting of the Equity Shares on a Recognized Stock Exchange;
- (ii) the Equity Shares held by the Investor in the Company are freely tradable immediately following the initial public offer, other than any mandatory lock-up applicable to non-promoter shareholding under Applicable Law;

“Rs.” or “Rupees” or “INR” means the lawful currency of the Republic of India;

“RBI” means the Reserve Bank of India;

“Recognized Stock Exchange” shall mean the National Stock Exchange of India Limited, the BSE Limited or any other recognized stock exchange having nationwide trading terminals in India acceptable to the Investor;

“Related Party” has the meaning given to it under the Act and the Income Tax Act, 1961; *provided however*, in respect of the Company and its Subsidiaries, ‘Related Party’ shall be deemed to include the Edelweiss Group;

“Relevant Period” has the meaning assigned to it under the SHA;

“Relevant Shareholders” has the meaning given in Article 9.1 of this Part;

“Reserved Matters” means each of the matters specified in SCHEDULE 1 of this Part;

“Right of First Offer” has the meaning given in Article 8.4(a) of this Part;

“ROFO Acceptance Notice” has the meaning given in Article 8.4(b)(iv) of this Part;

“ROFO Acceptance Period” has the meaning given in Article 8.4(b)(iv) of this Part;

“ROFO Completion Period” has the meaning given in Article 8.4(b)(v) of this Part;

“ROFO Indication of Interest” has the meaning given in Article 8.4(b)(ii) of this Part;

“ROFO Notice” has the meaning given in Article 8.4(b)(i) of this Part;

“ROFO Period” has the meaning given in Article 8.4(b)(ii) of this Part;

“ROFO Price” has the meaning given in Article 8.4 (b)(ii)(A) of this Part;

“ROFO Right Holder” has the meaning given in Article 8.4 (a) of this Part;

“ROFO Transfer Period” has the meaning given in Article 8.4(b)(vii) of this Part;

“Sale Securities” has the meaning given in Article 8.4(a) of this Part;

“Selling Promoter” has the meaning given in Article 8.5(a) of this Part;

“Selling Shareholder” has the meaning given in Article 8.4(a) of this Part;

“Scheduled Bank” shall mean the banking companies included in the Second Schedule of the Reserve Bank of India Act, 1934 by the RBI;

“Scheduled Board Meeting” has the meaning to it in Article 3.3 of this Part;

“SEBI” means the Securities and Exchange Board of India; or any other successor entity by whatever name called that performs the function of regulating capital markets in India;

“SHA” means the Shareholders Agreement dated 5 March 2019 entered by and amongst the Company, Promoter 1, Promoter 2, Promoter 3, Promoter 4 and Investor and any amendment(s) thereto.”***²

“Shareholders” means the holders of the Equity Securities of the Company who are Parties to this Part and any Person to whom Equity Securities are transferred or issued in accordance with this Part from time to time, and Shareholder means any of them;

“Share Capital” means the aggregate issued and paid up equity share capital of the Company on a Fully Diluted Basis;

“Shareholders’ Meeting” has the meaning given to it in Article 5.1 of this Part;

“Shareholding Percentage” means the percentage of the Shares held by a Shareholder in the Share Capital of the Company as of the relevant date of determination, on a Fully Diluted Basis;

“SSA” means the Securities Subscription Agreement dated 5 March 2019 entered into by and between the Company, Promoter 1 and the Investor;

“Strategy Committee” means the shareholders and management committee of the Company constituted in accordance with Article 4.1;

“Subscription Date” has the meaning given in Article 9.6 of this Part;

“Subsidiaries” has the meaning given to it in the Act;

“Tag Along Notice” has the meaning given in Article 8.5(c) of this Part;

² (Amended definition of “SHA” was adopted by the members at the Extraordinary General Meeting of the Company held on May 7, 2019))

“Tag Along Price” has the meaning given in Article 8.5(b)(F) of this Part;

“Tag Along Right” has the meaning given in Article 8.5 (a) of this Part;

“Tag Along Securities” has the meaning given in Article 8.5 (a) of this Part;

“Tag Closing Period” has the meaning given in Article 8.5 (e) of this Part;

“Tag Exercise Period” has the meaning given in Article 8.5 (c) of this Part;

“Tag Notice” has the meaning given in Article 8.5 (b) of this Part;

“Tag Sale Notice” has the meaning given in Article 8.5 (c) of this Part;

“Tagged Securities” has the meaning given in Article 8.5 (c) of this Part;

“Threshold Shareholding” means shareholding representing such percentage of the Share Capital on a Fully Diluted Basis as mentioned in the SHA;

“Trade Sale” means a transaction that enables the Investor to Transfer all of the Investor Securities then held by it on terms acceptable to the Investor;

“Trade Sale Identified Matters” has the meaning assigned to it in Article 12.2 (g) of this Part;

“Trade Sale Offer” has the meaning given in Article 12.2(b) of this Part;

“Trade Sale Notice” has the meaning given in Article 12.2(b) of this Part;

“Trade Sale Response Notice” has the meaning given in Article 12.2(c) this Part;

“Transaction Documents” means:

- (a) SSA;
- (b) SHA; and
- (c) any other agreement or document which is mutually agreed by the Parties as a ‘Transaction Document’ and/or all other documents, instruments, certificates, letters, undertakings and deeds contemplated under the SHA or any of the other agreements in this definition;

“Transfer” means a direct or indirect, offer, transfer, sale, Encumbrance, assignment, gift, donation, lease, redemption, conversion, pledge, placing in trust (voting or otherwise), or other disposition of any property, asset, right, or privilege, or any interest therein or thereto; and

“Unpurchased Securities” has the meaning assigned to it in Article 9.5 of this Part.

1. BOARD OF DIRECTORS

5.1 Board of Directors

The affairs of the Company (including the Business) shall be managed and supervised by the Board which may exercise all the powers of the Company and do all such acts and things as the Company is authorised to do, save as otherwise provided in this Part and under Applicable Law. The Board shall be responsible for determining the overall policies, objectives and activities of the Company, in compliance with the terms of Applicable Law and this Part.

5.2 Composition of the Board

- (a) The Board shall be composed of Independent Directors, Investor Nominee Directors and Promoter Nominee Directors appointed in accordance with the terms and conditions set out in this Article 2.2 of this Part.
- (b) Unless otherwise agreed to by the Investor, on and from the Effective Date, the Board shall consist of up to 12 (twelve) Directors, of which:
 - (i) the Investor shall have the right to nominate:
 - (A) up to 2 (two) non-rotational non-executive Directors ("Investor Nominee Directors") as long as the Investor holds at least such percentage of the Share Capital as mentioned in the SHA on a Fully Diluted Basis;
 - (B) 1 (one) Investor Nominee Director as long as the Investor continues to hold at least the Threshold Shareholding on a Fully Diluted Basis but less than such percentage of the Share Capital as mentioned in the SHA on a Fully Diluted Basis;
 - (ii) the Promoter 1 shall have the right to nominate up to 6 (six) Directors ("Promoter Nominee Directors"); and
 - (iii) 4 (four) Directors shall be Independent Directors appointed in accordance with Article 2.2(e) below.
- (c) Notwithstanding anything contained in Article 2.2(b)(i) above, out of the 2 (two) Investor Nominee Directors that the Investor is entitled to nominate on the Board, the Investor shall be entitled to appoint 1 (one) Investor Nominee Director on the Board on and with effect from the Effective Date, and the second Investor Nominee Director on and any time after 30 October 2019. The Company and the Promoters shall, and the Promoters shall cause the Company to, undertake all actions as may be required and necessary (including increasing the existing Board size, if required) to appoint the Investor Nominee Directors on the Board in the manner set out in this Part.
- (d) The Promoter 1 shall nominate Mr. Rashesh Shah and Mr. Venkat Ramaswamy as the Promoter Nominee Directors pursuant to exercise of its rights under Article 2.2(b)(ii) above. Unless otherwise agreed by the Parties, Mr. Rashesh Shah shall be the Chairman of the Board and Mr. Venkat Ramaswamy shall be the vice-chairman of the Board.
- (e) A minimum of one third of the Directors on the Board (or such other higher number as may be required under the Applicable Law) shall comprise of Independent Directors. The Independent Directors on the Board shall either: (i) be Independent Directors on the board of Promoter 1; or (ii) such other persons jointly nominated by the Promoter 1 and the Investor; *provided that*, if an Independent Director appointed on the Board pursuant to this Article 2.2(e) ceases to be an Independent Director of Promoter 1, then such Independent Director may continue to serve on the Board of the Company as an Independent Director if acceptable to all Parties.
- (f) In the event pursuant to a change in Applicable Law, a higher number of Independent Directors are required to be appointed on the Board of the Company, then the Board size shall be suitably modified so as to ensure that the Promoter Nominee Directors continue to constitute 1/2 of the Board size at all times, *provided however*, notwithstanding any such modification to the Board size, the Investor shall continue to have the right to appoint: (i) 2 (two) Investor Nominee Directors, as long as the Investor holds at least such percentage of the Share Capital as mentioned in the SHA, on a Fully Diluted Basis, and (ii) 1 (one) Investor Nominee Director, as long as the Investor continues to hold at least the Threshold Shareholding on a Fully Diluted Basis but less than such percentage of the the Share Capital as mentioned in the SHA on a Fully Diluted Basis.

- (g) Investor Nominee Directors shall not be required to hold any qualification shares in the Company. In the event the Investor Nominee Director(s) appointed on the Board is not an employee of: (i) the Investor; or (ii) Caisse de dépôt et placement du Québec or its subsidiaries, then the Investor shall ensure that such Investor Nominee Director(s) is not a director on the board of directors of a Competitor.
- (h) If the chief executive officer of the Company is appointed as a Director on the Board, or a managing director is appointed on the Board, then such Director shall be counted towards Promoters' entitlement to appoint Promoter Nominee Directors under Article 2.2(b)(ii) above.

5.3 Removal and Replacement of Directors

- (a) The Promoters and the Investor shall have the right to require the removal of their respective Nominee Directors and may nominate another Person as their respective Nominee Directors in place of the Nominee Director(s) so removed by providing a written notification to this effect to the other Shareholders and the Company.
- (b) In the event of resignation, retirement or vacation of office of their respective Nominee Directors, the Investor and the Promoters, as the case may be, shall be entitled to nominate another Person as their Nominee Director in place of their outgoing Nominee Director.
- (c) The Parties shall ensure, to the fullest extent of all rights and powers available to them, the prompt removal and appointment of Nominee Directors on the Board including by exercise of their voting rights in relation to the Equity Securities held by them to adopt the necessary resolutions for the removal/ replacement of such Nominee Director and the appointment of such other Nominee Director as may be notified by the relevant Party in accordance with the terms hereof.
- (d) If a Shareholder loses its right to appoint a Director and/or Investor Observer under this Part, such Shareholder shall procure resignation of its Director and/or removal of such Observer as nominated by it.
- (e) Subject to Article 2.3(f) below, no person other than the Investor shall be permitted to remove or replace at any time and for any reason any Investor Nominee Director.
- (f) If any of the Directors become disqualified under the Applicable Law to act as a Director on the Board, such Director shall vacate the office immediately or within the timeline provided under the Applicable Law without requiring any further actions on the part of the Shareholders nominating such Director. The Investor and the Promoters, as the case may be, shall be entitled to nominate another Person as their nominee Directors in place of such Director in accordance with the terms hereof.

5.4 Alternate Directors

- (a) Each of the Investor Nominee Directors and Promoter Nominee Directors shall be entitled to nominate an alternate at any time to act as a Director on his/her behalf ("Alternate Director"). Each of the persons so nominated shall be appointed by the Board as Alternate Directors to act as Directors, during the absence of the relevant Investor Nominee Directors or Promoter Nominee Directors (as the case may be) for a period of not less than 3 (three) months from India. Such Alternate Director shall however, not hold office for a period longer than that is permissible to the original Director in whose place he/she has been appointed.
- (b) Upon appointment, the Alternate Director shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Director appointing him is not personally present, be included for the determination of quorum at the meeting and to exercise and discharge all the functions, powers and duties of his appointer as a Director including voting, issuing consents and signing written resolutions in place of the original Director for whom he/she is an alternate.

- (c) An Alternate Director shall automatically vacate his office as an Alternate Director if the Director who appointed him ceases to be a Director.

5.5 Chairman

If on a resolution at a Board meeting, the number of votes casted in favour of that resolution and the number of votes casted against that resolution are equal, then the Chairman shall have a casting vote in addition to any votes to which he may be entitled as a Director.

5.6 Non-Executive Status and No Liability

The Investor Nominee Directors: (i) shall be non-executive directors of the Company and shall not be, or be deemed to be, in charge of, or responsible for the day-to-day management or operations of the Company, and (ii) shall not be deemed to be, or identified as, an "officer in default", "officer in charge", "occupier" of any premises used by the Company, or as "employers" of the employees of the Company (or equivalent, by whatever name called) under any Applicable Law. The Company shall nominate Directors or persons other than the Investor Nominee Director(s) as "persons/officers in charge", "occupiers", "employers" and "officer who is in default", as contemplated under Applicable Law and shall take all steps to ensure that the Investor Nominee Directors are not included within the scope of "persons/officers in charge", "occupiers", "employers" or "officer who is in default" (or equivalent, by whatever name called) under any Applicable Law.

5.7 Costs and Expenses

The Company shall reimburse the Investor Nominee Directors for expenses incurred by them in connection with the performance of their duties as Directors of the Company including: (i) costs incurred by them in attending meetings of the Board or any committee thereof or any other meeting which the Director is requested to attend in his capacity as a Director of the Company (including the costs of travel and attendance); and (ii) all costs that may reasonably be incurred by the Investor Nominee Directors in obtaining independent legal or professional advice in furtherance of his or her duties as a Director.

5.8 Investor Observer

In addition to appointing Investor Nominee Directors, the Investor may, as long as it holds the Threshold Shareholding on a Fully Diluted Basis, appoint 1 (one) observer on Company's Board ("Investor Observer"). The Investor may make appointment of the Investor Observer by delivering a written notice to the Company. The Investor Observer shall be entitled to attend and speak at, but not to vote at, the meetings of the Board. The Investor Observer shall be entitled to receive all information and documents (including but not limited to the notice and agenda for any meetings of the Board) circulated to the members of the Board, simultaneously with such circulation or provision to the members of the Board. Notwithstanding anything contained herein, the provisions contained in Article 2.3 and Article 2.7 above shall mutatis mutandis be applicable in respect of the Investor Observer.

5.9 Insurance and Indemnification of Directors

- (a) The Company shall obtain and at all times maintain a directors and officers liability insurance policy for such amounts and on such terms and conditions which are consistent with past practices.

- (b) The Company shall indemnify each of the Investor Nominee Directors to the maximum extent permitted under Applicable Law against any liabilities (including any costs and expenses incurred in connection thereto) incurred by each such Investor Nominee Director in the course of, or in any way related to, his or her activities or his or her position as a Director of the Company.

5.10 Subsidiaries of the Company

Notwithstanding anything contained herein, the Investor and Promoters shall have the right to appoint their respective nominee directors on the board of directors of the Subsidiaries of the Company which right shall be in proportion to their right to appoint respective nominee directors on the Board under Article 2.2 above, provided however, the Investor shall have the right to appoint at least 1 (one) nominee director on the board of the Subsidiaries of the Company as long as it holds at least the Threshold Shareholding on a Fully Diluted Basis. The rights available to the Investor vis-à-vis the Subsidiary and the obligations of the Company to give effect to those rights would be in accordance with the relevant clause of the SHA.

- 5.11 The Company and its Subsidiaries shall not have directors on their respective boards who have been identified as a defaulter as per RBI's wilful defaulter list/ caution list as publicly available.

5.12 Frequency

The Board shall meet at least 4 (four) times per year (or at such higher frequency as may be prescribed under Applicable Law) wherein the period between any two meetings of the Board shall not exceed 120 (one hundred and twenty) days (or such shorter time period as may be prescribed under Applicable Law).

5.13 Notice

At least 7 (seven) Business Days advance written notice of each Board meeting shall be given to each Director; provided that subject to the Applicable Law, where, the Board is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such notice requirements may be waived with the unanimous approval of all Directors. Written notice of a meeting under this Article 3.2 shall be sent to the address notified from time to time by the Directors in accordance with Applicable Law. The notice shall be accompanied by an agenda of all the business to be transacted at the meeting with all necessary information and copies of all supporting documents to enable the Directors to make a fully informed decision on the issue in question at such Board meeting. Provided that: (i) in case adoption of the accounts or draft financial statements of the Company or its Subsidiaries is tabled at a Board meeting then the finalized draft of the accounts or draft financial statements may be provided to the directors separately 48 (forty-eight) hours prior to the Board meeting; and (ii) the agenda shall also clarify whether any business proposed to be transacted at the Board meeting is also to be tabled in the Shareholders Meeting and if such business is an Investor Reserved Matter. The Board may table any matter in a Board meeting that is not specified on the agenda for such Board meeting if a majority of the Directors present at such Board meeting approve such matter to be tabled at the meeting, provided however, the Board shall not adopt any resolution on any such matter that was not specified on the agenda for such Board meeting unless a majority of the Directors present (which shall include 1 (one) Investor Nominee Director) vote in favour of such resolution.

5.14 Quorum

The quorum at the meetings of the Board shall be in accordance with the Act, provided however that, if in a meeting, business concerning any Board Reserved Matter is proposed to be discussed or dealt with, presence of 1 (one) Investor Nominee Director shall be required to constitute a valid quorum for such meeting. Any resolution passed at a Board meeting in the absence of a valid quorum shall be invalid. If any meeting of the Board duly convened in accordance with this Part cannot be held due to lack of quorum ("Scheduled Board Meeting"), such Scheduled Board Meeting shall be adjourned to the same place and time on a day that is 7 (seven) Business Days from the Scheduled

Board Meeting, provided that, subject to Article 3.7 below, if such day is not a Business Day, then, to the next subsequent Business Day ("Postponed Board Meeting"). Each Director shall be given at least 5 (five) Business Days prior notice of the Postponed Board Meeting, unless such notice requirement is waived by the Investor Nominee Directors. If the quorum requirements as set out in this Article 3.3 are not met at such Postponed Board Meeting, then the Directors present at such adjourned meeting (subject to meeting the statutory quorum requirements under the Act) shall constitute a quorum, provided that any action or decision shall not be taken and any resolution shall not be passed on any Reserved Matter in the Postponed Board Meeting other than in accordance with Article 7.

5.15 Video Conferencing Participation

The Board meetings may be attended by the Directors by way of video conference or other audio visual means and the Company shall ensure that video conference and such other audio visual means facilities are extended for all Board meetings in accordance with Applicable Law.

5.16 Voting

Subject to Article 2.5 above, each Director shall be entitled to exercise 1 (one) vote. All the decisions of the Board shall be taken by a simple majority of the Directors present and voting unless otherwise required by the Act or this Part; provided however that, any decision or any resolution on any Reserved Matter shall not be taken other than in accordance with Article 7.

5.17 Circular Resolution

A written resolution circulated to all Directors, and signed by at least the majority of the total number of Directors as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board called and held in accordance with the Constitutional Documents and the SHA, provided that such written resolution in draft form was circulated together with all relevant background information and relevant documents required to make a fully-informed decision with respect to such resolution to all the Directors and the Directors had at least 7 (seven) Business Days, or a shorter period if agreed in writing by all the Directors, to approve/reject the circular resolution. provided however that, any decision shall not be taken and any resolution shall not be passed on any matter that is a Reserved Matter other than in accordance with Article 7.

For the purposes of this Article 3.6, the approval of a Director or Alternate Director may be given by letter or e-mail.

The Board meetings shall be conducted in English. The Company shall ensure, on a best efforts basis, to hold all Board meetings on a Business Day.

2. COMMITTEES

2.1. Strategy Committee

On and with effect from the Effective Date, the Company shall constitute a Strategy Committee having the constitution/composition, terms of reference and mandate as set out in the SHA.

2.2. Other Committees

- (a) So long as the Investor continues to hold at least the Threshold Shareholding on a Fully Diluted Basis, the Investor shall be entitled to appoint 1 (one) member on each of the other committees of the Board (including but not limited to the nomination and remuneration committee, audit committee, asset liability management committee) and the committees of the Company as mandatorily required to be constituted under Applicable Law. It is hereby clarified that committees which are not committees of the Board of Directors, the Investor shall have the right to appoint 1 (one) Investor Nominee Director as its representative on such committees provided however the Investor shall have the right to appoint an individual

other than an Investor Nominee Director as its representative on the asset liability management committee of the Company.

- (b) All provisions contained in Article 3 and Article 4 relating to the Board and its meetings, including provisions on notice, agenda, quorum, proceedings and voting shall *mutatis-mutandis* apply to all committees/sub-committees of the Board and of the Company (including the committees specified in Article 4.1 and Article 4.2(a) above) established from time to time and on which the Investor has nominated its representative(s).
- (c) The Board and the Company shall constitute and maintain all committees required to be constituted under Applicable Law in compliance thereof. In addition, the Board and the Company shall be empowered to constitute and maintain any other committees as it deems fit.
- (d) On and with effect from the Effective Date, the nomination and remuneration committee shall have such terms of reference and mandate as may be agreed by the Investor, the Promoter 1 and the Company. Any change in the terms of reference of the nomination and remuneration committee shall be subject to prior written consent of the Investor unless such change is required under Applicable Law.

3. GENERAL MEETINGS

- 3.1. The Company shall hold not less than one general meeting of the Shareholders ("Shareholders' Meeting") in any given calendar year.
- 3.2. Notwithstanding anything contained in the Act, the Board shall, either by itself or at the requisition made by the Shareholders or by their respective Nominee Director(s) ("Requisition"), call an extraordinary general meeting of the Shareholders in accordance with this Article 5.2. The Requisition shall set out the matter consideration for which the Shareholders' Meeting is to be called. Within 10 (ten) days from the date of the receipt of the Requisition by the Board, the Board shall proceed to call a meeting for consideration of that matter on a day not later than 35 (thirty-five) days from the date of the receipt of the Requisition. It is clarified that any Shareholders' Meeting convened by the Board pursuant to a Requisition under this Article 5.2 shall be called and be held in the same manner in which any other meeting is called and held by the Board and shall be in compliance with the provisions of this Article 5 and the Act.
- 3.3. Notwithstanding anything contained in the Act, no Shareholders' Meeting shall be held unless at least 21 (twenty one) days' written notice of that meeting has been given to each Shareholder, *provided that* subject to the Applicable Law, where, the Shareholders' Meeting is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such notice requirements may be waived or reduced, with the prior written consent of the Investor and the Promoters. The notice shall be accompanied by an explanatory statement containing all relevant material relating to the agenda for the Shareholders' Meeting with all necessary information and copies of all supporting documents to enable the Shareholders to make a fully informed decision on the issue in question at such Shareholders' Meeting
- 3.4. The quorum for the Shareholders' Meeting shall be in accordance with the Act; *provided however that*, if in a meeting business concerning any Investor Reserved Matter is proposed to be discussed or dealt with, presence of at least 1 (one) representative of the Investor shall be required to constitute a valid quorum at any Shareholders' Meeting subject to Article 7. If within 30 minutes from the time scheduled for a Shareholders' Meeting, such meeting is held to be inquorate or if at any time during the meeting the requisite quorum is no longer present, such meeting shall be reconvened at the same time and at the same place 5 (five) Business Days later ("Adjourned Meeting"). If the quorum requirements as set out in this Article 5.4 are not met at such Adjourned Meeting, then the members present at such Adjourned Meeting (subject to meeting the statutory quorum requirements

under the Act) shall constitute a quorum, provided that no action or resolution on any Reserved Matter shall be taken in such meeting other than in accordance with Article 7.

- 3.5. Subject to Article 5.6 below, a resolution passed at the Shareholders Meeting, whether considered at a Shareholders Meeting or through postal ballot, shall be adopted in accordance with the voting majority specified in the Act; *provided however that*, any decision on any matter that is a Reserved Matter shall not be taken other than in accordance with Article 7.
- 3.6. The Investor shall be entitled to voting rights on a Fully Diluted Basis in each Shareholders' Meeting of the Company. Until the conversion of the Investor CCDs, each Promoter shall vote in accordance with the instructions of the Investor at a Shareholders' Meeting, in respect of such number of Equity Shares held by each of them such that the Investor's voting rights on a Fully Diluted Basis are given effect to.

4. BUSINESS PLAN AND ANNUAL BUDGET

The Business Plan outlines the manner in which the Company and its Subsidiaries shall conduct the Business. The Annual Budget shall be prepared, approved, adopted and/or revised/modified in accordance with the SHA at all times. The Company shall endeavour on a best efforts basis to operate the Business in accordance with the Business Plan, the Annual Budget of the relevant Financial Year, the provisions of this Part and the Applicable Law. The Company and the Promoters shall endeavour on a best efforts basis to cause each of Company's Subsidiaries to operate their respective business in accordance with the Business Plan, the Annual Budget of the relevant Financial Year, the provisions of this Part and the Applicable Law.

5. RESERVED MATTERS

- 5.1. Notwithstanding anything contained in this Part, as long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis, the Company, its Board, or its committees or any Shareholders, Directors, employees of the Company shall not take any action or decision or make any determination or pass any resolution (whether at a Shareholders' Meeting, Board meeting, meeting of the committees of the Board, resolution by circulation or otherwise) unless:
 - (a) in respect of the Board Reserved Matters: (A) the Investor Nominee Director(s) present at the Scheduled Board Meeting (or the Postponed Board Meeting) vote in favour of such Board Reserved Matter, (B) an Investor Nominee Director has notified the Company of his /her consent to the Board Reserved Matter prior to the Scheduled Board Meeting or Postponed Board Meeting; or (C) if such matter has been referred by an Investor Nominee Director to the Investor pursuant to a Notice for Shareholders Consideration either prior to the Scheduled Board Meeting or the Postponed Board Meeting, as the case may be, and is subsequently approved by the Investor in accordance with Article 7.1(ii) below, *provided however*, if the Investor Nominee Directors are not present in the Scheduled Board Meeting (and in the Postponed Board Meeting), and a Notice for Shareholders Consideration has not been issued by the Investor Nominee Director(s) any time prior to the date of the Postponed Board Meeting then the Directors present at such Postponed Board Meeting may decide on the Board Reserved Matter; and
 - (b) in respect of the Investor Reserved Matters (including the Board Reserved Matters that have been referred to the Investor by the Investor Nominee Director), the Investor has provided its written consent either prior to the Shareholders Meeting or at the Shareholders Meeting, *provided however*, if the Investor has not notified the Company of its dissent on an Investor Reserved Matter (including a Board Reserved Matter that has been referred to the Investor by the Investor Nominee Director) anytime prior to the Adjourned Meeting, and is not present in the Shareholders Meeting or the Adjourned Meeting, then the Shareholders present and voting in the Adjourned Meeting may decide on the Investor Reserved Matter.

Provided further that, (A) if the Investor's shareholding in the Company falls to below such percentage of the Share Capital as mentioned in the SHA on a Fully Diluted Basis, then neither the consent of the Investor nor the specific consent of any Investor Nominee Director shall be required for any decision of the Company or its Subsidiaries on any Identified

Reserved Matter; and (B) if the Investor's shareholding in the Company falls below such percentage of the Share Capital as mentioned in the SHA on a Fully Diluted Basis, then the Investor Nominee Director's right to issue a Notice for Shareholders Consideration and to refer the Board Reserved Matter to the Shareholders shall fall away, in which case, the Investor Nominee Director shall be entitled to exercise its reserved matter right under this Article 7 on the Board Reserved Matters either in the Board Meeting or by giving prior notice of his /her consent or dissent to the Company, so long as the Investor continues to hold the Threshold Shareholding on a Fully Diluted Basis.

- 5.2. Any decision made, action taken or resolution passed in violation of this Article 7 shall be void and shall not be valid or binding on the Company. In the event a decision is made or a resolution is passed contrary to the provisions of this Article 7, the Company shall not, and the Promoters shall procure that the Company shall not, give effect to, or not take any action pursuant to, such decision or resolution unless the Investor's prior written consent is obtained.
- 5.3. As long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis, the Subsidiaries of the Company shall not take any decision or perform any action or make any determination or pass any resolution (whether at a shareholders' meeting, board meeting, meeting of committees of the board, resolution by circulation or otherwise) in respect of any of the Reserved Matters as set out in SCHEDULE 1 (List of Reserved Matters) other than in accordance with this Article 7. The processes set out in Articles (i) and (ii) of Clause 7.1 shall apply mutatis mutandis to the exercise of the Reserved Matters in the Subsidiaries of the Company and the manner of exercise of such right by the Investor and the obligations of the Company and the Promoters to give effect to such right of the Investor shall be as set out in the SHA.

6. TRANSFERS

6.1. General

No Shareholder shall Transfer the Equity Securities held by it in the Company other than in accordance with the provisions of this Part. If any Transfer of Equity Securities of the Company is made in violation of the provisions of this Part, such Transfer shall be null and void and shall not be binding on the Company and Parties hereto.

6.2. Restriction on Transfer by Promoters and Permitted Transfers

- (a) Notwithstanding anything contained in this Part, as long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis: (A) the Promoter 1 shall continue to remain in Control of the Company, and (B) the Promoters shall not Transfer any of their Equity Securities in the Company to any Person without the prior written consent of the Investor ("Promoter Lock-In"); *provided that*, subject to Article 8.2(b), Article 8.2(c) and Article 8.5 below, the prior written consent of the Investor shall not be required for any Transfer of Equity Securities by:
 - (i) the Promoters to any Person up to the thresholds and other terms and conditions prescribed under the SHA pertaining to liquidity transfers.
 - (ii) a Promoter to a direct or indirect wholly owned Subsidiary of Promoter 1 ("Permitted Transferees"). Notwithstanding anything to the contrary contained herein, a Transfer of Equity Securities held by a Promoter to a Permitted Transferee shall not be subject to the provisions contained in Article 8.4 and Article 8.5.

Any Person who acquires Equity Securities in the Company from Promoters pursuant to a Liquidity Transfer shall not under any agreement with the Company and/or the Promoters or otherwise acquire any veto /consent /affirmative vote right on any action by the Company. Notwithstanding any Liquidity Transfer by the Promoters, Promoter 1 shall continue to remain in Control of the Company as long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis.

- (b) The Promoter 1 shall ensure that each of the Permitted Transferees shall continue to be Permitted Transferees at all times. If a Permitted Transferee ceases to be a Permitted Transferee, then the Promoters shall cause such Permitted Transferee to promptly transfer all its Equity Securities back to Promoter 1 or to another Permitted Transferee.
- (c) Notwithstanding the above: (i) any Transfer by the Promoters to the Permitted Transferees shall be subject to such Permitted Transferees executing the Deed of Adherence and undertaking thereunder to observe and discharge all the terms and conditions of this Part in all respects which are applicable to them as Promoters as if they had been originally named as Promoters in this Part and the term 'Promoters' shall be construed accordingly; and (ii) in the event of any Transfer by the Promoters to the Permitted Transferees, Promoter 1 shall continue to be bound by the terms of this Part and shall ensure and procure compliance by the Permitted Transferee of the terms hereof.
- (d) The Promoters shall not take any action that has the purpose or effect of evading the restrictions on Transfer of Equity Securities of the Company contained in this Part, whether by way of direct or indirect Transfer or issuance of Equity Securities, in itself and/or any of the Permitted Transferees or any other similar action. Any attempt to Transfer, directly or indirectly, any Equity Securities of the Company in breach of this Part shall be null and void.

6.3. Permitted Transfer by the Investor

Subject to Article 8.4, Article 8.6 and Clause 10.2A of the SHA, the Investor Securities held by the Investor shall at all times be freely Transferable to any Person.

6.4. Right of First Offer

- (a) Subject to restrictions on Transfer of Equity Securities in Article 8.2, Article 8.3 and other provisions in this Part, if the Promoters (anytime during the Relevant Period or anytime prior to the Relevant Period if the Transfer is proposed to be made under Article 8.2 (a) (i) above) or the Investor (anytime during the Applicable Period) (Investor or the Promoters, as the case may be, hereinafter referred to as the "Selling Shareholder"), proposes to Transfer all or part of the Equity Securities held by such Selling Shareholder ("Sale Securities") to any Person ("Proposed Transferee"), then the other Shareholders i.e. (i) the Investor (if the Selling Shareholder(s) is a Promoter(s)); and (ii) the Promoters (if the Selling Shareholder is the Investor), as the case may be (a "ROFO Right Holder")) shall have a right of first offer to purchase all and not less than all of the Sale Securities offered by the Selling Shareholder ("Right of First Offer"). It is clarified that: (i) the Investor may exercise this Right of First Offer either by itself or through any of the direct or indirect wholly owned subsidiaries of Caisse de dépôt et placement du Québec; and (ii) the Promoters may exercise this Right of First Offer either through: (i) Promoter 1 or the direct or indirect wholly owned Subsidiary of Promoter 1; or (ii) an Affiliate of Promoter 1 in the event the Investor is proposing to transfer all of the Investor Securities then held by it.
- (b) The process to be followed for the exercise of the Right of First Offer is set out below:
 - (i) The Selling Shareholder shall give a written notice ("ROFO Notice") to the ROFO Right Holder. The ROFO Notice shall state the number of Sale Securities proposed to be Transferred by the Selling Shareholder.
 - (ii) The ROFO Right Holder shall have the right, but not the obligation, to make an offer to the Selling Shareholder for acquiring all (and not less than all) of the Sale Securities by serving a written notice ("ROFO Indication of Interest") to the Selling Shareholder within 30 (thirty) days from the date of receipt of the ROFO Notice ("ROFO Period") which notice shall contain:
 - (A) the per Sale Security price ("ROFO Price") at which the ROFO Right Holder offers to acquire all (but not less than all) Sale Securities; and

- (B) the name and identity of the proposed transferee of Sale Securities subject to compliance with Article 8.4(a) above;
 - (iii) Upon the receipt of the ROFO Indication of Interest, the Selling Shareholder may, at its sole discretion, elect to either: (A) accept the ROFO Price specified in the ROFO Indication of Interest, or (B) decline the ROFO Price.
 - (iv) If the Selling Shareholder accepts the ROFO Price, the Selling Shareholder shall convey such acceptance within 30 (thirty) days from the date of receipt of the ROFO Indication of Interest ("ROFO Acceptance Period") by giving a notice to this effect to the ROFO Right Holder ("ROFO Acceptance Notice"). Upon receipt of the ROFO Acceptance Notice by the ROFO Right Holder, the ROFO Right Holder shall be under an obligation to acquire all and not less than of the Sale Securities at the ROFO Price and the Selling Shareholder shall be under an obligation to sell such Sale Securities to the ROFO Right Holder.
 - (v) The ROFO Right Holder and the Selling Shareholder shall complete the sale and acquisition of the Sale Securities at the ROFO Price set out under the ROFO Indication of Interest within a period of 45 (forty five) days (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) from the date of the ROFO Acceptance Notice ("ROFO Completion Period"). The transfer of the Sale Securities to the ROFO Right Holder and the payment of the aggregate consideration calculated at the ROFO Price set out under the ROFO Indication of Interest for the Sale Securities shall occur simultaneously. For the avoidance of doubt, it is clarified that the consideration payable by the ROFO Right Holder to the Selling Shareholder shall be paid to the Selling Shareholder solely and fully in cash (without any deferment or contingencies);
 - (vi) If the Selling Shareholder elects to decline the offer set out under ROFO Indication of Interest, the Selling Shareholder may, sell the Sale Securities to a Proposed Transferee at a price not less than the ROFO Price, subject to such Proposed Transferee executing a Deed of Adherence; provided that if the Selling Shareholder is a Promoter, then such Selling Shareholder shall have duly informed the Proposed Transferee of the Tag Along Right of the Investor under Article 8.5 below. If completion and sale of such Sale Securities to a Proposed Transferee does not take place within 180 (one hundred and eighty) days (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) from the date of the ROFO Notice, the Selling Shareholder shall again be required to offer such Sale Securities to the ROFO Right Holder in accordance with this Article 8.4.
 - (vii) If: (A) no ROFO Indication of Interest is received within the ROFO Period, or (B) if the sale of Sale Securities to the ROFO Right Holder is not completed within the ROFO Completion Period in accordance with Article 8.4(b)(v) above, the Selling Shareholder may, sell the Sale Securities to a Proposed Transferee without any restriction on price and terms of Transfer, within a period of 180 days (one hundred and eighty) (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) from the date of the ROFO Notice ("ROFO Transfer Period"), subject to such Proposed Transferee executing a Deed of Adherence; provided that if the Selling Shareholder is a Promoter, then such Selling Shareholder shall have duly informed the Proposed Transferee of the Tag Along Right of the Investor under Article 8.5 below. If sale of such Sale Securities does not take place within the ROFO Transfer Period, the Selling Shareholder shall again offer such Sale Securities to the ROFO Right Holder afresh in accordance with this Article 8.4.
 - (viii) It is clarified that the provisions of Article 8.4 shall not apply to the exercise of exit options by the Investor as per and in accordance with Article 11, Article 12 and Article 13 of this Part.
- (c) Notwithstanding anything contained herein, it is hereby clarified that the provisions of this Article 8.4 not apply to any Transfer of Investor Securities by the Investor to its Affiliates.

- (d) Notwithstanding anything contained herein, it is hereby clarified that the provisions of this Article 8.4 shall apply to any Transfer by the Promoters to a Liquidity Transferee pursuant to a Liquidity Transfer (including any such Transfer made prior to the Relevant Period).
- (e) The Investor's Right of First Offer on a transfer by the Promoters under this Article 8.4 shall cease to be in effect in the event the Investor's shareholding in the Company on a Fully Diluted Basis falls below the Threshold Shareholding.

6.5. Tag Along Right of the Investor

- (a) Notwithstanding anything to the contrary in this Article 8, in the event:
 - (i) a Promoter elects to sell and Transfer its Equity Securities to a third party, subject to restrictions contained in Article 8.2 above; and/ or
 - (ii) in case of a Right of First Offer under Article 8.4 above, the Selling Shareholder is a Promoter and has elected to exercise its rights under Article 8.4(b)(vi) and Article 8.4(b)(vii) above, subject to restrictions contained in Article 8.2 above;

(such Promoter hereinafter referred to as the "Selling Promoter")

then as long as the Investor holds any Equity Security in the Company, the Investor shall have a right, but not an obligation, to require the Selling Promoter to cause the Proposed Transferee to purchase the Tag Along Securities, at the same price and on the same terms and conditions as have been offered by the Proposed Transferee to the Selling Promoter ("Tag Along Right").

For the purposes of this Article 8.5, "Tag Along Securities" means such number of Investor Securities which is obtained by multiplying the aggregate number of Investor Securities on a Fully Diluted Basis by a fraction: (i) the numerator of which is the number of Sale Securities proposed to be Transferred by the Selling Promoter on a Fully Diluted Basis; and (ii) the denominator of which is the total number of Equity Securities held by the Selling Promoter in the Company on a Fully Diluted Basis; provided however, if, the Investor' shareholding on a Fully Diluted Basis at the time of exercise of the Tag-Along Right is less than the Threshold Shareholding on a Fully Diluted Basis, or if following the proposed Transfer by the Investor of the maximum number of Tag Along Securities the Investor is permitted to tag-along under this Article 8.5(a)), the Equity Securities held by the Investor would account for less than the Threshold Shareholding on a Fully Diluted Basis, then the maximum number of Tag Along Securities shall be:

- (i) all of the Investor Securities, if the Selling Promoter (along with the other Promoters, if any) is proposing to sell such percentage or more of the Share Capital on a Fully Diluted Basis, as mentioned in the SHA;
 - (ii) such percentage of of the Investor Securities, as mentioned in the SHA, if the Selling Promoter (along with the other Promoters, if any) is proposing to sell less than such percentage of the Share Capital on a Fully Diluted Basis, as mentioned in the SHA, *provided further that* in such event, the Investor shall be entitled to require the Selling Promoter to cause the sale of all of the remaining Investor Securities in any subsequent transfer by the Selling Promoter (or any other Promoters) in accordance with the provisions of this Article 8.5
- (b) The Selling Promoter proposing to Transfer any of its Equity Securities in the Company shall first give a written notice (hereinafter referred to as "Tag Notice") to the Investor, which shall include:
 - (A) the number of Equity Securities of the Company proposed to be Transferred (hereinafter referred to as the ("Promoter Sale Securities")) by the Selling Promoter and the number and class of Equity Securities in the Company that the Selling

Promoter owns at that time;

- (B) the name and address of the Proposed Transferee;
 - (C) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such Proposed Transferee;
 - (D) the proposed date of consummation of the proposed Transfer;
 - (E) a representation that the Proposed Transferee has been informed of the Tag Along Right provided for in this Part and has agreed to purchase all the Equity Securities required to be purchased in accordance with the terms of this Article 8.5; and
 - (F) a representation that no consideration, tangible or intangible, is being provided, directly or indirectly, to the Selling Promoter(s) that will not be reflected in the price paid to the Investor on exercise of the Tag Along Right hereunder. The total value of consideration for the proposed Transfer is referred to herein as the "Tag Along Price". The Tag Notice shall be accompanied by a true and complete copy of all documents constituting the agreement between the Selling Promoter and the Proposed Transferee regarding the proposed Transfer.
- (c) Upon the receipt of the Tag Notice, the Investor may elect to exercise its Tag-Along Right by providing a written notice ("Tag Along Notice") to the Selling Promoter specifying the number of Equity Securities the Investor proposes to transfer (which number shall not be more than the number of Tag Along Securities) ("Tagged Securities"). Such Tag Along Notice shall be given within a period of 30 (thirty) days from the receipt of the Tag Notice by the Investor ("Tag Exercise Period").
- (d) Upon receipt of the Tag Along Notice, the Selling Promoter shall make all necessary arrangements (including obtaining all Approvals as may be required under Applicable Law) to ensure that the Tagged Securities offered by the Investor are included in the purchase by the Proposed Transferee, on the same price and same terms and conditions as applicable to the transfer of Promoter Sale Securities by the Selling Promoter; provided that, notwithstanding anything contained herein, with respect to the consideration payable by the Proposed Transferee for the purchase of the Tagged Securities, the Investor shall be entitled at its option to receive the cash equivalent of any non-cash consideration payable by the Proposed Transferee to the Selling Promoter in relation to the transfer of the Promoter Sale Securities.
- (e) The Transfer of the Tagged Securities by the Investor shall be concluded simultaneously with the Transfer of the Promoter Sale Securities to the Proposed Transferee and shall take place within 90 (ninety) days (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) from the date of issue of the Tag Along Notice ("Tag Closing Period"). At such closing, the Selling Promoter and the Investor shall Transfer the Promoter Sale Securities and the Tagged Securities, respectively, to the Proposed Transferee, and the Proposed Transferee shall (simultaneously with the Transfer of the Promoter Sale Securities and the Tagged Securities) deliver at such closing, payment in full of the price for Promoter Sale Securities and the Tagged Securities to Selling Promoter and the Investor, respectively. For the avoidance of doubt, it is hereby clarified that the consideration payable by the Proposed Transferee to the Investor for the purchase of the Tagged Securities shall be paid to the Investor solely and fully in cash (without any deferment or contingencies). The Investor and the Selling Promoters shall bear the stamp duty leviable on the sale of their respective Equity Securities in proportion to the number of Equity Securities being transferred by them to the Proposed Transferee.
- (f) Where the Investor has delivered the Tag Along Notice and the Proposed Transferee fails to purchase the Tagged Securities from the Investor within the Tag Closing Period, the Selling Promoter shall not transfer the Promoter Sale Securities to the Proposed Transferee, and if such transfer is purported to be made, such transfer shall be void and the Company shall not

register any such transfer of Equity Securities.

- (g) If the Proposed Transferee is unwilling to acquire all of the Tagged Securities and the Promoter Sale Securities, the Selling Promoter shall not transfer the Promoter Sale Securities to the Proposed Transferee and if transfer is purported to be made, such transfer shall be void and shall not be binding on the Company and shall be in breach of the terms of this Part.
- (h) In case the Investor exercises its Tag Along Right under this Article 8.5 (a) the Investor shall not be required to give any representations and warranties, guarantees, indemnities for such Transfer (other than representations and warranties relating to: (i) title to the Equity Securities; (ii) the legal standing of the Investor; (iii) authority and capacity to undertake sale of the Investor Securities; and (iv) withholding tax in connection with the sale of the Investor Securities, if applicable ("Identified Matters")) or be subject to any restrictive covenants in respect of the Transfer of the Tagged Securities; and (b) the Investor shall be entitled to immediately receive the entire consideration for the Transfer of the Tagged Securities in cash. Notwithstanding the above, the liability of the Investor in respect of the representations and warranties relating to the Identified Matters shall, under no circumstances, exceed the total cash consideration received by the Investor for the Transfer of the Tagged Securities.
- (i) If the Selling Promoter Transfers hereunder any series, class or type of Equity Securities then held by it, and the Investor does not hold any of such series, class or type of Equity Securities, then the Proposed Transferee shall acquire whatever series, class or type of Equity Security that are held by the Investor along with the Equity Securities being transferred by the Selling Promoter; *provided that*, to the extent such a difference in class or type exists, the consideration payable to the Investor for the Tagged Securities shall be calculated as if the Tagged Securities held by the Investor which will be subject to transfer under this Article 8.5 had been converted into Equity Shares on the date immediately prior to the date of the Tag Along Notice at the conversion price calculated in accordance with the terms thereof (to the extent not already in the form of Equity Shares).
- (j) In the event, the Investor fails to deliver a Tag Along Notice to the Selling Promoter within the Tag Exercise Period under Article 8.5(c) above, or conveys its decision of not exercising its Tag Along Right to the Selling Promoter within the Tag Exercise Period, the Selling Promoter may, subject to the Proposed Transferee executing a Deed of Adherence, Transfer the Promoter Sale Securities to such Proposed Transferee at Tag Along Price and on terms specified in the Tag Notice within 90 (ninety) days (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) following the expiry of the Tag Exercise Period, failing which the right of the Selling Promoter to transfer the Promoter Sale Securities to the Proposed Transferee shall lapse and the provisions of Article 8.5 shall again become applicable.
- (k) For the avoidance of doubt, it is hereby clarified that Investor's Right of First Offer on any transfer by the Promoters under Article 8.4 above and Tag Along Right under Article 8.5 above is without prejudice to Promoter Lock-In under Article 8.2(a) above (subject to the carve-outs to Promoter Lock-In contained in Article 8.2(a)).
- (l) Notwithstanding anything contained herein, it is hereby clarified that the provisions of this Article 8.5 shall not apply to any Transfer by the Promoters to a Liquidity Transferee under Article 8.2(a) (i) and/or a Permitted Transferee.

6.6. Deed of Adherence

- (a) It shall be a condition of any Transfer of Equity Securities by the Shareholders (other than the Investor) to a third party transferee (other than a transferee under Article 8.2 (a) (i)), if not already a Party, that such third party transferee to whom Equity Securities are proposed to be Transferred by the Shareholders, prior to the Equity Securities being transferred in its name, agrees and undertakes to be bound by the terms and conditions of this Part and executes the Deed of Adherence; and

- (b) If the Investor is proposing to transfer all and not less than all of the Investor Securities held by it in Company to a third party transferee, it shall be a condition of such transfer, that such third party transferee to whom Equity Securities are proposed to be Transferred by the Shareholders, prior to the Equity Securities being transferred in its name, agrees and undertakes to be bound by the terms and conditions of this Part and executes the Deed of Adherence; and
- (c) The Company shall not issue any Equity Securities of the Company to any Person (other than to a Party) unless such Person executes Deed of Adherence confirming that it shall be bound by the terms and conditions as mentioned in the SHA.
- (d) Subject to Clause 20.1 of the SHA, in the event any of the Promoters transfer their Equity Securities to a Permitted Transferee in accordance with this Article 8, the rights and obligations relating to such Equity Securities and as provided under this Part shall automatically stand assigned to such Permitted Transferee pursuant to such Permitted Transferee executing the Deed of Adherence and shall not require Investor's prior consent.

7. FURTHER ISSUANCE

- 7.1. Subject to the rights of the Promoters and the Investor ("Relevant Shareholders") contained in this Article 9, and without prejudice to the rights of the Investor under Article 7, the Company may raise funds by way of a fresh issue of Equity Securities ("New Securities") from any Person ("Future Investor") at any time during the term of this Part ("Fresh Issue"). The Investor on one hand, and the Promoters collectively on the other hand shall have the right to subscribe to the New Securities in proportion to their respective Inter-Se Shareholding ("Inter-Se Share") in priority to any other Person in the manner set forth in this Article 9 and in accordance with Applicable Law, on the same terms and conditions (including price) as the Fresh Issue ("Pre-emption Right").
- 7.2. In the event the Company proposes to undertake a Fresh Issue, the Company shall deliver a written notice to each of the Relevant Shareholders ("Fresh Issue Notice") which shall state (a) the number of New Securities proposed to be issued; (b) the terms of such Fresh Issue; (c) the price per New Security ("Proposed Price"); (d) the proposed use of funds raised pursuant to the Fresh Issue; (e) details of all Approvals required to give effect to the Fresh Issue; and (f) the date of the Fresh Issue. The Fresh Issue Notice shall also be accompanied by a copy of the valuation report obtained by the Company under Applicable Law (including the Income Tax Act, 1961) in connection with the Fresh Issue.
- 7.3. Each Relevant Shareholder may within 30 (thirty) days of receipt of the Fresh Issue Notice ("Acceptance Period") respond to the Company with a letter indicating its willingness to subscribe to part or all of its Inter-Se Share of the New Securities on a Fully Diluted Basis ("Acceptance Letter"). Each Relevant Shareholder may also notify the Company in the Acceptance Letter(s) that it is willing to subscribe to a specified number of the New Securities in excess of its Inter-Se Share ("Additional Securities").
- 7.4. If all the Relevant Shareholders: (a) decline the offer set out in the Fresh Issue Notice; or (b) fail to deliver any Acceptance Letter within the Acceptance Period, the Company may within 180 (one hundred and eighty) days of the expiry of the Acceptance Period, complete the issuance and allotment of New Securities to the Future Investor on the same terms as are set out in the Fresh Issue Notice.
- 7.5. If any of the Relevant Shareholders (each a "Participating Shareholder") sends the Acceptance Letter(s) within the Acceptance Period, the Company shall notify each Participating Shareholder in writing within 5 (five) days from the expiry of the Acceptance Period ("Company Notification") of the number of New Securities to be subscribed to by such Participating Shareholder and the consideration payable in respect of such New Securities. If a Relevant Shareholder has indicated that it is willing to buy Additional Securities, the Company shall give such Relevant Shareholder written notice of the total number of New Securities not subscribed to by the other Relevant Shareholders ("Unpurchased Securities").

- 7.6. The date of subscription of the New Securities and Additional Securities (if any) set out in the Company Notification shall not be earlier than 15th (fifteenth) Business Day and not later than 90 (ninety) days from the date of issue of the Company Notification ("Subscription Date") (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law). If the Company fails to issue and allot New Securities and Additional Securities (if any) to the Participating Shareholder within the aforesaid time period, then unless otherwise agreed by the Investor, the provisions of Article 9 shall again become applicable and the Company shall have to again follow the procedure provided herein.
- 7.7. The terms of subscription to the New Securities and the Additional Securities (if any) under the Company Notification shall be on the same terms and conditions as mentioned in the Fresh Issue Notice.
- 7.8. On the Subscription Date:
- (a) the Participating Shareholder shall pay the relevant consideration to the Company as set out under the Company Notification. If any Participating Shareholder has indicated that it is willing to buy Additional Securities, such Participating Shareholder shall also subscribe for the lower of the number of Additional Securities and the number of Unpurchased Securities;
 - (b) the Company shall record particulars of such issuance in its statutory registers in accordance with the Act, and issue and allot the Equity Securities to each of the Participating Shareholders.
- 7.9. With respect to the remaining New Securities (which are not subscribed to by any of the Relevant Shareholders), the Company may issue and allot such remaining New Securities (or such portion of remaining New Securities) to the Future Investor within 180 (one hundred and eighty) days from the date of expiry of the Acceptance Period (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law), failing which the right of the Company to issue and allot such remaining New Securities (or such portion of remaining New Securities) to the Future Investor shall lapse and the provisions of Article 9 shall again become applicable.
- 7.10. The Company shall render all such assistance as may be required to consummate the transactions contemplated in this Article 9.
- 7.11. For the purposes of this Article 9, the term "New Securities" shall not include such securities as mentioned in the relevant clause of the SHA.
- 7.12. Notwithstanding anything contained herein, it is clarified that: (i) the Investor shall have the right to exercise its Pre-emption Right either by itself, or through any direct or indirect wholly owned subsidiaries of Caisse de dépôt et placement du Québec; and (ii) the Promoters shall have the right to exercise their Pre-emption Right either through Promoter 1 or through any of the wholly owned Subsidiaries of Promoter 1.

8. ANTI-DILUTION RIGHT

- 8.1. If the Company proposes to issue any Equity Shares prior to the conversion of the Investor CCDs into Equity Shares in accordance with the terms thereof, then the holders of the Investor CCDs shall be entitled to anti-dilution protection in accordance with the terms agreed between the Parties vide the SHA.***³
- 8.2. If the Company proposes to issue any Equity Securities (other than Equity Shares) prior to the conversion of the Investor CCDs into Equity Shares in accordance with the terms thereof, then the Investor shall be entitled to an anti-dilution protection, and to give effect to the same, the Conversion Price shall be suitably adjusted in the manner agreed between the Parties as provided under the

³ &

SHA.***4

9. EXIT

- 9.1. Unless otherwise agreed by the Investor, the Company and the Promoters shall provide an exit to the Investor on or before the Exit Date, by way of: (i) a QIPO (in accordance with Article 12.1 below); or (ii) a Trade Sale to a third party (in accordance with Article 12.2 below); or (iii) such other mechanism as may be agreed in the SHA (“Exit Mechanisms”).
- 9.2. If an exit to the Investor has not been provided and completed by the Exit Trigger Date in accordance with Article 12, then within thirty (30) days from the Exit Trigger Date, the Parties shall jointly assess various options and potential next steps towards providing an exit to the Investor (including by way of Exit Mechanisms) which enables the Investor to sell all of the Investor Securities then held by it on terms and conditions acceptable to it ("Exit"). If pursuant to the same, an Exit has not been provided to the Investor within 12 (Twelve) months from the Exit Trigger Date, then the Parties shall again evaluate the market conditions and Exit options available (including potential next steps) within 30 days from the completion of 12 months from the Exit Trigger Date. The Company and the Promoters shall provide the Investor with such information as may be reasonably necessary or otherwise requested by the Investor to enable the Investor to make a well-informed assessment of the Exit options.
- 9.3. If an Exit to the Investor in accordance with Article 12 below has not been provided and completed on or before the Exit Date, then the Investor may, at its sole option (and without prejudice to its other rights herein) exercise its Exit Default Rights as provided in Article 13 below.

10. EXIT MECHANISMS

10.1. QIPO

Subject to Article 11, the Company and Promoters shall provide an exit to the Investor by way of a QIPO in accordance with the terms set out in the SHA. The terms of the QIPO, rights of the Investor and the obligations of the Company and the Promoters in relation to the QIPO shall be as set out in the SHA.

The Investor shall not be considered a promoter or part of the promoter group of the Company and the restrictions applicable to 'promoters' under Applicable Law (including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Act) shall not be applicable to the Investor. The Investor shall not be required to offer or make available any Equity Securities held by it for the purposes of any lock-in as applicable to 'promoters' under the Applicable Law. The Company and the Promoters shall take all necessary steps to ensure that the Investor shall not be considered as promoters of the Company in relation to the QIPO. If any Equity Securities are to be made subject to any promoter/ sponsor lock-in under Applicable Law for the purposes of a QIPO, then the Promoters shall offer the Equity Securities held by them towards such lock-in.

The Company and the Promoters shall do all acts and deeds and shall provide complete assistance and undertake all obligations and actions (including obtaining all Approvals) as may be necessary to cause and facilitate the completion of the QIPO in compliance with Applicable Law. The Company shall keep the Investor fully informed promptly of all activities undertaken in connection with the QIPO.

10.2. Trade Sale

- (a) Subject to Article 11, the Company and the Promoters may provide an exit to the Investor by way of a Trade Sale of the Equity Securities of the Company in accordance with the terms

⁴ (Article 10.1 and Article 10.2 were adopted by the members at the Extraordinary General Meeting of the Company held on May 7, 2019)

set out in the SHA. The terms of the Trade Sale, rights of the Investor and the obligations of the Company and the Promoters in relation to the Trade Sale shall be as set out in the SHA.

- (b) If the Promoters and the Company propose to undertake a Trade Sale in accordance with and subject to the provisions of this Part, they shall deliver a notice to the Investor ("Trade Sale Notice") setting out: (i) the exact nature of the transaction proposed, including the details of the Promoters' shareholding proposed to be sold in the Trade Sale, if any; (ii) identity of the purchaser; (iii) terms of the Trade Sale (including the price) at which the Trade Sale is proposed to be undertaken; (iv) time for completion of the Trade Sale as best estimated by the Company; (v) such other material terms of the Trade Sale as the Investor may request from time to time ("Trade Sale Offer"); and (vi) a representation that no consideration, tangible or intangible, is being provided, directly or indirectly, to the Promoters that will not be reflected in the price paid to the Investor pursuant to the Trade Sale. It is clarified that the sale of Investor Securities in the Trade Sale shall be on the same price and same terms and conditions as the sale of Equity Securities by the Promoters in the Trade Sale, if any, except as provided in Article 12.2 (g) and Article 12.2 (h) below; provided that, notwithstanding anything contained herein, with respect to the consideration payable to the Investor for the sale of the Investor Securities, the Investor shall be entitled at its option to receive the cash equivalent of any non-cash consideration payable by the proposed Transferee to the Promoters in relation to the transfer of the Promoters' Equity Securities.
- (c) Within 30 (thirty) days from the date of the receipt of the Trade Sale Notice, the Investor may, at its sole discretion, by giving a notice to the Company and the Promoters ("Trade Sale Response Notice") elect to either: (A) accept the Trade Sale Offer, or (B) decline the Trade Sale Offer if the same is not acceptable to the Investor. It is clarified that any rejection of the Trade Sale Offer by the Investor shall not discharge the Company and Promoters of their obligation to provide an Exit to the Investor in accordance with this Article 12.
- (d) If the Investor accepts the Trade Sale Offer in accordance with Article 12.2(c) above, the Company and the Promoters shall make all necessary arrangements (including obtaining all Approvals as may be required under Applicable Law) to ensure that the Trade Sale (on the terms and conditions set out in the Trade Sale Notice) is consummated within a period of 120 (One Hundred and Twenty) days from the date of the Trade Sale Response Notice, excluding any time taken to obtain any Approval from Governmental Authorities required under Applicable Law).
- (e) The Company and the Promoters shall do all acts and deeds and shall provide complete assistance and undertake all obligations and actions (including obtaining all Approvals) as may be necessary to cause and facilitate the Trade Sale.
- (f) All representations, warranties, covenants, guarantees and indemnities (including with respect to the Business and operations of the Company) as required by the third-party purchaser pursuant to the Trade Sale shall be provided by the Promoters and the Company. The Company and the Promoters shall assist such third-party purchaser (and its authorised representatives) in relation to any due diligence exercise as required by the latter and to discuss the Business, actions, annual budgets and finances with the management (including the Directors and the key managerial personnel) of the Company and/or its Subsidiaries.
- (g) The Investor shall not be required to provide any representations and warranties, covenants, guarantees or indemnities in relation to the Trade Sale (except representations and warranties relating to: (i) title to the Shares held by them; (ii) authority and capacity to undertake sale of the Investor Securities; (iii) the legal standing of the Investor; (iv) withholding tax in connection with the sale of the Investor Securities, if applicable ("Trade Sale Identified Matters")) or be subject to any restrictive covenants pursuant to such Trade Sale, provided that the Investor shall not be required to provide any indemnity or guarantee or similar undertakings whatsoever. Notwithstanding the above, the liability of the Investor in respect of the representations and warranties relating to the Trade Sale Identified Matters shall, under no circumstances, exceed the total cash consideration received by the Investor for the Transfer of the Equity Securities in the Trade Sale.

- (h) All advisors/consultants to the Trade Sale shall be appointed only with Investor's consent.
- (i) The costs and expenses of the Trade Sale (including the costs and expenses relating to the appointment of the advisors/consultants to the Trade Sale and stamp duties) shall be borne by the Company.

10.3. Other Option

Pursuant to Article 11, an exit to the Investor may be provided in accordance with any other mechanism as may be agreed in the SHA.

11. EXIT DEFAULT RIGHTS

If an Exit to the Investor in accordance with Article 12 has not been successfully completed on or before the Exit Date, then the Investor, shall be entitled to exercise all or any of its rights provided in this Article 13 ("Exit Default Rights") in the manner provided below.

11.1. Investor Initiated QIPO

- (a) As long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis, the Investor shall have the right (but not the obligation), by delivering a written notice to the Company and the Promoters ("Investor Initiated QIPO Notice"), to require the Company and the Promoters to conduct a QIPO and consequently list the Shares on a Recognized Stock Exchange ("Investor Initiated QIPO"). Upon receipt of the Investor Initiated QIPO Notice, the Company and the Promoters shall ensure, to the fullest extent of all rights and powers available to them, including by exercise of their voting rights in relation to the Equity Securities held by them, the successful completion of the Investor Initiated QIPO within a period of 9 (nine) months (or such other period as may be agreed by the Investor) from the date of the Investor Initiated QIPO Notice.
- (b) Other terms and conditions of the Investor Initiated QIPO including the manner and procedure required to be followed and the obligations of the Company and the Promoters and the rights of the Investor in relation thereto shall be as per the relevant provisions of the SHA.
- (c) The Investor shall be entitled to withdraw the Investor Initiated QIPO and/or require the Company to stop, at any time, the process of Investor Initiated QIPO as contemplated in this Part.

11.2. Drag Along Right of the Investor

- (a) The Investor shall have the right (but not the obligation) to sell all of the Investor Securities to any purchaser or group of purchasers ("Potential Buyer"). In the event of such sale, as long as the Investor holds at least the Threshold Shareholding on a Fully Diluted Basis, the Investor shall have the right to require the Promoters ("Dragged Shareholders") to Transfer to the Potential Buyer all or part of the Equity Securities held by the Dragged Shareholders ("Dragged Securities") as may be required by the Investor (over and above the Investor Securities) in accordance with this Article 13.2 ("Drag Along Right").
- (b) If the Investor proposes to Transfer the Investor Securities to the Potential Buyer and wishes to exercise its Drag Along Right in connection thereto, the Investor shall give a written notice ("Exit Default Notice") to the Dragged Shareholders of its intention to exercise the Drag Along Right.
- (c) Within 30 (thirty) days from the date of the Exit Default Notice, the Dragged Shareholders shall, by giving a notice to the Investor ("Exit Default Response Notice") elect to either:
 - (A) make an offer to the Investor for acquiring all (and not less than all) of the Investor Securities ("Exit Default ROFO Right") in which case the Exit Default Response

Notice shall contain the per Investor Security price ("Exit Default ROFO Price") at which the Promoters offer to acquire all (but not less than all) Investor Securities; or

- (B) agree to Transfer the Equity Securities held by them to the Proposed Transferee pursuant to Investor's exercise of its Drag Along Right in accordance with Article 13.2(f) below.
- (d) If the Promoters have elected to exercise their Exit Default ROFO Right in accordance with Article 13.2(c) above in the Exit Default Response Notice, then the Investor may, at its sole discretion, by giving a notice to the Promoters within 30 (thirty) days from the date of the receipt of the Exit Default Response Notice ("Election Notice"), elect to either:
 - (A) accept the Exit Default ROFO Price specified in the Exit Default Response Notice and Transfer the Investor Securities to the Promoters in accordance with Article 13.2(e) below, or
 - (B) decline the Exit Default ROFO Price and decide to exercise its Drag Along Right instead in accordance with Article 13.2(f) below.
- (e) Exit Default ROFO Right

If the Investor accepts the Exit Default ROFO Price in the Election Notice, the Promoters shall purchase the Investor Securities on the Exit Default ROFO Price within a period of 30 (thirty) days (excluding any time taken to obtain any Approval required from Governmental Authorities under Applicable Law) from the date of the Election Notice ("Exit ROFO Completion Period"). The transfer of the Investor Securities to the Promoters and the payment of the aggregate cash consideration calculated at the Exit Default ROFO Price for the Investor Securities shall occur simultaneously. It is hereby clarified that the Promoters may exercise their Exit Default ROFO Right either by itself or through any of their Affiliates.

(f) Drag Along Right

- (i) In the event that
 - (A) the Dragged Shareholders have failed to provide the Exit Default Response Notice within 30 (thirty) days of the Exit Default Notice; or
 - (B) the Investor has rejected the Exit Default ROFO Price in the Election Notice and has elected to exercise its Drag Along Right; or
 - (C) if the Promoters have failed to purchase the Investor Securities from the Investor within the Drag ROFO Completion Period in accordance with Article 13.2(e) above;

then the Investor may by giving a notice to the Promoters ("Drag Notice") require the Promoters to Transfer all or a part of their Equity Securities to the Proposed Transferee. The Drag Notice shall contain such details and matters as mentioned in the relevant provisions of the SHA. In case of exercise of Drag Along Right pursuant to Article 13.2(f)(i)(B) above, the per Dragged Security price payable to the Dragged Shareholders shall be more than the Exit Default ROFO Price.
- (ii) The Dragged Shareholders shall within 45 (forty) days from the date of receipt of the Drag Notice (excluding any time taken to obtain any Approvals required from the Governmental Authorities), Transfer the Dragged Securities to the Proposed Buyer free of any Encumbrances, on the same terms and conditions set out in the Drag Notice, *provided that* such terms and conditions (including price) shall not be any less favourable than the terms and conditions (including price) offered to the Investor by the Potential Buyer for Transfer of the Investor Securities to the Potential Buyer, except as mentioned in Article 13.2(f)(iii); and

- (iii) All costs and expenses (including costs in relation to the appointment of a merchant banker, investment banker and other advisors and payment of stamp duty) in relation to Transfer of the Investor Securities and the Dragged Securities pursuant to this Article 13.2 shall be payable by the Company. Representations, warranties, guarantees, covenants and indemnities (including with respect to the Business and operations of the Company and its Subsidiaries) as required by the Potential Buyer shall be provided by the Company and the Promoters. If Investor so requests, the Company shall assist the Potential Buyer and its authorised representatives in relation to any due diligence exercise as required by the Potential Buyer and to discuss the Business, actions, annual budgets and finances with the management of the Company. The Investor shall not be required to provide any representations and warranties, covenants, guarantees or indemnities (except representations and warranties relating to: (i) title to the Shares held by them; (ii) authority and capacity to undertake sale of the Investor Securities; and (iii) the legal standing of the Investor and (iv) withholding tax in connection with the sale of the Investor Securities, if applicable ("Drag Sale Identified Matters")), provided that the Investor shall not be required to provide any indemnity or guarantee or similar undertakings whatsoever. Notwithstanding the above, the liability of the Investor in respect of the representations and warranties relating to the Drag Sale Identified Matters shall, under no circumstances, exceed the total cash consideration received by the Investor for the Transfer of the Equity Securities to the Potential Buyer.

The Dragged Shareholders and the Company shall take all necessary actions (including such action as may be reasonably requested of them by the Investor) to cause the consummation of such transaction mentioned in Article 13.2, including: (i) obtaining all Approvals required for such transaction; (ii) exercising the voting rights attached to their Equity Securities in favour of such transaction; (iii) not exercising any approval or voting rights in connection therewith in a manner contrary to the closing of the transaction; (iv) appointing such Person as their attorney-in-fact as is determined by the Investor, to do the same on their behalf; and (v) not taking any actions that may cause the valuation of the Company to suffer due to the exercise of the Drag Along Right by the Investor.

11.3. Other default Option

Pursuant to Article 13 above, an exit to the Investor may be provided in accordance with any other mechanism agreed in the SHA.

11.4. Call Right and Put Right

- (a) If the Investor's shareholding in the Company falls below the Threshold Shareholding on a Fully Diluted Basis, then on and with effect from the date of the expiry of 108 (one hundred and eight) months from the Effective Date:
 - (i) the Promoters shall have the right to issue a notice ("Promoter Call Notice") to the Investor requiring the Investor to sell to the Promoters ("Promoter Call Right"), all of the Investor Securities held by the Investor at the then Fair Market Valuation (as defined below) ("Call Price") determined in accordance with Article 13.4 (b) below. Upon the issuance of the Promoter Call Notice, the Investor shall be bound to sell all of the Investor Securities to the Promoters at the Call Price, within 45 (forty five) days of the date of the Promoter Call Notice; and/or
 - (ii) the Investor shall have the right to issue a notice ("Investor Put Notice") to any (or all of) the Promoters requiring such Promoter(s) to purchase from the Investor ("Investor Put Right"), all of the Investor Securities held by the Investor at the then Fair Market Valuation ("Put Price") determined in accordance with Article 13.4(b) below. Upon the issuance of the Investor Put Notice, the Promoter(s) shall be bound to purchase the Investor Securities held by the Investor at Put Price, within 45 (forty five) days of the date of the Investor Put Notice.

- (b) Within 10 (ten) days from date of receipt of the Promoter Call Notice or Investor Put Notice, as the case may be, the Company and the Investor shall jointly appoint a valuer, from one of the Big Fours to determine the fair market valuation of the Investor Securities to be transferred ("Fair Market Valuation"), pursuant to the Promoter Call Right or the Investor Put Right as applicable.
- (c) Within 30 (thirty) days from the date of appointment of the valuer, the valuer shall deliver a valuation report determining the Fair Market Valuation to the Investor and the Promoters.
- (d) It is hereby clarified that upon the issuance of the Promoter Call Notice by the Promoters or the Investor Put Notice by the Investor, the Promoters and the Investor, shall be bound to acquire or sell, as the case may be, all the Investor Securities held by the Investor, within 45 (forty-five) days of the date of the Promoter Call Notice or the Investor Put Notice, as the case may be.
- (e) The Company, the Investor and each of the Promoters shall take, or cause to be taken, such actions, and do, perform, execute and deliver, or cause to be done, performed, executed and delivered, all acts, deeds and documents necessary (including obtaining relevant Approvals), as may be necessary to enable the Promoters and/or the Investor to exercise the Promoter Call Right or the Investor Put Right, as the case maybe.

12. INFORMATION AND INSPECTION RIGHTS

The Investor shall have certain information rights, inspection rights and consultation rights in accordance with the SHA.

13. FALL AWAY OF RIGHTS

Notwithstanding anything contained herein,

- (a) in the event the Investor ceases to hold at least such percentage of the Share Capital of the Company as mentioned in the SHA, on a Fully Diluted Basis, the rights of the Investor under these Articles as they correspond to Part A of SCHEDULE 6 of the SHA shall terminate or shall be amended.
- (b) in the event the Investor ceases to hold at least the Thresholding Shareholding, the rights of the Investor under these Articles as they correspond to Part B of SCHEDULE 6 of the SHA shall terminate.

For the avoidance of doubt, it is hereby clarified that the rights of the Investor and the obligations of the Company and the Promoters as provided under these Articles shall terminate as and when the corresponding rights and obligations under the SHA terminate in accordance with the provisions thereof.

14. DISPUTE RESOLUTION

Any and all disputes and claims arising out of or relating to or in connection with Part B of these Articles or the breach, termination or invalidity thereof shall be resolved in the manner and in accordance with the terms and conditions contained in the SHA.

SCHEDULE 1

LIST OF RESERVED MATTERS

For the purposes of this Schedule, any reference to "Company" shall include reference to each of its Subsidiaries (if any) unless the context requires otherwise.

Part A: Board Reserved Matter

1. Acquiring or disposing off any assets or properties of the Company to any Person in excess of such sum as mentioned in the SHA including any transfer, sale or assignment of any intellectual property rights to any Person, other than: (i) in the Ordinary Course of Business; or (ii) in accordance with the approved Annual Budget and/ or Business Plan then in effect.

Notwithstanding the above, the carve out created in this Paragraph 1 of this SCHEDULE 1 for actions which are provided for or permitted under the Business Plan and/or the Annual Budget, as the case maybe, shall no longer apply after the expiry of the period to which the Business Plan relates, and consequently, the prior written consent of the Investor shall be required for each of those actions.

2. Creation of any Subsidiary or any joint venture, and/or acquisition or sale of Equity Securities, or partnership interests or any other form of investments in any Person by the Company, or acquisition of any voting right in any Person by the Company in excess of such sum as mentioned in the SHA other than in the Ordinary Course of Business including treasury activities.
3. Save and except as set out in the proviso of Clause 20.10 (*Other Covenants*) as mentioned in SHA, any change in terms and conditions of, or the consideration payable/receivable under, any agreement or arrangement with any Related Party whether existing as on the date hereof or entered into anytime hereinafter; or (ii) execution of any new agreement or entering into any arrangement with any Related Party including but not limited to any agreement/arrangement to acquire from, or sell to, any Related Party, any assets, businesses, Equity Securities or to avail from or render services to such Related Party, in each case, where the amount involved individually or cumulatively as a part of series of transaction is more than the amount agreed by the Investor, the Company and Promoter 1 prior to the Effective Date in accordance with the SSA.
4. Save and except as set out in the proviso of Clause 20.10 (*Other Covenants*) as mentioned in the SHA and other than in the Ordinary Course of Business, entering into any material contract, arrangement or commitments or any new partnership arrangements; or material amendment or modification or termination of any existing material contracts, arrangements or other commitments or any existing partnership arrangements.

“Material” for the purposes of this Paragraph 4 means any contract, arrangement, commitment or partnership agreement where the amount involved individually or cumulatively as a part of series of transaction is more than such sum as mentioned in the SHA.

It is hereby clarified that any action, event //or decision which is a Reserved Matter under any other provision of this SCHEDULE 1, shall notwithstanding anything contained in this Paragraph 4 of this SCHEDULE 1, shall continue to be a Reserved Matter under that provision, and any action or decision on such matter shall be subject to compliance with Article 7. It is further clarified that any action, event or decision which is an Investor Reserved Matter and which may also be a Board Reserved Matter under this Paragraph 4 shall be deemed to be an Investor Reserved Matter.

5. Appointment or removal of internal auditor of the Company.

6. Appointment and removal of statutory auditor unless the auditor being appointed or removed is a Big Four; any material change to any accounting policies currently adopted, unless such changes are required under Applicable Law, the Accounting Standards or recommended by statutory auditors of the Company.
7. Settlement or compromise of any litigation, suit, claim, dispute, arbitration, mediation or any other proceedings that are non- statutory in nature (that is excluding any regulatory or tax investigations or any other proceedings initiated by or against Governmental Authorities) where the claim amount involved (excluding legal costs and expenses):
 - i. for loans and advances extended by the Company to its customers, exceeds such sum as mentioned in the SHA;
 - ii. for other claims (excluding loans and advances by the Company to its customers), exceeds such sum as mentioned in the SHA.
8. The conduct, initiation, settlement or compromise of: (i) any regulatory or any other proceedings initiated by or against any Governmental Authorities that are material in nature and not in the Ordinary Course of Business or of routine nature; (ii) proceedings which could result in a Material Adverse Effect on the Company or may materially affect the Company's ability to conduct its Business as is currently being conducted; and/or (iii) other than appellate proceedings, tax proceedings where the amount (excluding legal costs and expenses but including interest and penalties) involved is more than such sum as mentioned in the SHA.
9. Any action which may result in the D/E Ratio on a consolidated basis going above such ratio as mentioned in the SHA.
10. Any agreement or commitment to give effect to any of the foregoing.

Part B: Investor Reserved Matter

1. Any amendment or restatement of the Constitutional Documents which adversely affects the rights of the Investor or certificate of incorporation of the Company as in effect on the date hereof, or any change of name, legal status or of the Company.
2. Commencement of any new line of business in jurisdictions outside India, or undertaking an expansion of the Business in jurisdictions outside India; and/or any material change to the nature, geographical location, or the scope of the Business as a whole.
3. Unless specifically provided under the Transaction Documents, any change (including any increase or reduction in, or re-organization) of the authorized, issued, subscribed or paid up equity or preference share capital of the Company on a Fully Diluted Basis, including by way of: (i) issuance of Equity Securities or other convertible securities by the Company including rights issue and bonus issue or options , (ii) redemption, conversion, buy-back or repurchase of any Equity Securities, (iii) share-split, consolidation, division, sub-division, reduction or restructuring in any manner of the share capital/Equity Securities of the Company, (iv) grant of any options over or right to subscribe to the Equity Securities of the Company except employee stock options issued under any employee stock option plan approved by the Investor; (v) the options granted to convert debt into equity upon occurrence of an event of default under the financing documents between the Company and lenders other than Scheduled Banks; and/or (vi) any reclassification or creation of new class or series of Equity Securities.
4. Provided however that, the Investor hereby agrees that after the expiry of 5 (five) years from the

Effective Date, it shall not unreasonably withhold its consent for any 'issuance of Equity Securities or other convertible securities including rights issue and bonus issue' under the Paragraph 3 (i) above.

5. Any change in the terms, preferences, privileges or rights of any Equity Securities or other convertible securities of the Company (including the Investor Securities).
6. IPO (including a QIPO) or any other public offering of any Equity Securities or other securities by the Company including the terms of such offering, appointment of lead managers timing, size of the issuance, stock exchange of listing, valuation, underwriters and other intermediaries/advisors; Provided however, the Investor hereby agrees that in respect of all matters with respect to an IPO (including a QIPO) (other than the pricing and the valuation), it shall not unreasonably withhold its consent.
7. Merger, consolidation, amalgamation, scheme of arrangement, recapitalization, reclassification, or any other re-organization of the Company, other than as part of the restructuring undertaken in accordance with the Transaction Documents.
8. Presenting of any scheme or petition for winding up or liquidation of the Company (including making any filing for voluntary liquidation or for voluntary initiation of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016), or entering into a compromise or settlement with any of the financial or operational creditors of the Company resulting into a haircut of such sum as mentioned in the SHA; for the avoidance of doubt any settlement or compromise with operational creditors to whom monies have not been paid or underpaid on account of deficiency in service and/or non-performance of contractual obligations in the opinion of the Company shall not be a Reserved Matter under this Paragraph 8.
9. Declaration or payment of dividends or other non-cash distribution on any class of Equity Securities of the Company, provided that in case of cash dividends only if the ratio is less than such percentage of profit after tax as mentioned in the SHA or more than such percentage of profit after tax as mentioned in the SHA.
10. Creation or adoption of any new equity option plan or an incentive compensation plan or an amendment of such an existing plan, involving as aggregate option pool exceeding such percentage of Share Capital on a Fully Diluted Basis, as mentioned in the SHA.
11. Any agreement or commitment to give effect to any of the foregoing.

FINANCIAL INFORMATION

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2.	Audited Financial Statements (under Ind AS)	F-29

Limited Review Report

Review Report to
The Board of Directors
ECL Finance Limited

1. We have reviewed the accompanying interim condensed standalone Ind AS financial statements of ECL Finance Limited (the "Company"), which comprise the interim condensed standalone balance sheet as at June 30, 2019, and the related interim condensed standalone Statement of Profit and Loss, interim condensed standalone Statement of Comprehensive Income, interim condensed standalone Statement of Cash Flows and interim condensed standalone Statement of Changes in Equity for the period ended June 30, 2019, and a summary of select explanatory notes (together hereinafter referred to as the "Interim Condensed Standalone Ind AS Financial Statement"). As more fully described in Note 2, the Interim Condensed Standalone Ind AS Financial Statement have been prepared by the Company to include in offer document for the purpose of NCD issue.
2. The preparation and presentation of these Interim Condensed Standalone Financial Statements in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Interim Condensed Standalone Ind AS Financial Statement based on our review.
3. We conducted our review of the Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Interim Condensed Standalone Financial Statements are not prepared and presented, in all material respects, in accordance with the Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
5. The comparative financial information for the corresponding three months ended June 30, 2018 included in these Interim Condensed Standalone Ind AS Financial Statements of the Company are based on management certified accounts of the Company and have not been subjected to any review by us.
6. This report on the Interim Condensed Standalone Ind AS Financial Statement has been issued solely for the information and use of the management of the entity in connection with inclusion of

Condensed Standalone Ind AS Financial Statement in offer documents for the purpose of NCD issue and should not be used or referred to for any other purpose, or distributed to any other person, without our prior written consent.

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E/E300005

Chartered Accountants

UDIN: 19102102AAAAXF1202

SD/-

per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai,

August 13, 2019

ECL Finance Limited

Condensed Standalone Balance Sheet as at June 30, 2019

(Currency: Indian rupees in million)

	As at June 30, 2019	As at March 31, 2019
Assets		
Financial assets		
(a) Cash and cash equivalents	1,430.28	985.40
(b) Bank balances other than cash and cash equivalents	688.94	470.24
(c) Derivative financial instruments	746.21	383.30
(d) Securities held for trading	18,526.59	18,379.37
(e) Receivables		
(i) Trade receivables	6,362.89	720.99
(f) Loans	2,34,604.28	2,37,966.74
(g) Other investments	7,557.58	6,585.40
(h) Other financial assets	16,802.27	6,130.12
	2,86,719.04	2,71,621.56
Non-financial assets		
(a) Current tax assets (net)	691.03	422.36
(b) Deferred tax assets (net)	1,782.06	1,486.22
(c) Property, plant and equipment	806.07	538.32
(d) Capital work in progress	1.18	13.52
(e) Intangible assets under development	56.53	54.00
(f) Other intangible assets	77.01	78.50
(g) Other non- financial assets	512.65	431.41
	3,926.53	3,024.33
Total assets	2,90,645.57	2,74,645.89
Liabilities and equity		
Liabilities		
Financial liabilities		
(a) Derivative financial instruments	595.83	476.83
(b) Payables		
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	4,430.45	3,413.31
(c) Debt securities	1,04,113.91	94,871.85
(d) Borrowings (other than debt securities)	1,20,816.04	1,13,287.45
(e) Subordinated liabilities	19,780.74	19,994.59
(f) Other financial liabilities	994.74	3,575.60
	2,50,731.71	2,35,619.63
Non-financial liabilities		
(a) Current tax liabilities (net)	442.29	289.96
(b) Provisions	38.13	29.29
(c) Other non-financial liabilities	304.41	212.49
	784.83	531.74
Equity		
(a) Equity share capital	2,138.27	2,138.27
(b) Other equity	36,990.76	36,356.25
	39,129.03	38,494.52
Total liabilities and equity	2,90,645.57	2,74,645.89

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

1 to 10

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

F - 3

Mumbai August 13, 2019

ECL Finance Limited**Condensed Standalone Statement of Profit and Loss for the quarter ended June 30, 2019**

(Currency: Indian rupees in million)

	For the quarter ended June 30, 2019	For the quarter ended June 30, 2018
Revenue from operations		
Interest income	9,262.94	9,649.25
Dividend income	-	11.05
Fee and commission income	340.25	371.41
Net gain on fair value changes	378.64	(823.59)
Other income	8.13	10.83
Total Revenue	9,989.96	9,218.95
Expenses		
Finance costs	5,933.22	5,796.98
Net loss on derecognition of financial instruments	1,594.59	-
Impairment on financial instruments	453.61	1,041.08
Employee benefits expense	404.01	383.72
Depreciation, amortisation and impairment	45.96	19.61
Other expenses	829.28	562.59
Total expenses	9,260.67	7,803.98
Profit before tax	729.29	1,414.97
Tax expenses		
(1) Current tax (includes reversal of excess provision of earlier years(s) of Rs. 181.99 million, Previous period : Rs nil)	356.91	778.69
(2) Deferred tax (credit)	(284.06)	(277.03)
Profit for the quarter	656.44	913.31
Other comprehensive income		
(a) Items that will not be reclassified to profit or loss		
Remeasurement gain / loss on defined benefit plans (OCI)	(1.27)	0.89
Income Tax - OCI - that will not be reclassified	0.44	(0.31)
Total	(0.83)	0.58
Total comprehensive income	655.61	913.89
Earnings per equity share (for continuing operation:) (Face value of ₹ 1 each):		
Basic (INR)	0.31	0.55
Diluted (INR)	0.31	0.55

The accompanying notes are an integral part of the financial statements 1 to 10
As per our report of even date attached.

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

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

Mumbai August 13, 2019

For and on behalf of the Board of Directors

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

SD/-
Sarju Simaria
Chief Financial officer

Mumbai August 13, 2019

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Jitendra Maheshwari
Company Secretary

ECL Finance Limited

Condensed Standalone Statement of Changes in Equity for the year Quarter ended June 30, 2019

(Currency: Indian rupees in million)

A. Equity share capital

	For the quarter ended June 30, 2019			For the quarter ended June 30, 2018		
	Outstanding as on April 1, 2019	Issued during the quarter	Outstanding as on June 30, 2019	Outstanding as on April 1, 2018	Issued during the quarter	Outstanding as on June 30, 2018
Issued, subscribed and paid up (Equity shares of Re.1 each, fully paid-up)	2,138.27	-	2,138.27	1,948.11	190.16	2,138.27

B. Other Equity

	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2019	11,879.93	15,474.12	5,024.31	3,837.87	140.02	36,356.25
Profit for the quarter	-	656.44	-	-	-	656.44
Other comprehensive income	-	(0.83)	-	-	-	-0.83
Total balance available for appropriation	11,879.93	16,129.73	5,024.31	3,837.87	140.02	37,011.86
Securities premium on shares issued during the quarter	0.03	-	-	-	-	0.03
Impact on account of Lease accounting	-	(21.13)	-	-	-	(21.13)
Balance as at Jun 30, 2019	11,879.96	16,108.60	5,024.31	3,837.87	140.02	36,990.76
Balance as at 1st April 2018	7,983.01	13,327.50	3,892.54	1,720.61	140.02	27,063.68
Profit for the quarter	-	913.31	-	-	-	913.31
Other comprehensive income	-	0.58	-	-	-	0.58
Income tax impact on ESOPs	-	(135.34)	-	-	-	(135.34)
Total balance available for appropriation	7,983.01	14,106.05	3,892.54	1,720.61	140.02	27,842.23
Income tax impact on ESOPs	-	-	-	-	(47.04)	(47.04)
Balance as at Jun 30, 2018	7,983.01	14,106.05	3,892.54	1,720.61	92.98	27,795.19

As per our report of even date attached.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-
per **Shrawan Jalan**
Partner
Membership No: 102102

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

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai August 13, 2019

ECL Finance Limited

Condensed Standalone Statement of Cash flows for the quarter ended June 30, 2019.

(Currency: Indian rupees in million)

	For the quarter ended June 30, 2019	For the quarter ended June 30, 2018
A. Operating activities		
Profit before tax	729.29	1,414.97
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	45.96	19.61
Impairment of financial assets (net)	453.61	1,041.08
Fair value of financial instruments (net)	256.10	399.09
Expense on employee stock option scheme (ESOP)	11.00	8.00
(Profit) / loss on sale of property, plant and equipment	(0.30)	-
	1,495.66	2,882.75
Working capital Changes (net)		
Loans	2,908.85	(29,024.85)
Trade receivables	(5,641.90)	4,846.07
Securities held for trading	(113.85)	(25,857.25)
Other investments	(1,130.51)	(271.22)
Other financial assets	(11,121.46)	(2,150.01)
Other non financial assets	(81.24)	(28.97)
Trade payables	1,006.14	(351.84)
Other financial liability	(2,757.79)	3,300.16
Non financial liabilities and provisions	99.49	(2.76)
	(15,336.61)	(46,657.92)
Income taxes paid	(473.23)	(678.91)
Net cash used in operating activities -A	(15,809.84)	(47,336.83)
B. Investing activities		
Purchase of Property, plant and equipment and intangible assets	(313.51)	(26.67)
Increase in capital work-in-progress and intangibles under development	9.81	(20.45)
Proceeds from sale of Property, plant and equipment and intangible assets	1.59	-
Net cash used in investing activities -B	(302.11)	(47.12)
C. Cash flow from financing activities		
Proceeds from issuance of share capital (including securities premium)	0.03	-
Increase / (decrease) in debt securities (Refer note 1)	9,242.06	28,679.00
(Decrease) / increase in borrowings other than debt securities (Refer note 1)	7,528.59	21,755.22
Increase in subordinate debt (Refer note 1)	(213.85)	(246.84)
Net cash generated from financing activities - C	16,556.83	50,187.38
Net decrease in cash and cash equivalents (A+B+C)	444.88	2,803.43
Cash and cash equivalent as at the beginning of the year	985.40	1,627.97
Cash and cash equivalent as at the end of the year	1,430.28	4,431.40

ECL Finance Limited

Condensed Standalone Statement of Cash flows for the quarter ended June 30, 2019.

(Currency: Indian rupees in million)

	For the quarter ended June 30, 2019	For the quarter ended June 30, 2018
Operational cash flows from interest and dividends		
Interest paid	7,011.90	6,336.39
Interest received	5,493.89	6,990.28

Notes:

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

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

1. Corporate information:

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

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

2. Basis of preparation:

These standalone financial statements comprise the Balance Sheet as at June 30, 2019, the standalone Statement of Profit and Loss, the standalone Statement of Cash Flows and the standalone Statement of changes in Equity for the period ended June 30, 2019 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Interim Condensed Standalone Financial Statements").

These Interim Condensed Standalone Financial Statements have been prepared in accordance with principles of Ind AS 34 "Interim Financial Reporting" solely for inclusion in the offer document, prepared by the Company in connection with its proposed Public issue of Non-Convertible Debentures (NCD). However, all disclosures required under Ind AS and relevant regulatory requirements have not been furnished in these Interim Condensed Standalone Financial Statements. Only a complete set of financial statements with all disclosure can provide a fair presentation of a Company's state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and the changes in equity.

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

The Company has followed the same accounting policies in preparation of the Interim Condensed Standalone Financial Statements as those followed in preparation of the annual standalone financial statements as at and for the year ended 31 March 2019 except in case of lease due to adoption of Ind AS 116. Refer note 4 for accounting policy on Lease. These condensed standalone interim financial statements should be read in conjunction with the audited standalone financial statements and the related notes for the year ended 31 March 2019.

3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013.

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

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

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

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

4. Change in Lease Accounting Policy

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract is or contains lease

Measurement and recognition:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expenses on a straight line basis over lease term.

Under Ind AS 17: In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payment made under operating lease were recognised in profit and loss on a straight line basis over the term of lease.

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

5. Earnings per Share

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

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

	For the quarter ended June 30, 2019	For the quarter ended June 30, 2018
Net Profit attributable to Equity holders of the Company - A	656.44	913.31
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	2,138.27	1,948.11
- Number of equity shares issued during the year	0.00	-
Total number of equity shares outstanding at the end of the year	2,138.27	1,948.11
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,138.27	1,948.11
Basic and diluted earnings per share (in rupees) (A/B)	0.31	0.47

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

6. Contingent Liability & Commitment:

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

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

Contingent Liability

	For the quarter ended June 30, 2019	For the year ended March 31, 2019
Taxation matters of assessment year 2013-14, assessment year 2014-15 and assessment year 2015-16 in respect of which appeal is pending	181.99	Nil
Litigation pending against the Company	657.51	657.51

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

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

Commitment

	For the quarter ended June 30, 2019	For the year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	20.67	33.00
Undrawn committed credit lines	28,599.28	31,481.63

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

7. Loans

	As at June 30, 2019			As at March 31, 2019		
	at amortised Cost	at FVTPL	Total	at amortised Cost	at FVTPL	Total
Corporate credit	1,41,469.86	9,273.66	1,50,743.52	1,49,405.54	-	1,49,405.54
Retail credit	89,582.39	-	89,582.39	94,679.89	-	94,679.89
Total Gross	2,31,052.25	9,273.66	2,40,325.91	2,44,085.43	-	2,44,085.43
Impairment loss allowance (Refer Note 7.A)	(5,721.63)	-	(5,721.63)	(6,118.69)	-	(6,118.69)
	2,25,330.62	9,273.66	2,34,604.28	2,37,966.74	-	2,37,966.74

7.A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances.

Loans at Amortised Cost

	As at June 30, 2019				As at March 31, 2019			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	2,11,783.25			2,11,783.25	2,12,533.38			2,12,533.38
Standard grade		12,600.17		12,600.17		25,864.50		25,864.50
Non-performing								
Individually impaired			6,668.83	6,668.83			5,687.55	5,687.55
	2,11,783.25	12,600.17	6,668.83	2,31,052.25	2,12,533.38	25,864.50	5,687.55	2,44,085.43

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

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

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

Reconciliation / movement for the Quarter ended June 30, 2019

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.55	3,358.72	2,44,085.43	6,118.69
Transfer of financial assets								
Stage I to Stage II	(3,203.51)	(18.84)	3,203.51	18.84	-	-	-	-
Stage I to Stage III	(3,529.20)	(25.00)	-	-	3,529.20	25.00	-	-
Stage II to Stage III	-	-	(9,269.85)	(319.21)	9,269.85	319.21	-	-
Stage II to Stage I	4,019.97	60.05	(4,019.97)	(60.05)	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(22.62)	-	8.20	-	545.27	-	530.85
Loans reclassified to Fair value through P&L (FVTPL)	-	-	(10,061.57)	(787.91)	-	-	(10,061.57)	(787.91)
New assets originated /repayments received (net)	1,962.61	99.50	6,883.55	773.46	2,089.17	(597.21)	10,935.33	275.75
Loans sold to ARC	-	-	-	-	(13,767.65)	(415.75)	(13,767.65)	(415.75)
Amounts written off	-	-	-	-	(139.29)	-	(139.29)	-
Closing balance	2,11,783.25	1,984.14	12,600.17	502.25	6,668.83	3,235.24	2,31,052.25	5,721.63

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

7.A Credit quality of assets (contd.)

Reconciliation / movement for the year Ended March 31, 2019

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	2,24,785.98	4,761.28
Transfer of financial assets								
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-
Stage II to Stage I	958.66	8.98	(958.66)	(8.98)	-	-	-	-
Stage III to Stage II	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	624.20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	24,534.31	1,078.03
Loans sold to ARC	-	-	-	-	(4,992.44)	(117.82)	(4,992.44)	(117.82)
Amounts written off	-	-	-	-	(242.42)	(227.00)	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.55	3,358.72	2,44,085.43	6,118.69

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

8. Segment Reporting

Primary Segment (Business segment)

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

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

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

Secondary Segment

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

Segment information as at and for the quarter ended June 30, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	8,848.81	413.91	0.22	9,262.94
Other Operating income	479.72	247.30	-	727.02
Total Revenue from Operations	9,328.53	661.21	0.22	9,989.96
Interest Expenses	5,183.19	750.01	0.02	5,933.22
Other Expenses	3,141.21	111.02	75.22	3,327.45
Total Expenses	8,324.40	861.03	75.24	9,260.67
Segment profit/(loss) before taxation	1,004.13	(199.82)	(75.02)	729.29
Income Tax Expenses	-	-	72.85	72.85
Profit for the year				656.44
Other Comprehensive Income	-	-	(0.83)	(0.83)
Total comprehensive income				655.61
Segment Assets	2,40,685.27	47,089.15	2,871.15	2,90,645.57
Segment Liabilities	2,07,541.72	43,438.76	536.06	2,51,516.54
Capital expenditure	89.11	-	-	89.11
Depreciation and amortisation	28.65	-	-	28.65
Significant non-cash items	2,130.95	0.25	0.02	2,131.22

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

8. Segment Reporting

Segment information as at and for the quarter ended June 30, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	8,341.42	1,307.20	0.63	9,649.25
Other Operating income	617.06	(1,047.36)	-	(430.30)
Total Revenue from Operations	8,958.48	259.84	0.63	9,218.95
Interest Expenses	4,805.29	991.68	0.01	5,796.98
Other Expenses	1,855.16	120.05	31.79	2,007.00
Total Expenses	6,660.45	1,111.73	31.80	7,803.98
Segment profit/(loss) before taxation	2,298.03	(851.89)	(31.17)	1,414.97
Income Tax Expenses	-	-	501.66	501.66
Profit for the year				913.31
Other Comprehensive Income	-	-	0.58	0.58
Total comprehensive income				913.89
Segment Assets	2,54,772.24	60,718.15	2,725.71	3,18,216.10
Segment Liabilities	2,32,085.97	55,038.94	1,347.89	2,88,472.80
Capital expenditure	90.33	-	-	90.33
Depreciation and amortisation	19.61	-	-	19.61
Significant non-cash items	1,041.27	0.04	-	1,041.31

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

9. Related Party Disclosure for the quarter April 1, 2019 to June 30, 2019

List of related parties and relationship:

Name of related parties by whom control is exercised : Holding company	Edelweiss Financial Services Limited
Fellow subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited EC Commodity Limited ECap Equities Limited Edel Investments Limited Edelweiss General Insurance Company Limited EFSL Comtrade Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018) Edel Finance Company Limited Edelcap Securities Limited EdelGive Foundation Edelweiss Asset Management Limited Edelweiss Broking Limited Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) Edelweiss Finance and Investments Limited Edelweiss Securities Limited Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018) Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018) Edelweiss Global Wealth Management Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Custodial Services Limited Edelweiss Asset Reconstruction Edelweiss Retail Finance Limited Edelweiss Alternative Asset Edelweiss Investment Advisors Limited Edelweiss Insurance Brokers Limited Edelweiss Capital Markets Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018) Edel Land Limited Edelweiss Stressed and Troubled Assets Revival Fund Trust EFSL Commodities Ltd (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018). Edelweiss Asset Reconstruction Company Limited - SC 372 Edelweiss Asset Reconstruction Company Limited - SC 381 Edelweiss Asset Reconstruction Company Limited - SC 384 Edelweiss Asset Reconstruction Company Limited - SC 386 Edelweiss Asset Reconstruction
Key management personnel	Raviprakash R. Bubna (upto 31st March 2019) Rashesh Shah Himanshu Kaji Deepak Mittal (w.e.f 1st Dec 2018) Venkatchalam Ramaswamy (w.e.f. 5th March 2019) PN Venkatachalam Biswamohan Mahapatra (upto 2nd August, 2017) Kunnasagaran Chinniah (w.e.f. 18th February 2019)
Relative of key management personnel (with whom transactions have taken place)	Pooja Mittal (w.e.f 1st Dec 2018) Aparna T. Chadrashekhar (w.e.f. 5th March 2019) Ramautar S Bubna (upto 31st March 2019) Sandhya R. Bubna (upto 31st March 2019) Sharda R. Bubna (upto 31st March 2019)
Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place	Ravi R Bubna HUF (upto 31st March 2019) Evyavan Global Private Limited (upto 31st March 2019) Evyavan Mercantile Private Limited (upto 31st March 2019)

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
<u>Loans taken from</u>		
Edelweiss Rural and Corporate Services Limited	4,473.20	30,447.56
<u>Loan repaid to</u>		
Edelweiss Rural and Corporate Services Limited	5,479.20	13,503.88
<u>Loans given to</u>		
Edelweiss Rural and Corporate Services Limited	3,784.00	-
<u>Loans repaid by</u>		
Edelweiss Rural and Corporate Services Limited	3,780.00	-
<u>Loans given to Key Management Personnel</u>		
Ravi R Bubna HUF	-	21.11
Ramautar S Bubna	-	-
Raviprakash R. Bubna	-	0.00
Sandhya R. Bubna	-	-
Sharda R. Bubna	-	0.00
Evyavan Global Private Limited	-	10.02
Evyavan Mercantile Private Limited	-	66.89
Deepak Mittal	24.75	-
Pooja Mittal	7.61	-
Aparna T. Chadrashekhar	0.63	-
<u>Repayment of loans by Key Management Personnel</u>		
Ravi R Bubna HUF	-	50.26
Ramautar S Bubna	-	0.00
Raviprakash R. Bubna	-	-
Sandhya R. Bubna	-	0.00
Sharda R. Bubna	-	-
Evyavan Global Private Limited	-	21.49
Evyavan Mercantile Private Limited	-	37.15
Deepak Mittal	366.93	-
Pooja Mittal	276.57	-
Aparna T. Chadrashekhar	0.63	-
<u>Redemption / Buy back - benchmark linked debentures</u>		
ECap Equities Limited	349.75	833.50
<u>Loan / NCD Purchase from</u>		
Edelweiss Finvest Private Limited	17,780.12	-
<u>Purchase / Subscription of Commercial Papers from</u>		
Edelweiss Rural and Corporate Services Limited	-	49.55
<u>Secondary market transactions</u>		
<u>Purchases of securities from</u>		
ECap Equities Limited	149.01	451.45
Edelweiss Rural and Corporate Services Limited	149.21	912.91
Edelweiss Finance and Investments Limited	285.63	7.51
Edelweiss Broking Limited	531.99	53.47
Edelweiss Tokio Life Insurance Company Ltd.	7.16	507.51
Edelweiss Finvest Private Limited	0.24	1,137.82

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Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
<u>Sale of securities</u>		
Edelweiss Rural and Corporate Services Limited	994.67	2,312.51
Edelweiss Finance and Investments Limited	272.73	1,040.68
Edelweiss Broking Limited	921.75	40.33
Edelweiss Finvest Private Limited	184.37	-
Edelweiss Tokio life Insurance Company Ltd.	100.06	252.19
Edelweiss Securities Limited	-	50.25
<u>Margin placed with</u>		
Edelweiss Securities Limited	440.00	0.59
Edelweiss Custodial Services Limited	1,307.83	-
<u>Margin refund received from</u>		
Edelweiss Securities Limited	397.25	0.33
Edelweiss Custodial Services Limited	744.30	39.46
<u>Amount paid to Broker for trading in cash segment</u>		
Edelweiss Securities Limited	6,148.42	316.52
<u>Amount received from Broker for trading in cash segment</u>		
Edelweiss Securities Limited	6,436.41	173.84
<u>Assignment of Loan book from</u>		
Edelweiss Housing Finance Limited	-	-
<u>Purchase of Securities receipts from</u>		
Edelweiss Finvest Private Limited	-	-
<u>Sale of Loans to</u>		
Edelweiss Asset Reconstruction Company Limited - SC 372	299.72	-
Edelweiss Asset Reconstruction Company Limited - SC 381	550.00	-
Edelweiss Asset Reconstruction Company Limited - SC 384	9,150.00	-
Edelweiss Asset Reconstruction Company Limited - SC 386	1,180.00	-
Edelweiss Asset Reconstruction Company Limited - SC 391	993.00	-
Income		
<u>Arranger fees received from</u>		
Edelweiss Finvest Private Limited	-	-
<u>Arranger fees received from</u>		
Edelweiss Finvest Private Limited	-	1.59
<u>Commission and brokerage received from</u>		
Edelweiss Securities Limited	23.88	-
<u>Cost reimbursement received from</u>		
Edelweiss General Insurance Company Limited	0.47	-
Edelweiss Retail Finance Limited	0.03	-
Edelweiss Housing Finance Limited	0.56	-
Edelweiss Global Wealth Management Limited	0.03	-
Edelweiss Alternative Asset Advisors Limited	0.01	-
Edelweiss Asset Management Limited	0.06	-

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
<u>Interest income on margin placed with brokers</u>		
Edelweiss Custodial Services Limited	17.60	1.02
Edelweiss Securities Limited	0.80	0.01
<u>Interest income on Loans given to</u>		
Ravi R Bubna HUF	-	0.89
Evyavan Global Private Limited	-	1.65
Evyavan Mercantile Private Limited	-	10.14
Deepak Mittal	3.65	-
Pooja Mittal	2.91	-
Edelweiss Rural and Corporate Services Limited	5.08	-
<u>Rent received from</u>		
Edelweiss Alternative Asset Advisors Limited	0.99	0.85
Edelweiss Broking Limited	2.25	0.17
Edelweiss Financial Services Limited	0.90	0.17
Edelweiss General Insurance Company Limited	5.17	2.32
Edelweiss Global Wealth Management Limited	0.44	0.15
Edelweiss Housing Finance Limited	3.94	0.29
Edelweiss Securities Limited	0.28	0.39
Edelweiss Comtrade Limited	0.24	-
Alternative Investment Market Advisors Private Limited	-	0.01
EC Commodity Limited	-	0.01
Edel Investments Limited	-	0.01
Edelcap Securities Limited	-	0.01
Edelweiss Business Services Limited	-	0.01
Edelweiss Rural and Corporate Services Limited	-	0.23
Edelweiss Custodial Services Limited	-	0.11
Edelweiss Finance & Investments Limited	-	0.03
Edelweiss Finvest Private Limited	-	0.20
Edelweiss Retail Finance Limited	-	0.01
Edelweiss Tokio Life Insurance Company Limited	-	0.45
<u>Interest received on Securities</u>		
Edelweiss Retail Finance Limited	-	4.13
Edelweiss Housing Finance Limited	-	1.29
Edelweiss Rural and Corporate Services Limited	-	21.69
<u>Expense</u>		
<u>Advisory fees paid to</u>		
Edelweiss Asset Reconstruction Company Limited	60.69	26.72
Edelweiss Housing Finance Limited	-	76.70
<u>Corporate Guarantee support fee paid to</u>		
Edelweiss Financial Services Limited	0.80	-
<u>Clearing charges paid to</u>		
Edelweiss Custodial Services Limited	4.01	0.06
<u>Collateral management fees paid</u>		
Edelweiss Agri Value Chain Limited	6.95	8.33

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
<u>Commission and brokerage paid to</u>		
Edelweiss Global Wealth Management Limited	47.53	86.58
Edelweiss Investment Advisors Limited	1.52	0.80
Edelweiss Securities Limited	80.09	0.09
Edel Investments Limited	-	-
<u>Cost reimbursement paid to</u>		
ECap Equities Limited	0.09	0.88
Edelweiss Broking Limited	0.03	1.35
Edelweiss Rural and Corporate Services Limited	5.13	4.31
Edelweiss Financial Services Limited	39.78	12.07
Edelweiss Securities Limited	0.81	0.59
Edelweiss Agri Value Chain Limited	-	0.14
Edelweiss Asset Management Limited	-	0.15
Edelweiss Global Wealth Management Limited	-	0.01
Edelweiss Housing Finance Limited	-	1.28
Edelweiss Retail Finance Limited	-	5.07
<u>Corporate Social responsibility expenses paid to</u>		
EdelGive Foundation	40.00	27.00
<u>Enterprise Service charge paid to</u>		
Edelweiss Rural and Corporate Services Limited	130.74	-
Edelweiss Business Services Limited	-	79.30
Edelweiss Financial Services Limited	57.49	-
<u>Interest paid on loan</u>		
Edelweiss Rural and Corporate Services Limited	22.13	634.00
<u>Management Fees Paid to</u>		
Edelweiss Alternative Asset Advisors Limited	26.84	35.18
<u>Rating support fees paid to</u>		
Edelweiss Financial Services Limited	0.53	0.44
<u>Rent paid to</u>		
ECap Equities Limited	4.53	7.31
Edelweiss Asset Management Limited	3.69	0.89
Edelweiss Rural and Corporate Services Limited	24.78	25.09
Edelweiss Retail Finance Limited	15.72	5.93
Edelweiss Broking Limited	-	2.27
Edelweiss Global Wealth Management Limited	-	0.06
Edelweiss Securities Limited	-	1.80
<u>Interest paid on Bench mark linked debentures</u>		
ECap Equities Limited	78.12	167.50
<u>Interest paid on Securities</u>		
Edelweiss Finance and Investments Limited	0.01	-
Edelweiss Rural and Corporate Services Limited	1.04	-
<u>ESOP Cost reimbursement</u>		
Edelweiss Financial Services Limited	11.00	8.00

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
<u>Sitting Fees paid</u>		
P N Venkatachalam	0.20	0.16
Biswamohan Mahapatra	0.18	0.08
<u>Assets</u>		
<u>Interest accrued on Loans given to</u>		
Edelweiss Rural and Corporate Services Limited	5.08	-
<u>Interest accrued on Margin</u>		
Edelweiss Custodial Services Limited	17.60	-
Edelweiss Securities Limited	0.80	0.01
<u>Investments in preference shares</u>		
Edelweiss Rural and Corporate Services Limited	726.89	667.56
<u>Margin money balance with</u>		
Edelweiss Custodial Services Limited	2,065.57	86.79
Edelweiss Securities Limited	44.90	1.63
Edelweiss Brokig Limited	-	0.11
<u>Loan given outstanding</u>		
Edelweiss Rural and Corporate Services Limited	4.00	-
Ravi R Bubna	-	6.50
Evyavan Global Pvt Ltd	-	65.57
Evyavan Mercantile Pvt Ltd	-	438.84
<u>Non convertible debentures (stock in trade)</u>		
Edelweiss Asset Reconstruction Company Limited	2,001.71	-
Edelweiss Retail Finance Limited	-	100.05
Edelweiss Housing Finance Limited	-	97.09
Edelweiss Rural and Corporate Services Limited	-	951.37
<u>Interest accrued on Non convertible debentures (stock in trade)</u>		
Edelweiss Asset Reconstruction Company Limited	204.60	-
Edelweiss Retail Finance Limited	-	2.42
Edelweiss Housing Finance Limited	-	8.58
Edelweiss Rural and Corporate Services Limited	-	32.86
<u>Trade receivables</u>		
EC Commodity Limited	0.02	0.02
ECap Equities Limited	0.00	0.00
Edelcap Securities Limited	0.03	0.01
Edelweiss Alternative Asset Advisors Limited	1.18	0.91
Edelweiss Broking Limited	2.92	0.21
Edelweiss Business Services Limited	1.77	0.01
Edelweiss Custodial Services Limited	-	5.22
Edelweiss Financial Services Limited	-	0.27
Edelweiss Finvest Private Limited	85.27	2.91
Edelweiss General Insurance Company Limited	15.94	2.73
Edelweiss Global Wealth Management Limited	0.55	0.16
Edelweiss Retail Finance Limited	0.58	0.08
Edel Investments Limited	0.02	0.01
Edelweiss Agri Value Chain Limited	3.70	0.37
Edelweiss Asset Management Limited	1.22	-
Edelweiss Housing Finance Limited	5.98	0.74

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

9. Related party disclosure for the period April 1, 2019 to June 30, 2019

Transactions with related parties:

Particulars	As at 30 June 2019	As at 30 June 2018
Edelweiss Comtrade Limited	0.28	-
Edel Land Limited	0.03	-
EFSL Commodities Ltd	0.02	-
Alternative Investment Market Advisors Private Limited	-	0.01
Edelweiss Capital Markets Limited	-	0.31
Edelweiss Finance & Investments Limited	-	0.03
Edelweiss Insurance Brokers Limited	-	0.10
Edelweiss Stressed and Troubled Assets Revival Fund Trust	-	43.75
Edelweiss Tokio Life Insurance Company Limited	-	0.53
Edel Finance Company Limited	0.03	-
<u>Liabilities</u>		
<u>Interest accrued on borrowings</u>		
Edelweiss Rural and Corporate Services Limited	22.13	634.00
<u>Short term borrowings</u>		
Edelweiss Rural and Corporate Services Limited	4.91	29,068.56
<u>Trade payables</u>		
ECap Equities Limited	4.93	9.39
Edelweiss Alternative Asset Advisors Limited	28.40	35.18
Edelweiss Asset Management Limited	5.04	1.14
Edelweiss Rural and Corporate Services Limited	159.74	33.27
Edelweiss Finvest Private Limited	14.49	-
Edelweiss Global Wealth Management Limited	53.71	97.92
Edelweiss Retail Finance Limited	17.23	12.27
Edelweiss Securities Limited	1,715.63	449.79
Edelweiss Custodial Services Limited	0.01	-
Edelweiss Asset Reconstruction Company Limited	62.32	28.86
Edelweiss Financial Services Limited	81.97	18.51
Edelweiss Investment Advisors Limited	0.14	-
Edelweiss Agri Value Chain Limited	-	0.55
Edelweiss Broking Limited	-	3.97
Edelweiss Business Services Limited	-	78.52
Edelweiss Housing Finance Limited	-	78.36
Edelweiss Finance and Investments Limited	0.76	-
<u>Corporate guarantee taken from</u>		
Edelweiss Financial Services Limited	54.00	61.00

Notes:

- 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.
- The Company's which have been merged with Edelweiss Rural and Corporate Limited have been disclosed Separately for June 2018.

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at June 30, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	569.46	-	-	569.46
OTC derivatives	-	132.30	-	132.30
Embedded derivatives in market-linked debentures	-	-	44.45	44.45
Total derivative financial instruments - A	569.46	132.30	44.45	746.21
Securities held for trading				
Government debt securities	12,638.98	-	-	12,638.98
Other debt securities	-	2,479.24	-	2,479.24
Mutual fund units	3,329.95	-	-	3,329.95
Equity instruments	78.42	-	-	78.42
Total securities held for trading - B	16,047.35	2,479.24	-	18,526.59
Other Investments				
Security receipts	-	-	5,525.34	5,525.34
Units of AIF	-	-	124.57	124.57
Total other investments measured at fair value - C	-	-	5,649.91	5,649.91
Loans - (Refer note F below)			9,273.66	9,273.66
Total (A+B+C)	16,616.81	2,611.54	14,968.02	34,196.37
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	28.64	-	-	28.64
OTC derivatives	-	255.57	-	255.57
Embedded derivatives in market-linked debentures	-	-	311.62	311.62
Total derivative financial instruments	28.64	255.57	311.62	595.83

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	218.36	-	-	218.36
OTC derivatives	-	136.59	-	136.59
Embedded derivatives in market-linked debentures	-	-	28.77	28.77
Total derivative financial instruments - A	218.36	136.59	28.77	383.72
Financial assets held for trading				
Government debt securities	13,873.50	-	-	13,873.50
Other debt securities	-	298.18	-	298.18
Mutual fund units	3,483.09	-	-	3,483.09
Equity instruments	724.60	-	-	724.60
Total securities held for trading - B	18,081.19	298.18	-	18,379.37
Other Investments				
Security receipts	-	-	5,734.43	5,734.43
Units of AIF	-	-	139.84	139.84
Total investments measured at fair value - C	-	-	5,874.27	5,874.27
Total (A+B+C)	18,299.55	434.77	5,903.04	24,637.36
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	35.12	-	-	35.12
OTC derivatives	-	183.22	-	183.22
Embedded derivatives in market-linked debentures	-	-	279.25	279.25
Total derivative financial instruments	35.12	183.22	279.25	497.59

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Units of AIF Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. Company classifies the Interest rate swaps as level 2 instruments.

Embedded derivative:

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

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Company classifies these embedded derivatives as level 2 instruments.

Exchange traded derivatives:

Exchange traded derivatives include index/stock options, index/stock futures, company uses exchange traded prices to value these derivatives and classifies these instruments as level 1.

E. There have been no transfers between levels during the quarter ended June 30, 2019 and year ended March 31, 2019.

F. Pursuant to management's plan to sell certain loans in near future, during the quarter, the Company has classified these loans amounting to Rs. 9,273.66 millions from amortised cost to fair value through profit or loss ('FVTPL').

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

G. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Quarter ended June 30, 2019	Security receipts	Units of AIF	Total
Investments - at April 1, 2019	5,734.43	139.84	5,874.27
Purchase	750.02	-	750.02
Sale/Redemption proceeds	(879.82)	(7.39)	(887.21)
Profit for the Quarter recognised in profit or loss	(79.29)	(7.88)	-87.17
Investments - at June 30, 2019	<u>5,525.34</u>	<u>124.57</u>	<u>5,649.91</u>
Unrealised gain/(Loss) related to balances held at the end of the year	(99.48)	(7.88)	(107.36)
Financial year ended March 2019	Security receipts	Units of AIF	Total
Investments - at April 1, 2018	4,878.84	195.36	5,074.20
Purchase	10,510.89	-	10,510.89
Sale/Redemption proceeds	(10,090.84)	(61.60)	(10,152.44)
Profit for the year recognised in profit or loss	435.54	6.08	441.62
Investments - at March 31, 2019	<u>5,734.43</u>	<u>139.84</u>	<u>5,874.27</u>
Unrealised gain/(Loss) related to balances held at the end of the year	206.66	(5.36)	201.30

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements

Quarter ended June 30, 2019	Embedded Options		
	Assets	Liabilities	Net Balance
Embedded Options - at April 01, 2019	28.77	279.25	(250.48)
Issuances	19.48	37.57	(18.09)
Settlements	(0.06)	(10.82)	10.76
Changes in fair value recognised in profit or loss	(3.74)	5.61	(9.35)
Embedded Options - at June 30, 2019	<u>44.45</u>	<u>311.61</u>	<u>(267.16)</u>
Financial year ended March 31, 2019	Embedded Options		
	Assets	Liabilities	Net Balance
Embedded Options - at April 01, 2018	93.94	223.89	(129.95)
Issuances	-	-	-
Settlements	(19.73)	(37.59)	17.86
Changes in fair value recognised in profit or loss	(45.44)	92.95	(138.39)
Embedded Options - at March 31, 2019	<u>28.77</u>	<u>279.25</u>	<u>(250.48)</u>

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

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

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts and Units of AIF Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 30 June 2019	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	5,525.34	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	13,973.47	5% increase in Expected future Cash flow	113.92	5% Decrease in Expected future Cash flow	(113.92)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(15.18)	0.5% Decrease in Risk-adjusted discount rate	15.42
Units of AIF	124.57	Net Asset approach	Fair value of underlying investments	945.62	5% Increase in Fair value of Underlying Investment	5.53	5% Increase in Fair value of Underlying Investment	(5.53)
Embedded derivatives (net)	267.17	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(12.02)	5% Decrease in Nifty Index curve	12.02
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	1.44	0.5% Decrease in Risk-adjusted discount rate	(1.44)
Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	5,734.43	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	16,234.40	5% increase in Expected future Cash flow	111.92	5% Decrease in Expected future Cash flow	(111.92)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(18.67)	0.5% Decrease in Risk-adjusted discount rate	18.98
Units of AIF	139.84	Net Asset approach	Fair value of underlying investments	1,061.54	5% Increase in Fair value of Underlying Investment	6.21	5% Increase in Fair value of Underlying Investment	(6.21)
Embedded derivatives (net)	250.48	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(11.27)	5% Decrease in Nifty Index curve	11.27
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	1.35	0.5% Decrease in Risk-adjusted discount rate	(1.35)

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

I. Fair value of financial instruments not measured at fair value:

the table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at June 30, 2019	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	1,430.28	1,430.28	-	-	1,430.28
Bank balances other than cash and cash equivalents	688.94	688.94	-	-	688.94
Trade Receivables	6,362.89	-	6,362.89	-	6,362.89
Loans	2,25,330.62	-	-	2,25,019.69	2,25,019.69
Investments	727.32	-	723.32	-	723.32
Other financial assets	16,802.27	-	2,416.29	14,385.98	16,802.27
Total Financial Assets	2,51,342.32	2,119.22	9,502.50	2,39,405.67	2,51,027.39
Financial Liabilities					
Trade payables	4,430.45	-	4,430.45	-	4,430.45
Debt securities	1,04,113.91	-	1,03,211.64	-	1,03,211.64
Borrowings (other than debt securities)	1,20,816.04	-	1,20,816.04	-	1,20,816.04
Subordinated Liabilities	19,780.74	-	19,042.15	-	19,042.15
Other financial liabilities	994.74	-	994.74	-	994.74
Total Financial Liabilities	2,50,135.88	-	2,48,495.02	-	2,48,495.02
Off balance-sheet items					
Undrawn commitments	28,599.28	-	-	28,627.42	28,627.42
Total Off balance-sheet items	28,599.28	-	-	28,627.42	28,627.42

As at March 31, 2019	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	985.40	985.40	-	-	985.40
Bank balances other than cash and cash equivalents	470.24	470.24	-	-	470.24
Trade Receivables	720.99	-	720.99	-	720.99
Loans	2,37,966.74	-	-	2,34,774.97	2,34,774.97
Investments	711.13	-	711.13	-	711.13
Other financial assets	6,130.12	-	1,964.72	4,165.40	6,130.12
Total Financial Assets	2,46,984.62	1,455.64	3,396.84	2,38,940.37	2,43,792.85
Financial Liabilities					
Trade payables	3,413.31	-	3,413.31	-	3,413.31
Debt securities	94,871.85	-	98,521.28	-	98,521.28
Borrowings (other than debt securities)	1,13,287.45	-	1,13,287.45	-	1,13,287.45
Subordinated Liabilities	19,994.59	-	19,136.62	-	19,136.62
Other financial liabilities	3,575.60	-	3,575.60	-	3,575.60
Total Financial Liabilities	2,35,142.80	-	2,37,934.26	-	2,37,934.26
Off balance-sheet items					
Undrawn commitments	31,481.64	-	-	31,259.82	31,259.82
Total Off balance-sheet items	31,481.64	-	-	31,259.82	31,259.82

ECL Finance Limited

Notes to Condensed Standalone financial statement for the quarter ended June 30, 2019

(Currency: Indian rupees in million)

10. Fair Value measurement:

J. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

To the Members of ECL Finance Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
Impairment of receivables from financing business	<i>(as described in note 15 of the consolidated Ind AS financial statements)</i>

Key audit matters	How our audit addressed the key audit matter
<p>The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Under this approach, the management has been required to exercise significant judgement in areas such as;</p> <ul style="list-style-type: none"> • calculation of past default rates • assigning rating grades to loans for which external rating is not available • calibrating external ratings-linked probability of default to align with past default rates • applying macro-economic factors to arrive at forward looking probability of default • significant assumptions regarding the probability of various scenarios and discounting rates for different loan products <p>In view of the high degree of estimation involved in the process of calculating impairment provision and considering its significance to the overall financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the consolidated Ind AS financial statements, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included considering the appropriateness of the Group's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109. • We performed test of controls on classification of receivables into various stages through inspection of evidence and re-performance of those controls. • We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans. • We assessed <ul style="list-style-type: none"> • the Group's expected credit loss provisioning methodology • the models used in determining the impairment provision • the appropriateness of the historical data and the external rating considered for calculating the default and loss given default rates • the key assumptions especially in respect of the macro-economic factors and discounting rates • We tested the arithmetical accuracy of the models. • Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management. • We reviewed the relevant disclosures made in the consolidated Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.
<p>Transition to IND AS accounting framework <i>(as described in note 53 of the consolidated Ind AS financial statements)</i></p>	
<p>The consolidated IND AS financial statements are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018. In</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management to implement such transition combined with procedures performed as follows:</p> <ul style="list-style-type: none"> • We reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP. • We reviewed the first-time adoption exemptions availed by the Company as per 'Ind AS 101 First-Time Adoption of Indian Accounting Standards'. • Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments

Key audit matters	How our audit addressed the key audit matter
<p>preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2017, the Group's date of transition to Ind AS.</p> <p>The transition has involved significant change in the Group's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting.</p> <p>In view of the material impact and the complexity of implementation of the Ind AS framework, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> • We tested the arithmetical accuracy of the Ind AS adjustments • We reviewed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101.
IT systems	
<p>The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records .</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>Our audit procedures assisted by our IT specialists, included:</p> <p>General IT controls: We tested the governance and other higher controls operating over the IT environment of the Group, including system access and system change management. We considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p>Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</p>

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

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

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

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

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

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

The comparative consolidated financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in this consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31,2017 dated May 2,2018 and May 16, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us for the purpose of consolidation.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Incl AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31,2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements (Refer Note 44 to the consolidated Ind AS financial statements);
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long—term contracts including derivative contracts (Refer Note 44.A to the consolidated Ind AS financial statements in respect of such items as it relates to the Group)
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31,2019.

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

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

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS financial statements of ECL Finance Limited

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

To the Members of ECL Finance Limited

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

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

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 19102102AAAAXG9397

Place : Mumbai

Date: August 13, 2019

ECL Finance Limited

Consolidated balance sheet as at March 31, 2019

(Currency: Indian rupees in million)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets				
Financial assets				
(a) Cash and cash equivalents	10	1,082.50	1,659.93	10,875.39
(b) Bank balances other than cash and cash equivalents	11	470.24	985.32	936.71
(c) Derivative financial instruments	12	383.30	125.35	983.22
(d) Securities held for trading	13	18,379.37	24,944.75	12,734.40
(e) Receivables				
(i) Trade receivables	14	720.99	5,474.52	1,169.30
(f) Loans	15	2,47,797.97	2,26,804.28	1,77,942.97
(g) Other investments	16	1,794.14	1,391.93	1,433.93
(h) Other financial assets	17	2,440.31	485.78	928.04
		2,73,068.82	2,61,871.86	2,07,003.96
Non-financial assets				
(a) Current tax assets (net)	18	422.36	457.72	403.03
(b) Deferred tax assets (net)	19	1,486.22	1,516.32	1,364.72
(c) Property, plant and equipment	20	538.32	541.35	246.74
(d) Capital work in progress		13.52	-	270.12
(e) Intangible assets under development		54.00	43.21	16.40
(f) Other intangible assets	20	78.50	41.92	10.02
(g) Other non- financial assets	21	435.94	219.52	75.45
		3,028.86	2,820.04	2,386.48
Total assets		2,76,097.68	2,64,691.90	2,09,390.44
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	12	476.83	450.32	667.18
(b) Trade payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,514.82	1,347.49	518.89
(c) Debt securities	23	94,871.85	71,833.44	94,827.31
(d) Borrowings (other than debt securities)	24	1,13,287.45	1,38,208.56	76,518.36
(e) Subordinated liabilities	25	19,994.59	19,579.76	11,270.58
(f) Other financial liabilities	26	5,133.13	3,516.72	1,748.91
		2,37,278.67	2,34,936.29	1,85,551.23
Non-financial liabilities				
(a) Current tax liabilities (net)	27	289.96	568.40	175.56
(b) Provisions	28	29.29	147.47	288.42
(c) Other non-financial liabilities	29	276.65	173.98	113.62
		595.90	889.85	577.60
Equity				
(a) Equity share capital	30	2,138.28	1,948.11	1,891.85
(b) Other equity	31	36,084.83	26,917.65	21,369.76
		38,223.11	28,865.76	23,261.61
Total liabilities and equity		2,76,097.68	2,64,691.90	2,09,390.44

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

1 to 56

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

ECL Finance Limited

Consolidated statement of profit and loss for year ended March 31, 2019

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	32	37,597.45	29,129.51
Dividend income	33	1,903.38	458.59
Fee and commission income	34	1,173.28	1,656.77
Net gain on fair value changes	35	(632.75)	1,607.02
Other income	36	148.59	92.09
Total Revenue		40,189.95	32,943.98
Expenses			
Finance costs	37	24,406.20	18,863.97
Net loss on derecognition of financial instruments	38	970.36	1,366.60
Impairment on financial instruments	39	1,498.41	2,082.80
Employee benefits expense	40	2,410.29	1,857.53
Depreciation, amortisation and impairment	20	106.53	52.78
Other expenses	41	3,080.41	1,523.01
Total expenses		32,472.20	25,746.69
Profit before tax		7,717.75	7,197.29
Tax expenses			
(1) Current tax	42	2,398.62	2,637.36
(2) Deferred tax (credit)		(228.00)	(208.73)
Profit after tax before share of associate		5,547.13	4,768.66
Share of loss of associate		-	(12.07)
		5,547.13	4,756.59
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		(5.08)	3.55
Income Tax - OCI - that will not be reclassified		1.78	(1.24)
Total		(3.30)	2.31
Total comprehensive income		5,543.83	4,758.90
Earnings per equity share			
(for continuing operation:) (Face value of ₹ 1 each):	43		
Basic (INR)		2.68	2.51
Diluted (INR)		2.68	2.51

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

1 to 56

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

For and on behalf of the Board of Directors

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

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

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

ECL Finance Limited

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

(Currency: Indian rupees in million)

A. Equity share capital

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

B. Other Equity

	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2017	6,839.25	9,341.92	2,968.44	2,122.26	97.89	21,369.76
Profit for the year	-	4,756.59	-	-	-	4,756.59
Other comprehensive income	-	2.31	-	-	-	2.31
Total comprehensive income	6,839.25	14,100.82	2,968.44	2,122.26	97.89	26,128.66
Securities premium on shares issued during the year	1,163.35	-	-	-	-	1,163.35
Premium paid on redemption of debentures	(19.59)	-	-	-	-	(19.59)
Income tax impact on ESOPs	-	(57.12)	-	-	-	(57.12)
Transfer to statutory reserve	-	(924.10)	924.10	-	-	-
Balance released from debenture redemption reserve	-	401.65	-	(401.65)	-	-
ESOPs charged during the year	-	-	-	-	42.13	42.13
Deemed distribution during the year	-	(339.78)	-	-	-	(339.78)
Balance as at March 31, 2018	7,983.01	13,181.47	3,892.54	1,720.61	140.02	26,917.65
Add: Pre-acquisition reserve	-	(13.69)	-	-	-	(13.69)
Profit for the year	-	5,547.13	-	-	-	5,547.13
Other comprehensive income	-	(3.30)	-	-	-	(3.30)
Total comprehensive income	7,983.01	18,711.61	3,892.54	1,720.61	140.02	32,447.79
Securities premium on shares issued during the year	3,896.92	-	-	-	-	3,896.92
Income tax impact on ESOPs	-	(259.88)	-	-	-	(259.88)
Transfer to statutory reserve	-	(1,131.77)	1,131.77	-	-	-
Transfer to debenture redemption reserve	-	(2,117.26)	-	2,117.26	-	-
Balance as at March 31, 2019	11,879.93	15,202.70	5,024.31	3,837.87	140.02	36,084.83

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

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

SD/-
Vidya Shah
Non Executive Director
DIN : 00274831

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

ECL Finance Limited

Consolidated statement of cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31 2018
A. Operating activities		
Profit before tax	7,717.75	7,185.22
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	106.53	52.78
Impairment of financial assets (net)	1,498.41	2,082.80
Fair value of financial instruments (net)	1,992.39	110.69
Expense on employee stock option scheme (ESOP)	45.69	42.13
(Profit) / loss on sale of of property, plant and equipment	(1.29)	0.32
	11,359.48	9,473.94
Working capital Changes (net)		
Loans	(22,505.79)	(51,072.42)
Trade receivables	4,753.53	(4,305.22)
Securities held for trading	4,697.13	(12,655.72)
Other investments	(683.30)	357.93
Other financial assets	(1,540.45)	1,058.80
Other non financial assets	(216.42)	(144.07)
Trade payables	2,121.64	828.60
Other financial liability	3,157.71	704.45
Non financial liabilities and provisions	(20.59)	(78.28)
	1,122.94	(55,831.99)
Income taxes paid	(2,641.72)	(2,299.17)
Net cash used in operating activities -A	(1,518.78)	(58,131.16)
B. Investing activities		
Purchase of Property, plant and equipment and intangible assets	(143.43)	(384.46)
Increase in capital work-in-progress and intangibles under development	(24.31)	243.31
Proceeds from sale of Property, plant and equipment and intangible assets	4.64	4.85
Net cash used in investing activities -B	(163.10)	(136.30)
C. Cash flow from financing activities		
Proceeds from issuance of share capital (including securities premium)	4,087.08	1,200.02
Increase / (decrease) in debt securities (Refer note 1)	22,000.69	(21,839.24)
(Decrease) / increase in borrowings other than debt securities (Refer note 1)	(24,983.32)	61,707.12
Increase in subordinate debt (Refer note 1)	-	7,984.10
Net cash generated from financing activities - C	1,104.45	49,052.00
Net decrease in cash and cash equivalents (A+B+C)	(577.43)	(9,215.46)
Cash and cash equivalent as at the beginning of the year	1,659.93	10,875.39
Cash and cash equivalent as at the end of the year	1,082.50	1,659.93

ECL Finance Limited

Consolidated statement of cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

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

Notes:

- 1. Net figures have been reported on account of volume of transactions.*
- 2. For disclosure relating to changes in liabilities arising from financing activities refer note 47*

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

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

1. Corporate information:

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

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

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

2. Basis of preparation of consolidated financial statements:

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

For all periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Group prepared under Ind AS. Refer to note 53 for information on how the Group has adopted Ind AS.

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

3. Presentation of consolidated financial statements:

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 48-Maturity Analysis of assets and liabilities".

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

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

Derivative assets and liabilities with master netting arrangements The International Swaps and Derivatives Association (ISDA) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

4. Basis of consolidation:

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

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

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

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

Consolidation procedure:

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

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

Investment in Associate:

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

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

5. Significant accounting policies

5.1 Recognition of interest income and dividend income

5.1.1 Effective interest rate (EIR):

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

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

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

5.1.2 Interest income:

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

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

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

5.1.3 Dividend income:

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

5.2 Financial instruments:

5.2.1 Date of recognition:

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

5.2.2 Initial measurement of financial instruments:

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

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

as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.2.3 Day 1 profit and loss:

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

5.2.4 Classification & measurement categories of financial assets and liabilities:

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

Financial assets carried at amortised cost (AC)

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

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

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

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

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

5.3 Financial assets and liabilities:

5.3.1 Amortized cost and effective interest method

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using

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the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

5.3.2 Financial assets held for trading:

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

5.3.3 Investment in equity instruments:

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

5.3.4 Financial liabilities:

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

5.3.5 Derivative financial instruments:

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

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

5.3.6 Debt securities and other borrowed funds:

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

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

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

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

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

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

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

5.3.8 Financial guarantee:

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

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

5.3.9 Loan commitments:

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

5.3.10 Financial liabilities and equity instruments

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

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

5.4 Reclassification of financial assets and liabilities

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

5.5 Derecognition of financial Instruments:

5.5.1 Derecognition of financial asset

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

5.5.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the

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same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

5.6 Impairment of financial assets:

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

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

Simplified approach

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Group chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

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

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

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

Group categories its financial assets as follows:

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Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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

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

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

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

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

5.7 Collateral valuation:

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

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

5.8 Collateral repossessed:

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

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding

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

debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

5.9 Write-offs:

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

5.10 Forborne and modified loan:

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

5.11 Determination of fair value:

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

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

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

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

Level 1 financial instruments:

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

Level 2 financial instruments:

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

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Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

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

5.12 Operating leases:

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. Lease that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the lease items are operating leases

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

5.13 Earnings per share:

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

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

5.14 Foreign currency transaction:

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

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

5.15 Retirement and other employee benefit:

5.15.1 Provident fund and national pension scheme:

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

5.15.2 Gratuity:

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

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

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

5.15.3 Compensated absences:

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

5.15.4 Deferred bonus:

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

5.15.5 Share-based payment arrangements:

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

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

5.16 Property, plant and equipment:

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are

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

accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

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

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

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

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

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

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

5.17 Intangible assets:

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

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

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

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5.18 Impairment of non-financial assets:

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

5.19 Provisions and other contingent liabilities:

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

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

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

5.20 Income tax expenses:

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

5.20.1 Current tax:

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

5.20.2 Deferred tax:

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

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

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

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

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

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

5.20.3 Current and deferred tax for the year:

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

5.21 Cash and cash equivalents:

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

6. Significant accounting judgements, estimates and assumptions :

In the application of the Group's accounting policies, which are described in note 5, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

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

6.1 Business model assessment :

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

6.2 Significant increase in credit risk:

As explained in note 52.D.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty:

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

6.3 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

6.4 Effective Interest Rate (EIR) Method:

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

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

6.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment

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

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

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

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

6.6 Impairment of Non-Financial assets:

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

6.7 Provisions and contingent liabilities:

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

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

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

6.8 Provisions for Income Taxes:

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

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

7. Standards issued but not yet effective :

Ind AS 116 Leases:

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

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

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

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

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

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

Annual Improvements to Ind AS (2018):

Ind AS 12 Income taxes:

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

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

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

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

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

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

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

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

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

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

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

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

10. Cash and cash equivalents

Cash in hand

Cash in hand

0.04

0.06

0.02

Balances with banks

In current accounts

991.19

1,630.89

10,851.11

- in fixed deposits with original maturity less than 3 months

91.27

28.98

24.26

1,082.50

1,659.93

10,875.39

11. Bank balances other than cash and cash equivalents

Fixed deposit with banks

2.52

709.79

699.98

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

467.72

275.53

236.73

(Refer Note 11.A Below)

470.24

985.32

936.71

Notes:

Fixed deposit balances with banks earns interest at fixed rate.

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

Fixed deposits pledged for:

Bank guarantee for non convertible debenture

RBL Bank Limited

50.02

50.01

50.01

Axis Bank Limited

145.06

-

-

Bank Of India Limited

-

-

20.04

ICICI Bank Limited

0.52

-

-

Bank guarantee for cash credit lines

ICICI Bank Limited

50.12

50.18

-

Security deposit for term loan WCDL facilities

Union Bank of India

5.05

-

-

Bank guarantee for securitisation

DCB Bank Limited

32.46

-

-

ING Vysya Bank Limited

126.64

117.47

108.86

Yes Bank Limited

57.85

57.87

57.82

467.72

275.53

236.73

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

(Currency: Indian rupees in million)

12. Derivative financial instruments

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

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

As at March 31, 2019								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	4,750.00	136.59	Rupees	INR	11,500.00	183.22
Interest rate futures	G-Sec Units		44,54,000	0.42	G-Sec Units		25,00,000	1.86
Less: amounts offset				(0.42)				(1.86)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(i)				136.59				183.22
(ii) Equity linked derivatives								
Stock futures				-	No of Shares		20,88,034	2.18
Less: amounts offset								(2.18)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				-				-
(iii) Index linked derivatives								
Index futures				-	Index Units		87,300.0	16.72
Options purchased	Index Units		1,48,27,500	217.94				-
Options sold				-	Index Units		4,22,94,375	14.36
Less: amounts offset								(16.72)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iii)				217.94				14.36
(iv) Embedded derivatives*								
In market linked debentures				28.77				279.25
Subtotal(iv)				28.77				279.25
Total derivative financial instruments			Total	383.30			Total	476.83

As at March 31, 2018								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency Derivatives								
Options sold				-				0.04
Subtotal(i)				-				0.04
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	9,750.00	27.50	Rupees	INR	20,000.00	35.06
Interest rate future	G-Sec Units		40,80,000	0.10			-	-
Less: amounts offset				(0.10)				
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				27.50				35.06
(iii) Equity linked derivatives								
Stock futures	No of Shares		91,966	1.83	No of Shares		29,800	0.02
Less: amounts offset			-	(1.83)			-	(0.02)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		22,575	0.39			-	-
Options purchased	Index Units		1,56,975	3.91			-	-
Options sold			-	-	Index Units		8,97,375	191.33
Less: amounts offset				(0.39)				-
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iv)				3.91				191.33
(v) Embedded derivatives*								
In market linked debentures				93.94				223.89
Subtotal(v)				93.94				223.89
Total derivative financial instruments			Total	125.35			Total	450.32

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

(Currency: Indian rupees in million)

12. Derivative financial instruments

As at April 01, 2017								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency derivatives								
Currency swaps	Currency units	USD	1,00,00,000	1.47				-
Currency futures				-	Currency units	INR	1,00,00,000	4.72
Less: amounts offset				-				(4.72)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(i)				1.47				-
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	23,000.00	32.17	Rupees	INR	8,750.00	41.15
Interest rate futures				-	G-Sec Units		18,76,000	0.74
Less: amounts offset							-	(0.74)
<i>(Refer Note 12.A & 51)</i>								
Subtotal(ii)				32.17				41.15
(iii) Equity linked derivatives								
Stock futures	No of Shares		30,51,900	4.15				-
Less: amounts offset				(4.15)				
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		2,49,150	47.71				-
Options purchased	Index Units		10,79,175	723.34				-
Options sold				-	Index Units		11,91,000	70.50
Less: amounts offset				(47.71)				
<i>(Refer Note 12.A & 51)</i>								
Subtotal(iv)				723.34				70.50
(v) Embedded derivatives*								
In market linked debentures				226.24				555.53
Subtotal(v)				226.24				555.53
Total derivative financial instruments				983.22				667.18

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

*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. refer Note 5.3.5 for further details.

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 52.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments

ECL Finance Limited

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

(Currency: Indian rupees in million)

12.A Offsetting

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

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	137.01	(0.42)	136.59	(88.47)	(6.00)	42.12	246.71	383.30	288.83
TriParty REPO (TREPS)	3,700.11	(3,700.11)	-	-	-	-	-	-	-
Margin placed with broker*	1,646.14	(20.34)	1,625.80	-	-	1,625.80	-	1,625.80	1,625.80

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	203.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
TriParty REPO (TREPS)	5,797.14	(3,700.11)	2,097.03	-	(41.05)	2,055.98	-	2,097.03	2,055.98

Financial Assets subject to offsetting, netting arrangements

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

12.A Offsetting

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

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

(Currency: Indian rupees in million)

12.A Offsetting

Financial Liabilities subject to offsetting, netting arrangements

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

Financial Assets subject to offsetting, netting arrangements

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

Financial Liabilities subject to offsetting, netting arrangements

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

13. Securities held for trading:

At fair value through profit and loss account

Central Government Debt Securities

5.69% Government Stock 25.09.2018 Bonds
 6.05% Government Stock 02.02.2019 Bonds
 7.28% Government Stock 03.06.2019 Bonds
 6.90% Government Stock 13.07.2019 Bonds
 10.03% Government Stock 09.08.2019 Bonds
 6.35% Government Stock 02.01.2020 Bonds
 7.80% Government Stock 03.05.2020 Bonds
 8.27% Government Stock 09.06.2020 Bonds
 8.12% Government Stock 10.12.2020 Bonds
 7.80% Government Stock 11.04.2021 Bonds
 7.94% Government Stock 24.05.2021 Bonds
 8.79% Government Stock 08.11.2021 Bonds
 8.20% Government Stock 15.02.2022 Bonds
 8.13% Government Stock 21.09.2022 Bonds
 8.35% Government Stock 14.05.2022 Bonds
 8.15% Government Stock 11.06.2022 Bonds
 6.84% Government Stock 19.12.2022 Bonds
 6.30% Government Stock 09.04.2023 Bonds
 7.37% Government Stock 16.04.2023 Bonds
 7.16% Government Stock 20.05.2023 Bonds
 6.17% Government Stock 12.06.2023 Bonds
 8.83% Government Stock 25.11.2023 Bonds
 7.68% Government Stock 15.12.2023 Bonds
 7.32% Government Stock 28.01.2024 Bonds
 7.35% Government Stock 22.06.2024 Bonds
 8.40% Government Stock 28.07.2024 Bonds
 7.72% Government Stock 25.05.2025 Bonds
 7.59% Government Stock 11.01.2026 Bonds
 6.97% Government Stock 06.09.2026 Bonds
 8.15% Government Stock 24.11.2026 Bonds
 8.24% Government Stock 15.02.2027 Bonds
 6.79% Government Stock 15.05.2027 Bonds
 7.17% Government Stock 08.01.2028 Bonds
 6.01% Government Stock 25.03.2028 Bonds
 7.26% Government Stock 14.01.2029 Bonds
 7.88% Government Stock 19.03.2030 Bonds
 7.61% Government Stock 09.05.2030 Bonds
 6.68% Government Stock 17.09.2031 Bonds
 8.13% Government Stock 22.06.2045 Bonds

As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
-	-	-	100.00	30,00,000	299.26	-	-	-
-	-	-	100.00	80,00,000	805.28	-	-	-
100.00	1,00,000	10.25	-	-	-	-	-	-
100.00	1,60,000	16.28	100.00	28,60,000	291.15	100.00	3,60,000	36.85
-	-	-	-	-	-	100.00	20,00,000	217.88
100.00	60,00,000	609.40	100.00	55,00,000	554.96	-	-	-
-	-	-	100.00	65,00,000	682.60	-	-	-
100.00	10,00,000	104.59	100.00	50,00,000	527.03	-	-	-
100.00	50,00,000	525.27	-	-	-	-	-	-
100.00	25,00,000	265.03	100.00	85,00,000	897.59	100.00	30,00,000	322.37
100.00	30,00,000	316.56	-	-	-	-	-	-
100.00	5,00,000	54.25	-	-	-	-	-	-
100.00	40,00,000	419.59	100.00	3,55,00,000	3,701.82	100.00	15,00,000	160.00
-	-	-	100.00	10,00,000	103.16	-	-	-
-	-	-	100.00	15,00,000	160.22	-	-	-
-	-	-	-	-	-	100.00	5,00,000	54.01
-	-	-	100.00	20,00,000	200.11	-	-	-
100.00	20,00,000	201.95	-	-	-	-	-	-
100.00	5,00,000	52.60	-	-	-	-	-	-
100.00	44,00,000	455.47	100.00	55,00,000	558.82	-	-	-
100.00	10,00,000	98.96	100.00	75,00,000	727.14	-	-	-
100.00	5,00,000	55.18	-	-	-	-	-	-
-	-	-	-	-	-	100.00	15,00,000	159.64
100.00	1,15,00,000	1,182.56	-	-	-	-	-	-
100.00	5,00,000	51.81	100.00	40,00,000	406.05	100.00	50,00,000	520.11
-	-	-	-	-	-	100.00	50,00,000	547.98
100.00	40,00,000	421.53	100.00	1,00,00,000	1,037.03	-	-	-
100.00	10,00,000	103.24	100.00	15,00,000	152.08	100.00	5,00,000	53.26
100.00	15,00,000	147.43	100.00	40,00,000	387.62	-	-	-
-	-	-	-	-	-	100.00	3,00,00,000	3,285.82
-	-	-	100.00	10,00,000	104.50	-	-	-
100.00	10,00,000	98.62	100.00	70,00,000	683.13	-	-	-
100.00	2,00,00,000	1,992.66	100.00	30,00,000	300.40	-	-	-
-	-	-	100.00	5,00,000	44.33	-	-	-
100.00	60,00,000	605.66	-	-	-	-	-	-
-	-	-	-	-	-	100.00	10,00,000	104.76
-	-	-	-	-	-	100.00	35,00,000	373.13
100.00	20,00,000	185.82	100.00	55,00,000	509.40	-	-	-
-	-	-	-	-	-	100.00	10,00,000	110.19

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
State Government Debt Securities									
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds		-	-	100.00	25,00,000	261.08	-	-	-
8.07% Maharashtra Government Stock 23.10.2018 Bonds		-	-	100.00	30,00,000	313.21	-	-	-
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds		-	-	-	-	-	100.00	30,00,000	310.46
8.23% Gujarat Government Stock 07.10.2019 Bonds		-	-	100.00	25,00,000	263.41	-	-	-
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100.00	5,00,000	51.24	100.00	30,00,000	309.79	-	-	-
8.56% Kerala Government Stock 16.02.2020 Bonds		-	-	100.00	50,00,000	517.04	-	-	-
8.52% Karnataka Government Stock 10.03.2020 Bonds		-	-	100.00	25,00,000	257.12	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100.00	2,00,00,000	2,034.23	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds		-	-	100.00	25,00,000	255.72	-	-	-
8.21% Rajasthan State Government Stock Uday 31.03.2020 Bonds	100.00	50,00,000	506.20	-	-	-	-	-	-
8.53% Maharashtra Government Stock 27.10.2020 Bonds		-	-	-	-	-	100.00	5,00,000	54.14
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.72% Maharashtra State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.65% Karnataka State Development Loans Government Stock 25.01.2022 Bonds	100.00	50,00,000	530.22	-	-	-	-	-	-
8.58% Gujarat State Development Loan 23.01.2023 Bonds	100.00	25,00,000	266.64	-	-	-	-	-	-
8.66% Haryana State Development Loan Government Stock 06.02.2023 Bonds	100.00	25,00,000	266.59	-	-	-	-	-	-
8.62% Maharashtra State Development Loan Government Stock 20.02.2023 Bonds	100.00	25,00,000	265.45	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100.00	25,00,000	273.98	-	-	-	-	-	-
8.21% Haryana Government Stock Uday Special 31.03.2024 Bonds	100.00	98,18,000	1,012.61	-	-	-	-	-	-
8.31% Kerala State Development Loan Government Stock 13.02.2029 Bonds	100.00	15,00,000	158.99	-	-	-	-	-	-
Treasury Bills									
Treasury-Bill 182 Days Maturing 24.08.2017	-	-	-	-	-	-	100.00	30,00,000	293.27
Treasury-Bill 182 Days Maturing 15.02.2018	-	-	-	-	-	-	100.00	30,00,000	284.77
Treasury-Bill 91 Days Maturing 12.04.2018	-	-	-	100.00	37,45,200	373.97	-	-	-
Treasury-Bill 182 Days Maturing 12.07.2018	-	-	-	100.00	79,72,700	783.39	-	-	-
Treasury-Bill 182 Days Maturing 06.09.2018	-	-	-	100.00	20,00,000	194.51	-	-	-
<i>Total Government Debt Securities (A)</i>			13,873.50			16,662.92			6,888.64

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Debt Securities									
7.80% Piramal Enterprises Limited 19.04.2019 Ccd	-	-	-	1,07,600	3,030	337.11	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.19 Bonds	-	-	-	-	-	-	1,000	13,000.00	13.63
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	-	-	-	10,00,000	900	977.98	-	-	-
11.00% Shriram Transport Finance Company Limited 20.04.2020 Bonds	-	-	-	10,00,000	10	11.24	-	-	-
8.75% Muthoot Finance Limited 24.06.2020 Bonds	-	-	-	1,000	4,000	4.34	-	-	-
9.25% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option I)	10,00,000	14	14.01	-	-	-	-	-	-
9.50% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option Iii)	10,00,000	108	108.20	-	-	-	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	12,49,000	1,244.48	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	1,000	81,210.00	80.12
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	16,920	17.04	-	-	-	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 Ncd	-	-	-	1,000	4,271	4.57	-	-	-
8.41% National Thermal Power Corporation Limited 16.12.2023 Ncd	-	-	-	-	-	-	1,000	6,333.00	7.21
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	-	-	-	1,000	15,000.00	16.98
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	-	-	-	13	11,514	0.15	13	1,19,984.00	1.57
10.00% Edelweiss Housing Finance Limited 19.07.2026 Ncd	-	-	-	1,000	53,375	59.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	898	0.96	-	-	-
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	-	-	-	10,00,000	4.00	4.06
8.90% Greater Hyderabad Municipal Corporation 16.02.2028 Ncd	-	-	-	10,00,000	16	16.34	-	-	-
8.85% Indiabulls Commerical Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	1,00,000	8,000	773.01	-	-	-
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	10,00,000	300	299.13	-	-	-
9.75% Jm Financial Credit Solutions Limited 07.06.2028 Bonds	1,000	37,970	36.75	-	-	-	-	-	-
9.38% Greater Hyderabad Municipal Corporation 14.08.2028 Bonds	10,00,000	9	9.23	-	-	-	-	-	-
8.50% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	-	-	-	1,000	14,700.00	18.59
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	6	6.68	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	1,000	2,740.00	3.21
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	9	10.02	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	-	-	-	10,00,000	25	25.49	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	10,00,000	1	1.04	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	550	582.59	-	-	-
Total Debt Securities (B)			298.18			4,354.13			145.37
Equity Instruments									
CPSE ETF	10.00	2,65,88,545	724.27	-	-	-	-	-	-
IRB InvIT Fund	102.00	5,000	0.33	102.00	13,75,000	112.81	-	-	-
India Grid Trust	-	-	-	100.00	86,751	8.20	-	-	-
Hindustan Zinc Limited	-	-	-	-	-	-	2.00	11,36,000	328.08
Coal India Limited	-	-	-	-	-	-	10.00	19,15,900	560.69
Total Equity Instruments (C)			724.60			121.01			888.77
Preference Shares									
6.00% Zee Entertainment Enterprises Limited Pref Shares Sr-I	-	-	-	8.00	2,29,68,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10.00	22,26,835	23.56	-	-	-
Total Preference Shares (D)			-			203.18			-

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Mutual Fund									
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option		10,00,000	10.00		10,00,000	10.00	-	10,00,000	10.03
HDFC Overnight Fund - Growth Option - Direct Plan		3,06,132	864.02		-	-	-	-	-
JM Large Cap Fund - Annual Dividend Option		16,26,89,805	2,513.85		-	-	-	-	-
Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth		40,00,000	42.60		-	-	-	-	-
Edelweiss Short Term Fund - Direct - Growth		30,66,864	52.62		-	-	-	-	-
Kotak Mahindra Mutual Fund Collection		-	-		4,61,398	1,010.22	-	-	-
JM Equity Fund - Monthly Dividend Option -Payout		-	-		4,77,24,041	570.71	-	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan		-	-		2,36,429	1,002.45	-	-	-
Reliance Medium Term Fund		-	-		2,71,68,155	1,010.13	-	-	-
Edelweiss Active Bond Fund - Direct - Growth		-	-		-	-	-	7,18,52,978	1,300.42
LIC Nomura Liquid Fund - Direct - Growth		-	-		-	-	-	3,39,185	1,000.27
Kotak Floater Fund - Direct Plan - Growth		-	-		-	-	-	5,62,086	1,500.42
JM High Liquidity Fund - Direct - Growth		-	-		-	-	-	2,24,71,506	1,000.48
<i>Total Mutual Fund (E)</i>			3,483.09			3,603.51			4,811.62
<i>Total (A+B+C+D+E)</i>			18,379.37			24,944.75			12,734.40

Notes:

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

14. Trade receivables

a) Trade receivables

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

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	6.42	4.99
Add/ (less): asset originated or acquired (net)	0.33	1.43
Impairment allowance - closing balance	6.75	6.42

Notes:

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

c) Trade receivables days past due

As at March 31, 2019	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		1.2%	5.7%	25.0%	100.0%	100.0%	
Estimated total gross carrying amount at default*	660.37	48.50	5.52	7.94	0.60	4.81	727.74
ECL - simplified approach	-	0.18	-	1.73	0.03	4.81	6.75
Net carrying amount	660.37	48.32	5.52	6.21	0.57	-	720.99

As at March 31, 2018	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		0.6%	3.1%	16.4%	87.5%	100.0%	
Estimated total gross carrying amount at default*	5,411.31	55.08	0.06	9.70	0.04	4.75	5,480.94
ECL - simplified approach	-	-	-	1.67	-	4.75	6.42
Net carrying amount	5,411.31	55.08	0.06	8.03	0.04	-	5,474.52

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
15. Loans (at amortised cost)			
Term Loans;			
Corporate credit	1,59,236.77	1,45,670.36	1,18,232.62
Retail credit	94,679.89	85,895.20	63,654.44
Total gross	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97
Secured by tangible assets (property including land & building)	1,57,327.94	1,21,878.85	93,130.60
Secured by inventories, fixed deposits, unlisted securities, project receivables & other marketable securities	71,263.24	92,794.69	57,401.80
Unsecured	25,325.48	16,892.02	31,354.66
Total gross	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97
Loans in India			
Public sector	-	-	-
Others	2,53,916.66	2,31,565.56	1,81,887.06
Total gross	2,53,916.66	2,31,565.56	1,81,887.06
Less: Impairment loss allowance (Refer Note 15.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	2,47,797.97	2,26,804.28	1,77,942.97

15.A Loans given to directors

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

15.B Credit quality of assets

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

a Credit quality of assets

	As at March 31, 2019					As at March 31, 2018					As at March 31, 2017				
	Stage I	Stage II	Stage III	POCI*	Total	Stage I	Stage II	Stage III	POCI*	Total	Stage I	Stage II	Stage III	POCI*	Total
Performing															
High grade	2,12,533.38				2,12,533.38	2,07,186.27				2,07,186.27	1,54,301.98				1,54,301.98
Standard grade		25,864.50			25,864.50		12,900.51			12,900.51		17,489.51			17,489.51
Non-performing					-					-					-
Individually impaired			5,687.54	9,831.24	15,518.78			4,699.20	6,779.58	11,478.78			3,793.00	6,302.57	10,095.57
	2,12,533.38	25,864.50	5,687.54	9,831.24	2,53,916.66	2,07,186.27	12,900.51	4,699.20	6,779.58	2,31,565.56	1,54,301.98	17,489.51	3,793.00	6,302.57	1,81,887.06

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

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

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

Reconciliation / movement for the year ended March 31, 2019

Particulars	Non credit impaired				Credit impaired				Total	
	Stage I		Stage II		Stage III		POCI*		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	6,779.58	-	2,31,565.56	4,761.28
Transfer of financial assets										
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-	-	-
Stage II to Stage I	958.66	8.98	(958.66)	(8.98)	-	-	-	-	-	-
Stage III to Stage II	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	-	-	624.20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	3,051.66	-	27,585.97	1,078.03
Loans sold to ARC	-	-	-	-	(4,992.45)	(117.82)	-	-	(4,992.45)	(117.82)
Amounts written off	-	-	-	-	(242.42)	(227.00)	-	-	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.54	3,358.72	9,831.24	-	2,53,916.66	6,118.69

ECL Finance Limited

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

(Currency: Indian rupees in million)

15.B Credit quality of assets (contd.)

Reconciliation / movement for the year Ended March 31, 2018

Particulars	Non credit impaired				Credit impaired				Total	
	Stage I		Stage II		Stage III		POCI*			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	1,54,301.98	1,238.29	17,489.51	361.54	3,793.00	2,344.26	6,302.57	-	1,81,887.06	3,944.09
Transfer of financial assets:										
Stage I to Stage II	(2,334.85)	(14.82)	2,334.85	14.82	-	-	-	-	-	-
Stage I to Stage III	(6,957.03)	(224.82)	-	-	6,957.03	224.82	-	-	-	-
Stage II to Stage I	100.15	2.00	(100.15)	(2.00)	-	-	-	-	-	-
Stage II to Stage III	-	-	(760.29)	(9.42)	760.29	9.42	-	-	-	-
Stage III to Stage I	414.90	161.49	-	-	(414.90)	(161.49)	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(158.36)	-	3.72	-	2,068.71	-	-	-	1,914.07
New assets originated /repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	(329.98)	(66.17)	477.01	-	55,744.74	650.24
Loans sold to ARC	-	-	-	-	(4,286.03)	(714.62)	-	-	(4,286.03)	(714.62)
Amounts written off	-	-	-	-	(1,780.21)	(1,032.50)	-	-	(1,780.21)	(1,032.50)
Closing balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	6,779.58	-	2,31,565.56	4,761.28

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

16. Other investments

As at March 31, 2019	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Preference shares (refer note 1)	711.13	-	-	-	-	-	711.13
Security receipts	-	-	943.17	-	943.17	-	943.17
Units of AIF	-	-	139.84	-	139.84	-	139.84
TOTAL - gross (A)	711.13	-	1,083.01	-	1,083.01	-	1,794.14
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	711.13	-	1,083.01	-	1,083.01	-	1,794.14
Total (B)	711.13	-	1,083.01	-	1,083.01	-	1,794.14
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total net (A-C)	711.13	-	1,083.01	-	1,083.01	-	1,794.14

As at March 31, 2018	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Preference shares (refer note 1)	653.09	-	-	-	-	-	653.09
Security receipts	-	-	543.48	-	543.48	-	543.48
Units of AIF	-	-	195.36	-	195.36	-	195.36
TOTAL - gross (A)	653.09	-	738.84	-	738.84	-	1,391.93
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	653.09	-	738.84	-	738.84	-	1,391.93
Total (B)	653.09	-	738.84	-	738.84	-	1,391.93
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	653.09	-	738.84	-	738.84	-	1,391.93

As at April 01, 2017	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Equity instruments	-	-	66.80	-	66.80	52.42	119.22
Preference shares (refer note 1)	1,104.69	-	-	-	-	-	1,104.69
Security receipts	-	-	-	-	-	-	-
Units of AIF	-	-	210.02	-	210.02	-	210.02
TOTAL - gross (A)	1,104.69	-	276.82	-	276.82	52.42	1,433.93
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	1,104.69	-	276.82	-	276.82	52.42	1,433.93
Total (B)	1,104.69	-	276.82	-	276.82	52.42	1,433.93
Less: allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	1,104.69	-	276.82	-	276.82	52.42	1,433.93

Notes:

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

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

i) Credit quality of assets:

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

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

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

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

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

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
16.B Other investments									
Equity instruments (fully paid up)									
At fair value through profit and loss									
Alok Industries Limited	-	-	-	-	-	-	10	2,26,42,893	66.80
<i>Total (A)</i>			-			-			66.80
Equity instruments (fully paid up)									
at cost									
Aeon Credit Services India Pvt Limited (Associate company)	-	-	-	-	-	-	10	2,27,50,000	52.42
<i>Total (B)</i>			-			-			52.42
Preference shares (fully paid up)									
At amortised cost									
Edelweiss Commodities Services Limited (7% Non cumulative non convertible redeemable)	10	10,00,000	711.13	10.00	10,00,000	653.09	10	10,00,000	945.95
Edelweiss Investment Adviser Limited (1% Non cumulative non convertible redeemable)	-	-	-	-	-	-	10	2,20,000	158.74
<i>Total (C)</i>			711.13			653.09			1,104.69
Security receipts									
At fair value through profit and loss									
EARC Trust SC 043	1,000	54,000	28.80	-	-	-	-	-	-
EARC Trust SC 055	1,000	46,800	23.40	-	-	-	-	-	-
EARC Trust SC 109	1,000	6,33,500	619.22	-	-	-	-	-	-
EARC Trust SC 245	1,000	2,76,760	194.90	-	-	-	-	-	-
EARC Trust SC 297	1,000	33,182	26.35	1,000	5,18,470	543.48	-	-	-
EARC Trust SC 313	1,000	23,427	28.37	-	-	-	-	-	-
EARC Trust SC 326	1,000	711	0.65	-	-	-	-	-	-
EARC Trust SC 345	1,000	8,865	9.73	-	-	-	-	-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	11.75	-	-	-	-	-	-
<i>Total (D)</i>			943.17			543.48			-

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Units of AIF									
At fair value through profit and loss									
Edelweiss Stressed and Troubled Assets Revival Fund	5,576.40	25,000.00	139.41	7,797.20	25,000.00	194.93	8,383.60	25,000.00	209.59
Edelweiss Short Term Income Fund- Institutional Growth	10.00	40,799.00	0.43	10.00	40,799.00	0.43	10.00	40,799.00	0.43
<i>Total (E)</i>			139.84			195.36			210.02
<i>Total (A+B+C+D+E)</i>			1,794.14			1,391.93			1,433.93

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
17. Other financial assets			
Security deposits	56.99	29.65	3.95
Deposits placed with/exchange/depositories	91.05	71.05	91.05
Accrued interest on margin	0.21	0.59	0.32
Margin placed with broker	1,625.80	198.60	742.02
Interest accrued on investments	5.54	5.54	31.17
Advances recoverable in cash	185.13	180.35	59.53
Receivables from trust	475.59	-	-
	2,440.31	485.78	928.04
18. Current tax assets (net)			
Advance income taxes (net of provision for tax ₹ 5,673.86, March 31, 2018 ₹ 6,286.90 million, April 01, 2017 ₹ 4,953.07 millions)	422.36	457.72	403.03
	422.36	457.72	403.03
19. Deferred tax assets (net)			
Deferred tax assets			
Loans			
Expected credit loss	1,847.19	1,442.94	1,153.63
Effective interest rate on financial assets	152.25	154.24	82.24
Investments and other financial instruments			
Impairment - Investments at amortised cost	-	63.70	61.52
Fair valuation - Investments and securities held for trading	-	4.00	-
Employee benefit obligations			
Provision for deferred bonus	-	46.68	95.33
Disallowances under section 43B of the Income tax act, 1961	8.70	(0.02)	4.49
Fair valuation of employee stock options	-	259.88	317.01
Others	9.42	2.24	1.73
	2,017.56	1,973.66	1,715.95
Deferred tax liabilities			
Property, plant and equipment and intangibles			
Difference between book and tax depreciation	26.98	24.29	16.70
Investments and other financial instruments			
Fair valuation - Derivative financial instruments	5.41	6.09	83.55
Fair valuation - Investments and securities held for trading	268.99	333.11	133.77
Borrowings			
Effective interest rate on financial liabilities	229.96	91.00	117.21
Others	-	2.85	-
	531.34	457.34	351.23
	1,486.22	1,516.32	1,364.72

ECL Finance Limited

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

(Currency: Indian rupees in million)

20. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Other intangible assets		Total	
	Building\$	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Computer software	Total		
Deemed cost*										
As at April 1, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
Additions	270.11	2.01	30.07	6.29	14.28	21.60	344.36	40.10	40.10	384.46
Disposals	-	-	-	(5.36)	(0.40)	(0.07)	(5.83)	-	-	(5.83)
as at March 31, 2018	476.87	4.15	30.92	21.33	16.24	35.76	585.27	50.12	50.12	635.39
Additions	-	10.26	5.07	0.71	8.32	49.34	73.70	69.73	69.73	143.43
Disposals	-	-	-	(3.14)	-	(3.44)	(6.58)	-	-	(6.58)
as at March 31, 2019	476.87	14.41	35.99	18.90	24.56	81.66	652.39	119.85	119.85	772.24
Depreciatin and Impairment:										
<u>Opening balance*</u>	-	-	-	-	-	-	-	-	-	-
Add: Deperciation/amortisation for the year	17.92	1.12	2.99	6.24	3.22	13.09	44.58	8.20	8.20	52.78
Disposals	-	-	-	(0.56)	(0.08)	(0.02)	(0.66)	-	-	(0.66)
as at March 31, 2018	17.92	1.12	2.99	5.68	3.14	13.07	43.92	8.20	8.20	52.12
Add: Deperciation/amortisation for the year	22.95	2.09	7.74	5.13	7.74	27.73	73.38	33.15	33.15	106.53
Disposals	-	-	-	(1.56)	-	(1.67)	(3.23)	-	-	(3.23)
as at March 31, 2019	40.87	3.21	10.73	9.25	10.88	39.13	114.07	41.35	41.35	155.42
Net book value										
As at April 01, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
As at March 31, 2018	458.95	3.03	27.93	15.65	13.10	22.69	541.35	41.92	41.92	583.27
As at March 31, 2019	436.00	11.20	25.26	9.65	13.68	42.53	538.32	78.50	78.50	616.82

*The Group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
21. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
Input tax credit	353.52	120.13	-
Contribution to gratuity fund (net)	-	0.74	3.36
Prepaid expenses	31.06	6.91	5.44
Vendor advances	25.61	42.56	55.87
Advances recoverable in kind or for value to be received	5.28	4.65	5.25
Advances to employees	3.36	6.01	3.04
Others	17.11	38.52	2.49
	435.94	219.52	75.45
22. Trade Payables			
Payable to :			
Trade payables to non-related parties	2,662.36	860.03	458.60
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	852.46	487.46	60.29
	3,514.82	1,347.49	518.89

22.A Details of dues to micro and small enterprises

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

As at March 31, 2019

Redeemable non-convertible debentures - secured

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

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

*MLD represents market linked debentures

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

83,141.87

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:**INR Bonds**

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

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

5,197.22**Redeemable non-convertible debentures - unsecured**

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

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

906.16**As at March 31, 2018****Redeemable non-convertible debentures - secured**

Month	Rate of Interest					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
Apr 2018	-	-	-	-	-	747.80	747.80
May 2018	-	-	-	-	-	409.80	409.80
Jun 2018	-	-	-	-	-	308.00	308.00
Jul 2018	-	-	-	-	-	459.20	459.20
Aug 2018	-	-	-	2,600.00	-	645.90	3,245.90
Sep 2018	-	-	-	-	-	237.70	237.70
Oct 2018	-	-	-	-	-	205.00	205.00
Nov 2018	-	-	-	-	-	170.50	170.50
Dec 2018	-	-	1,650.00	-	-	267.90	1,917.90
Jan 2019	-	-	100.00	-	1,425.85	112.00	1,637.85
Feb 2019	-	-	250.00	-	327.00	93.50	670.50
Mar 2019	-	-	-	-	-	292.00	292.00
Apr 2019	-	-	-	-	-	160.00	160.00
May 2019	-	-	125.00	-	470.00	192.70	787.70
Jun 2019	-	-	-	-	-	213.60	213.60
Jul 2019	-	-	-	-	125.00	179.00	304.00
Aug 2019	-	-	125.00	2,500.00	-	351.50	2,976.50
Sep 2019	-	500.00	-	-	-	173.00	673.00
Oct 2019	-	-	-	-	-	352.60	352.60
Nov 2019	-	-	125.00	-	-	352.30	477.30
Dec 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jan 2020	-	-	-	-	-	339.80	339.80
Feb 2020	-	-	375.00	-	-	213.30	588.30
Mar 2020	-	-	2,000.00	1,408.47	-	199.00	3,607.47
Apr 2020	50.00	122.00	42.00	-	-	243.50	457.50
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	314.30	-	-	-	80.00	394.30
Jul 2020	-	-	28.00	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	4,000.00	-	63.00	4,063.00

*MLD represents market linked debentures

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

(Currency: Indian rupees in million)

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

Non-convertible redeemable debentures (secured) (contd..)

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

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

57,767.07

INR Bonds

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

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

Total 5,174.33

Redeemable non-convertible debentures - unsecured

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

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

829.20

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

As at April 01, 2017

Redeemable non-convertible debentures - secured

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

*MLD represents market linked debentures

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

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

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

INR Bonds

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

Redeemable non-convertible debentures - unsecured

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

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

Commercial papers - unsecured

As at March 31, 2019

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

As at March 31, 2018

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

As at April 01, 2017

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

23.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

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

Public issue:

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

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

Market linked debentures:

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

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

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

INR Bonds (Masala Bond):

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
24. Borrowings other than debt securities <i>(at amortised cost)</i>			
Secured			
<u>Term loan from bank</u>	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] <i>(Refer Note 24.A)</i>			
<u>Term loans from other parties</u>	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] <i>(Refer note 24.A)</i>			
<u>Other borrowings</u>			
Cash credit lines	22,322.04	18,235.36	3,872.83
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.50% to 10%)			
Working capital demand loan	2,900.00	4,370.00	3,100.00
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.65% to 10%)			
Tri party REPO			
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement	2,097.03	-	-
[Secured by pledge of government securities] [Repayable on April 02, 2019]			
CBLO borrowings			
Collateralised borrowing and lending obligation and clearcorp repo order matching system	-	15,325.41	6,536.84
[Secured by pledge of government securities] [March 18; Repayable on April 03 2018 Interest payable in range of 6.55% to 6.75%] [March 17; Repayable on April 03 2017 Interest payable in range of 6.06% to 6.09%]			
Unsecured			
<u>Loan from related parties (refer note 49)</u>	1,014.31	12,124.87	14,080.73
(Repayable on demand, Interest rate payable @ 10% for March-19, 9% for March-18 and 10% for March-17)			
Total	1,13,287.45	1,38,208.56	76,518.36
Borrowings in India	1,13,287.45	1,38,208.56	76,518.36
Borrowings in outside India	-	-	-
Total	1,13,287.45	1,38,208.56	76,518.36

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

As at March 31, 2019

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2019	83.40	140.90	500.00	-	724.30
May 2019	-	37.50	187.50	-	225.00
Jun 2019	511.20	2,961.16	693.06	200.00	4,365.42
Jul 2019	83.40	640.90	422.37	-	1,146.67
Aug 2019	125.00	137.50	87.50	-	350.00
Sep 2019	927.47	2,484.08	568.06	500.00	4,479.60
Oct 2019	83.40	140.90	1,972.37	-	2,196.67
Nov 2019	-	37.50	187.50	-	225.00
Dec 2019	458.40	6,454.08	668.06	200.00	7,780.53
Jan 2020	83.40	590.90	422.37	-	1,096.67
Feb 2020	-	137.50	25.00	-	162.50
Mar 2020	575.07	2,320.75	518.06	500.00	3,913.87
Apr 2020	83.40	140.90	1,972.37	-	2,196.67
May 2020	-	37.50	125.00	-	162.50
Jun 2020	358.40	2,654.08	593.06	200.00	3,805.53
Jul 2020	82.60	590.90	422.37	-	1,095.87
Aug 2020	-	137.50	25.00	-	162.50
Sep 2020	475.07	2,220.75	430.56	500.00	3,626.37
Oct 2020	-	140.90	1,922.37	-	2,063.27
Nov 2020	-	37.50	125.00	-	162.50
Dec 2020	307.60	6,074.91	475.00	200.00	7,057.51
Jan 2021	-	590.90	350.00	-	940.90
Feb 2021	-	137.50	25.00	-	162.50
Mar 2021	391.67	1,899.91	325.00	500.00	3,116.58
Apr 2021	-	140.90	1,900.00	-	2,040.90
May 2021	-	37.50	125.00	-	162.50
Jun 2021	225.00	1,949.91	425.00	200.00	2,799.91
Jul 2021	-	591.00	350.00	-	941.00
Aug 2021	-	137.50	25.00	-	162.50
Sep 2021	225.00	1,849.91	325.00	500.00	2,899.91
Oct 2021	-	50.00	1,825.00	-	1,875.00
Nov 2021	-	37.50	125.00	-	162.50
Dec 2021	225.00	6,091.58	425.00	200.00	6,941.58
Jan 2022	-	500.00	275.00	-	775.00
Feb 2022	-	137.50	25.00	-	162.50
Mar 2022	225.00	1,246.58	325.00	500.00	2,296.58
Apr 2022	-	50.00	1,825.00	-	1,875.00
May 2022	-	37.50	100.00	-	137.50
Jun 2022	100.00	1,056.58	425.00	200.00	1,781.58
Jul 2022	-	500.00	275.00	-	775.00
Aug 2022	-	137.50	-	-	137.50
Sep 2022	100.00	956.58	325.00	500.00	1,881.58
Oct 2022	-	50.00	1,775.00	-	1,825.00
Nov 2022	-	37.50	100.00	-	137.50
Dec 2022	50.00	150.00	425.00	-	625.00
Jan 2023	-	500.00	225.00	-	725.00
Feb 2023	-	137.50	-	-	137.50
Mar 2023	50.00	-	325.00	-	375.00
Apr 2023	-	-	525.00	-	525.00
May 2023	-	37.50	-	-	37.50
Jun 2023	-	-	175.00	-	175.00
Jul 2023	-	-	75.00	-	75.00

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

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

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

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

84,954.07

As at March 31, 2018

Term loan from bank & term loan from other parties

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

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

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

Add: interest accrued & effective interest rate amortisation**

27.39

88,152.92

As at April 01, 2017

Term loan from bank & term loan from other parties

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

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

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

Add: interest accrued & effective interest rate amortisation**

44.31

48,927.96

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
25. Subordinated liabilities (unsecured)			
<i>(at amortised cost)</i>			
<i>(Refer Note 25.A)</i>			
Subordinated debt			
Privately placed non-convertible redeemable	8,318.84	8,343.95	7,121.17
Public issue of non-convertible redeemable	4,357.01	4,243.64	4,149.41
Market linked debentures	4,045.92	3,719.35	-
Perpetual debt	3,272.82	3,272.82	-
Total	19,994.59	19,579.76	11,270.58
Subordinated liabilities in India	19,994.59	19,579.76	11,270.58
Subordinated liabilities outside India	-	-	-
Total	19,994.59	19,579.76	11,270.58

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

As at March 31, 2019

Subordinated debt (unsecured)

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

Add: interest accrued & effective interest rate amortisation**

837.67

16,721.77

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

Perpetual debt

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

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

3,272.82

As at March 31, 2018

Subordinated debt (unsecured)

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

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

16,306.94

Perpetual debt

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

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

3,272.82

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

As at April 01, 2017

Subordinated debt (unsecured)

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

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

11,270.58

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

25.B Details of subordinated liabilities:

Market Linked Debentures:

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

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

Perpetual debt:

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
26. Other financial liabilities			
Payable on account of securitisation	750.24	-	-
Book overdraft	1,622.07	1,707.83	325.66
Accrued salaries and benefits	529.57	720.56	496.72
Payable - SLB segment	673.72	-	-
Payable to ARC	1,557.53	1,088.31	926.54
	5,133.13	3,516.70	1,748.92
27. Current tax liabilities (net)			
Provision for taxation (net of advance Tax ₹ 5384.86, March 31, 2018 ₹ 3,927.81 million, April 01, 2017 ₹ 3,009.54 millions)	289.96	568.40	175.56
	289.96	568.40	175.56
28. Provisions			
Provision for employee benefits			
Gratuity (Refer Note 40.A)	4.40	-	-
Compensated leave absences	24.89	13.88	12.97
Deferred bonus	-	133.59	275.45
	29.29	147.47	288.42
29. Other non-financial liabilities			
Statutory liabilities*	56.42	114.71	35.21
Advances from customers	63.91	0.09	-
Others	156.32	59.18	78.41
	276.65	173.98	113.62

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
30. Equity share capital						
Authorised :						
Equity shares of Re.1 each	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00
Preference shares of Rs 10 each	40,00,000	40.00	40,00,000	40.00	40,00,000	40.00
	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00
Issued, subscribed and paid up:						
Equity shares of Re.1 each	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85
	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85

A. Reconciliation of number of shares

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

Notes:

Financial year 2019

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

Financial year 2018

During the year the Group has issued 5,62,58,790 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 1,200.00 million to Edel Finance Company Limited.

B. Terms/rights attached to equity shares :

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

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

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

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	9,74,16,683	4.56%	9,74,16,683	5.00%	9,74,16,683	5.15%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	29,44,72,650	13.77%	29,44,72,650	15.12%	14,69,76,650	7.77%
Edel Finance Limited	8,43,88,184	3.95%	5,62,58,790	2.89%	-	-
Waverly Pte. Ltd	-	-	-	-	14,74,96,000	7.80%
	2,13,82,66,650	100.00%	1,94,81,07,252	100.00%	1,89,18,48,462	100.00%

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

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

including 6 shares held by nominees of Edelweiss Financial Services Limited

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

31. Other equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Securities premium reserve	11,879.93	7,983.01	6,839.25
Statutory reserve	5,024.31	3,892.54	2,968.44
Debenture redemption reserve	3,837.87	1,720.61	2,122.26
Retained earnings	15,202.70	13,181.47	9,341.92
Deemed capital contribution - equity	140.02	140.02	97.89
	36,084.83	26,917.65	21,369.76

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Statutory reserve

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

c. Debenture redemption reserve

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

d. Retained earnings

Retained earnings comprises of the Group's undistributed earnings after taxes. Pre-acquisition reserve represents retained earnings of trust prior to acquisition by the company.

e. Deemed capital contribution - equity

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

31. Other equity

B. Movement in Other equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Securities premium reserve			
Opening balance	7,983.01	6,839.25	6,991.43
Add : Premium Received on issue of securities	3,896.92	1,163.35	\
Less: Provision for premium payable on redemption of debentures	-	(19.59)	(152.18)
	11,879.93	7,983.01	6,839.25
II. Statutory reserve			
Opening balance	3,892.54	2,968.44	2,187.83
Add : Reserve created for current year	1,131.77	924.10	780.61
	5,024.31	3,892.54	2,968.44
III. Debenture redemption reserve			
Opening balance	1,720.61	2,122.26	1,705.06
Add : Reserve created for current year	2,117.26	-	417.20
Less: Reserve utilised during the year	-	(401.65)	-
	3,837.87	1,720.61	2,122.26
IV. Retained earnings			
Opening balance	13,181.47	9,341.92	6,920.34
Add: Pre-acquisition reserve	(13.69)	-	-
Add: Profit for the year	5,547.13	4,756.59	3,831.70
Add: Other comprehensive income	(3.30)	2.31	-
Less: Income tax effect of ESOP	(259.88)	(57.12)	317.01
Impact on first time adoption of Ind AS	-	-	(529.32)
Add: Balance released from debenture redemption reserve	-	401.65	-
Amount available for appropriation	18,451.73	14,445.35	10,539.73
Appropriations:			
Transfer to debenture redemption reserve	(2,117.26)	-	(417.20)
Transfer to statutory reserve	(1,131.77)	(924.10)	(780.61)
Deemed distribution during the year	-	(339.78)	-
	(3,249.03)	(1,263.88)	(1,197.81)
	15,202.70	13,181.47	9,341.92
V. Deemed capital contribution - equity			
Opening balance	140.02	97.89	-
Add : ESOP charge for the year	-	42.13	97.89
	140.02	140.02	97.89
	36,084.83	26,917.65	21,369.76

ECL Finance Limited

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

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
32. Interest Income		
On financial assets measured at amortised cost		
<i>Interest on loans</i>		
Loans	35,233.31	26,627.64
<i>Interest income from investments</i>		
Collateralised borrowing and lending operations / TriParty REPO	93.88	22.05
Investment in preference Shares	58.05	101.40
Interest on deposits with bank		
Fixed deposits	48.38	83.36
Other interest income		
Margin with brokers	33.39	16.68
Others	31.09	53.03
	35,498.10	26,904.16
On financial assets measured at FVTPL		
<i>Interest income from investments</i>		
Interest income - securities held for trading	2,099.35	2,225.35
	2,099.35	2,225.35
	37,597.45	29,129.51
33. Dividend Income		
Dividend - Securities held for trading	1,902.68	457.89
Dividend - Units of AIF funds	0.70	0.70
	1,903.38	458.59
34. Fee income		
Processing and other fees	1,173.28	1,656.77
	1,173.28	1,656.77
35. Net gain/ (loss) on financial instruments at FVTPL		
Investments		
Profit on trading - Securities held for trading (net)	692.34	654.18
Fair value - Securities held for trading (net)	(1,867.21)	(445.37)
Derivatives		
Profit on trading - Interest rate swap (net)	52.37	8.78
Profit on trading - Equity derivative instruments (net)	14.43	500.61
Profit on trading - Currency derivative instruments (net)	-	2.08
Profit / (loss) on trading - Interest rate derivative instruments (net)	28.29	(154.52)
Fair value - Derivative financial instruments (net)	156.95	(192.72)
Others		
Profit on sale/redemption - Securities receipts	561.44	677.57
Fair value - security receipts	(282.13)	527.40
Profit on sale of long term investment	10.77	29.01
	(632.75)	1,607.02
Fair value changes		
Realised	1,359.64	1,717.71
Unrealised	(1,992.39)	(110.69)
	(632.75)	1,607.02
36. Other income		
Miscellaneous income	148.59	92.08
	148.59	92.08

ECL Finance Limited

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

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
37. Finance costs		
<i>On financial liabilities measured at amortised cost</i>		
Interest on borrowings other than debt securities	12,377.07	8,858.26
Interest on debt securities	10,191.50	8,144.23
Interest on subordinated liabilities	1,404.30	1,289.37
Other finance cost and bank charges	433.33	572.11
	24,406.20	18,863.97
38. Net loss on derecognition of financial instruments		
Loss on sale of credit impaired assets (Refer note 56)	970.36	1,366.60
	970.36	1,366.60
39. Impairment on financial instruments		
Expected credit loss		
Loans (Including undrawn commitments)	1,502.30	2,213.02
Trade receivables	0.32	1.43
Investments	-	(128.31)
Provision for credit loss on securitisation	(4.21)	(3.34)
	1,498.41	2,082.80
40. Employee benefit expenses		
Salaries wages and bonus	2,198.79	1,715.73
Contribution to provident and other funds	110.49	62.40
Expense on employee stock option scheme (ESOP) - refer note below	45.69	42.13
Staff welfare expenses	55.32	37.27
	2,410.29	1,857.53

Notes:

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

40.A Employee Benefits

a) Defined contribution plan - provident funds

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

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

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

b) Defined benefit plan - gratuity

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

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

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

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Present value of funded obligations (A)	93.02	58.74	46.95
Fair value of plan assets (B)	88.62	59.48	50.31
Present value of funded obligations (A - B)	4.40	(0.74)	(3.36)
Net deficit / (assets) are analysed as:			
Liabilities - (refer note 28)	4.40	-	-
Assets - (refer note 21)	-	0.74	3.36

Movement in net defined benefit (asset) liability

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

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

(Currency: Indian rupees in million)

40.A Employee Benefits

Components of defined benefit plan cost:

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

Percentage break-down of total plan assets

	as at March 31, 2019	as at March 31, 2018	as at April 01, 2017
Investment funds with insurance company			
Of which. unit linked	88.62	59.48	50.16
Cash and cash equivalents	-	-	0.14
Total	88.62	59.48	50.30

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

Actuarial assumptions:

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

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

Notes:

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

Sensitivity analysis:

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

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	5.36	(4.93)	3.33	(3.26)	2.37	(2.35)
Discount Rate (+/- 1%)	(4.89)	5.41	(3.22)	3.35	(2.33)	2.40
Withdrawal Rate (+/- 1%)	0.80	(0.78)	0.37	(0.37)	0.44	(0.43)

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

40.A Employee Benefits

Description of asset liability matching (ALM) policy

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

Description of funding arrangements and funding policy that affect future contributions

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

Maturity profile

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

Expected future contributions

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

Asset liability comparisons

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Present value of DBO	93.02	58.74	46.95
Fair value of plan assets	88.62	59.48	50.31
Net (assets)/liability	4.40	(0.74)	(3.36)

C) Compensated absences :

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

41. Other expenses

	For the year ended March 31, 2019	For the year ended 31 March 2018
Advertisement and business promotion	62.41	14.78
Auditors' remuneration (refer note 41.A)	13.81	7.57
Commission and brokerage	458.48	314.38
Communication	27.28	16.07
Directors' sitting fees	0.76	0.48
Insurance	0.16	0.16
Legal and professional fees	824.32	471.90
Printing and stationery	13.38	3.59
Rates and taxes	14.98	4.19
Rent (refer note 41.C & 41.D)	194.54	134.27
Repairs and maintenance (refer note 41.D)	19.17	4.62
Electricity charges (refer note 41.D)	31.09	22.37
Computer expenses	26.31	21.59
Corporate social responsibility (refer note 41.B)	125.54	96.92
Clearing & custodian charges	0.86	0.52
Dematerialisation charges	2.17	1.18
Rating support fees	3.84	1.74
Loss on sale of property, plant and equipment	-1.29	0.32
Membership and subscription	3.55	3.31
Office expenses	366.21	110.73
Securities transaction tax	41.19	11.28
Loan origination cost	333.29	50.02
Goods & service tax expenses	264.54	101.68
Stamp duty	57.04	26.48
Travelling and conveyance	104.08	67.81
Miscellaneous expenses	61.01	27.91
Housekeeping and security charges (refer note 41.D)	31.69	7.15
	3,080.41	1,523.02

41.A Auditors' remuneration:

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

41.B Details of CSR Expenditure:

	For the year ended March 31, 2019	For the year ended 31 March 2018
Gross Amount required to be spent by the Group as per the provisions of Section 135 of Companies Act 2013.	121.54	96.69
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	125.54	96.92
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	125.54	96.92
Amount paid to EdelGive Foundation (refer note 49 related party disclosure)	122.24	96.72
Paid to external parties	3.30	0.20
	125.54	96.92

41.C Operating leases

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

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

	As at March 31, 2019	As at 31 March 2018
Minimum lease payments for non cancellable lease		
Not later than one year	26.98	24.59
later than one year and not later than five years	32.79	12.97
later than five years	-	-

41.D Cost sharing

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

42. Income tax

Component of income tax expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	2,342.70	2,467.04
Adjustment in respect of current income tax of prior years	55.92	170.32
Deferred tax relating to temporary differences	(228.00)	(208.73)
Total tax charge for the year	2,170.62	2,428.63
Current tax (refer note 42.A)	2,398.62	2,637.36
Deferred tax (refer note 42.B)	(228.00)	(208.73)

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before taxes	7,717.75	7,197.29
Statutory income tax rate	34.94%	34.61%
Tax charge at statutory rate	2,696.89	2,490.84
Tax effect of :		
A) Adjustment in respect of current income tax of prior year	55.92	170.32
B) Income not subject to tax or chargeable to lower tax rate		
Dividend income	(626.85)	(158.78)
Long term capital gain on sale of shares	-	(22.28)
C) Non deductible expenses	44.34	10.68
D) Others		
Profit from EARC Trusts (taxed on realisation)	0.32	(62.15)
Total tax reported in statement of profit and loss	2,170.62	2,428.63
Effective income tax rate	28.12%	33.74%

ECL Finance Limited

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

(Currency: Indian rupees in million)

42. Income Tax (contd.)

42.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expense

For the year ended March 31, 2019	As at March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2019
Deferred tax assets					
Expected credit loss provision	1,450.39	402.86	-	-	1,853.25
Effective interest rate on financial assets	336.86	(27.59)	-	-	309.27
Stage 3 Income recognition	(139.02)	165.40	-	-	26.38
Retirement benefits	45.47	(36.72)	1.78	-	10.53
Tax break on employee stock option scheme	259.88	-	-	(259.88)	-
Others	(2.85)	5.51	-	-	2.66
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(24.29)	(2.68)	-	-	(26.97)
Effective interest rate on financial liabilities	(133.36)	(280.12)	-	-	(413.48)
Fair valuation of assets and liabilities	(271.50)	(1.02)	-	-	(272.52)
Interest spread on assignment transactions	(5.26)	2.36	-	-	(2.90)
Deferred tax asset (net)	1,516.32	228.00	1.78	(259.88)	1,486.22
For the year ended March 31, 2018					
	As at April 01, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2018
Deferred tax assets					
Expected credit loss provision	1,169.07	281.32	-	-	1,450.39
Effective interest rate on financial assets	225.62	111.24	-	-	336.86
Retirement benefits	99.83	(54.35)	(1.24)	-	45.47
Tax break on employee stock option scheme	317.00	-	-	(57.12)	259.88
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(16.70)	(7.59)	-	-	(24.29)
Effective interest rate on financial Liabilities	(140.17)	6.81	-	-	(133.36)
Stage 3 Income recognition	(128.50)	(10.52)	-	-	(139.02)
Fair valuation of assets and liabilities	(155.80)	(115.70)	-	-	(271.50)
Interest spread on assignment transactions	(5.63)	0.37	-	-	(5.26)
Others	-	(2.85)	-	-	(2.85)
Deferred tax asset (net)	1,364.72	208.73	(1.24)	(57.12)	1,516.32

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

(Currency: Indian rupees in million)

43. Earnings per Share

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

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit attributable to Equity holders of the Group - A	5,547.13	4,756.59
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	1,948.11	1,891.85
- Number of equity shares issued during the year	190.16	56.26
Total number of equity shares outstanding at the end of the year	2,138.27	1,948.11
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,072.55	1,892.16
Basic and diluted earnings per share (in rupees) (A/B)	2.68	2.51

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

44. Contingent Liability & Commitment:

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

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

Contingent Liability

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

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

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

Commitment

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

44.A The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

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

(Currency: Indian rupees in million)

45. Segment Reporting

Primary Segment (Business segment)

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

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

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

Secondary Segment

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

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

45. Segment Reporting

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

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	26,706.24	2,422.77	0.50	29,129.51
Other Operating income	2,215.00	1,599.47	-	3,814.47
Total Revenue from Operations	28,921.24	4,022.24	0.50	32,943.98
Interest Expenses	17,529.15	1,334.82	-	18,863.97
Other Expenses	6,470.51	300.49	111.72	6,882.72
Total Expenses	23,999.66	1,635.31	111.72	25,746.69
Segment profit/(loss) before taxation	4,921.58	2,386.93	(111.22)	7,197.29
Income Tax Expenses			2,428.63	2,428.63
Profit after tax before share of associate				4,768.66
Share of loss of associate			(12.07)	(12.07)
Other Comprehensive Income			2.31	2.31
Total comprehensive income				4,758.90
Segment Assets	2,30,578.29	32,018.94	2,094.67	2,64,691.90
Segment Liabilities	2,04,611.75	30,523.11	691.28	2,35,826.14
Capital expenditure	427.75	-	-	427.75
Depreciation and amortisation	52.78	-	-	52.78
Significant non-cash items	2,211.87	(128.16)	0.01	2,083.72

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

Particulars	Financing business	Capital based business	Unallocated	Total
Segment Assets	1,83,309.15	24,311.56	1,769.73	2,09,390.44
Segment Liabilities	1,57,114.54	28,802.93	211.36	1,86,128.83

ECL Finance Limited

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

(Currency: Indian rupees in million)

46. Transfer of financial assets

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

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

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

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

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

47. Change in liabilities arising from financing activities

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

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

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

ECL Finance Limited

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

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48. Maturity Analysis of assets and liabilities

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

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	1,082.50	-	1,082.50	1,659.93	-	1,659.93	10,875.39	-	10,875.39
Bank balances other than cash and cash equivalents	311.18	159.06	470.24	927.68	57.64	985.32	856.20	80.51	936.71
Derivative financial instruments	377.63	5.67	383.30	38.93	86.42	125.35	807.74	175.48	983.22
Securities held for trading	18,379.37	-	18,379.37	24,944.75	-	24,944.75	12,734.40	-	12,734.40
Trade receivables	720.99	-	720.99	5,474.52	-	5,474.52	1,169.30	-	1,169.30
Loans	72,085.90	1,75,712.07	2,47,797.97	78,821.60	1,47,982.68	2,26,804.28	72,159.53	1,05,783.44	1,77,942.97
Investments	0.43	1,793.71	1,794.14	0.43	1,391.50	1,391.93	946.38	487.55	1,433.93
Other financial assets	1,964.72	475.59	2,440.31	485.78	-	485.78	928.04	-	928.04
Non-financial assets									
Current tax assets (net)	-	422.36	422.36	-	457.72	457.72	-	403.03	403.03
Deferred tax assets (net)	-	1,486.22	1,486.22	-	1,516.32	1,516.32	-	1,364.72	1,364.72
Property, plant and equipment	-	538.32	538.32	-	541.35	541.35	-	246.74	246.74
Capital work in progress	-	13.52	13.52	-	-	-	-	270.12	270.12
Intangible assets under development	-	54.00	54.00	-	43.21	43.21	-	16.40	16.40
Other intangible assets	-	78.50	78.50	-	41.92	41.92	-	10.02	10.02
Other non- financial assets	435.51	-	435.94	219.52	-	219.52	75.45	-	75.45
Total Assets	95,358.23	1,80,739.02	2,76,097.68	1,12,573.14	1,52,118.76	2,64,691.90	1,00,552.43	1,08,838.01	2,09,390.44
Financial Liabilities									
Derivative financial instruments	258.07	218.76	476.83	261.16	189.16	450.32	414.03	253.15	667.18
Trade payables	3,514.82	-	3,514.82	1,347.49	-	1,347.49	518.89	-	518.89
Debt securities	27,842.39	67,029.46	94,871.85	20,988.69	50,844.75	71,833.44	53,260.46	41,566.85	94,827.31
Borrowings (other than debt securities)	55,210.08	58,077.37	1,13,287.45	70,700.59	67,507.97	1,38,208.56	38,276.09	38,242.27	76,518.36
Subordinated liabilities	992.22	19,002.37	19,994.59	548.60	19,031.16	19,579.76	529.97	10,740.61	11,270.58
Other financial liabilities	5,133.13	-	5,133.13	3,516.72	-	3,516.72	1,748.91	-	1,748.91
Non-financial liabilities									
Current tax liabilities (net)	-	289.96	289.96	-	568.40	568.40	-	175.56	175.56
Provisions	-	29.29	29.29	-	147.47	147.47	-	288.42	288.42
Other non-financial liabilities	276.65	-	276.65	173.98	-	173.98	113.62	-	113.62
Total Liabilities	93,227.36	1,44,647.21	2,37,874.57	97,537.23	1,38,288.91	2,35,826.14	94,861.97	91,266.86	1,86,128.83
Net	2,130.87	36,091.81	38,223.11	15,035.91	13,829.85	28,865.76	5,690.46	17,571.15	23,261.61

ECL Finance Limited

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

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

List of related parties and relationship:

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

ECL Finance Limited

Notes to financial statements

(Currency: Indian rupees in million)

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

Transactions with related parties:

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

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

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Secondary market transactions		
Purchases of securities from		
ECap Equities Limited	1,365.64	2,145.71
Edelweiss Rural & Corporate Services Limited	20,531.67	19,267.21
Edelweiss Finance and Investments Limited	2,448.82	8,549.20
Edelweiss Broking Limited	53.47	-
Edelweiss Tokio Life Insurance Company Limited	1,309.09	-
Edelweiss Finvest Private Limited	3,592.75	641.31
Edelweiss General Insurance Company Limited	108.19	-
Edelcap Securities Limited	240.13	-
Sale / subscription* of securities		
ECap Equities Limited	782.51	2,741.55
Edelweiss Rural & Corporate Services Limited*	26,356.82	22,575.99
Edelweiss Finance and Investments Limited	2,625.64	5,915.17
Edelweiss Securities Limited	1,188.74	-
Edelweiss Broking Limited	400.54	-
Edelweiss Tokio Life Insurance Company Limited	477.46	1,046.27
Edelweiss Housing Finance Limited	1,622.95	-
Edelweiss General Insurance Company Limited	-	186.72
Edelweiss Finvest Private Limited	-	245.17
Margin placed with		
Edelweiss Securities Limited	6,737.27	0.43
Edelweiss Custodial Services Limited	3,259.46	236.07
Margin refund received from		
Edelweiss Securities Limited	6,736.50	1.25
Edelweiss Custodial Services Limited	1,883.67	747.43
Amount paid to broker for trading in cash segment		
Edelweiss Securities Limited	23,632.51	5,787.73
Amount received from broker for trading in cash segment		
Edelweiss Securities Limited	24,341.93	6,619.06
Assignment of loan book from		
Edelweiss Housing Finance Limited	4,481.59	1,614.34
Purchase of securities receipts from		
Edelweiss Finvest Private Limited	1,833.30	-
Sale of loans to		
Edelweiss Asset Reconstruction Company Limited - SC 348	1,700.00	-
Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)	278.60	-
Income		
Arranger fees received from		
Edelweiss Finvest Private Limited	17.36	45.29

ECL Finance Limited

Notes to financial statements

(Currency: Indian rupees in million)

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

Transactions with related parties:

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

ECL Finance Limited

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

Transactions with related parties:

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

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

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest paid on loan		
Edelweiss Rural & Corporate Services Limited	1,539.93	1,304.69
Edelweiss Financial Services Limited	-	81.36
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	184.00	116.45
Rating support fees paid to		
Edelweiss Financial Services Limited	2.10	1.74
Rent paid to		
ECap Equities Limited	21.35	18.32
Edelweiss Agri Value Chain Limited	1.70	0.71
Edelweiss Asset Management Limited	4.44	0.85
Edelweiss Broking Limited	7.61	6.03
Edelweiss Business Services Limited	0.11	-
Edelweiss Rural & Corporate Services Limited	93.30	91.41
Edelweiss Global Wealth Management Limited	0.50	-
Edelweiss Retail Finance Limited	27.76	2.60
Edelweiss Housing Finance Limited	6.86	3.38
Edelweiss Securities Limited	4.81	2.90
Interest paid on bench mark linked debentures		
ECap Equities Limited	785.33	506.03
Edelweiss Rural & Corporate Services Limited	10.49	-
Interest paid on securities		
ECap Equities Limited	7.82	2.73
Edelweiss Finance and Investments Limited	0.37	29.53
Interest expenses on non-convertible debentures		
Edelweiss Rural & Corporate Services Limited	5.79	23.56
Edelweiss Finance and Investments Limited	0.04	-
Edelweiss Finvest Private Limited	-	13.43
ECap Equities Limited	-	0.34
ESOP cost reimbursement		
Edelweiss Financial Services Limited	45.69	-
Remuneration paid to		
Raviprakash R. Bubna	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalam	0.44	0.24
Biswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kunnasagan Chinniah	0.02	-

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

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Assets		
Interest accrued on loans given to		
Edelweiss Rural & Corporate Services Limited	0.49	-
Investments in preference shares		
Edelweiss Rural & Corporate Services Limited	711.13	653.09
Margin money balance with		
Edelweiss Custodial Services Limited	1,502.04	126.25
Edelweiss Securities Limited	-	5.06
Loan given outstanding		
Ravi R Bubna HUF	-	35.65
Evyavan Mercantile Private Limited	-	409.10
Evyavan Global Private Limited	-	77.05
Deepak Mittal	342.19	-
Pooja Mittal	268.96	-
Edelweiss Rural & Corporate Services Limited	-	-
Sandhya R Bubna	-	0.01
Non convertible debentures (securities held for trading)		
Edelweiss Housing Finance Limited	-	56.74
Edelweiss Rural & Corporate Services Limited	-	928.35
Edelweiss Retail Finance Limited	-	1,235.89
Trade receivables		
EC Commodity Limited	-	0.01
ECap Equities Limited	0.60	0.01
Edelcap Securities Limited	0.18	-
Edelweiss Alternative Asset Advisors Limited	0.93	0.92
Edelweiss Broking Limited	0.09	-
Edelweiss Business Services Limited	1.77	-
Edelweiss Custodial Services Limited	4.39	0.29
Edelweiss Financial Services Limited	-	0.13
Edelweiss Finvest Private Limited	23.94	50.02
Edelweiss General Insurance Company Limited	9.52	-
Edelweiss Global Wealth Management Limited	0.26	-
Edelweiss Insurance Brokers Limited	-	0.10
Edelweiss Retail Finance Limited	3.24	1.47
Edelweiss Tokio Life Insurance Company Limited	6.65	0.04
Edelweiss Rural & Corporate Services Limited	0.61	1.00
Edel Investments Limited	0.83	-
Edelweiss Agri Value Chain Limited	3.70	-
Edelweiss Asset Management Limited	0.45	-
Edelweiss Finance and Investments Limited	0.23	-
Edelweiss Housing Finance Limited	6.68	-

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

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Edelweiss Investment Advisors Limited	0.33	-
Edelweiss Securities Limited	3.13	-
EFSL Trading Limited	0.02	-
Edelweiss Comtrade Limited	0.24	1.00
Purchase of property, plant and equipment		
Edelweiss Securities Limited	0.19	1.46
Edelweiss Finance and Investments Limited	-	0.11
Edelweiss Retail Finance Limited	1.16	0.02
Edelweiss Housing Finance Limited	0.26	0.44
ECap Equities Limited	0.00	-
Edelcap Securities Limited	0.01	-
Edelweiss Agri Value Chain Limited	0.03	-
Edelweiss Asset Management Limited	0.01	-
Edelweiss Broking Limited	0.44	-
Edelweiss Capital Markets Limited	0.03	-
Edelweiss Custodial Services Limited	0.10	-
Edelweiss Financial Services Limited	0.00	-
Edelweiss Global Wealth Management Limited	0.02	-
Edelweiss Insurance Brokers Limited	0.01	-
Edelweiss Investment Advisors Limited	0.04	-
Edelweiss Rural & Corporate Services Limited	0.20	-
EFSL Comtrade Limited	0.02	-
Sale of property, plant and equipment		
ECap Equities Limited	0.01	-
Edel Land Limited	0.00	-
Edelweiss Alternative Asset Advisors Limited	0.04	-
Edelweiss Asset Management Limited	0.00	-
Edelweiss Asset Reconstruction Company Limited	0.02	-
Edelweiss Broking Limited	0.80	-
Edelweiss Custodial Services Limited	0.11	-
Edelweiss Financial Services Limited	0.05	-
Edelweiss Finvest Private Limited	0.19	-
Edelweiss General Insurance Company Limited	0.05	-
Edelweiss Housing Finance Limited	0.15	-
Edelweiss Rural & Corporate Services Limited	0.30	-
Edelweiss Securities Limited	0.13	-
EFSL Comtrade Limited	0.00	-
Evyavan Global Private Limited	1.71	-
Liabilities		
Non convertible debentures held by		
Edelweiss Rural & Corporate Services Limited	475.52	42.00
Edelweiss Finance and Investments Limited	2.44	4.45
Edelweiss Tokio Life Insurance Company Limited	0.17	-
Edelweiss Finvest Private Limited	-	63.51
Interest accrued and due on borrowings		
Edelweiss Rural & Corporate Services Limited	3.40	-

ECL Finance Limited

Notes to financial statements

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

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on non convertible debentures		
Edelweiss Finvest Private Limited	-	34.49
Edelweiss Finance and Investments Limited	0.04	0.14
Edelweiss Rural & Corporate Services Limited	42.38	-
Market linked debentured held by		
ECap Equities Limited	111.84	-
Interest accrued but not due on market linked debentures held by		
ECap Equities Limited	1.90	-
Short term borrowings		
Edelweiss Rural & Corporate Services Limited	1,010.91	12,124.87
Trade payables		
ECap Equities Limited	5.32	12.27
Edelweiss Agri Value Chain Limited	-	0.40
Edelweiss Alternative Asset Advisors Limited	204.59	141.62
Edelweiss Asset Management Limited	2.62	1.01
Edelweiss Rural & Corporate Services Limited	171.98	45.54
Edelweiss Finvest Private Limited	17.35	-
Edelweiss Global Wealth Management Limited	76.59	104.22
Edelweiss Housing Finance Limited	6.25	63.32
Edelweiss Retail Finance Limited	14.69	5.24
Edelweiss Securities Limited	355.61	2.62
Edelweiss Custodial Services Limited	0.58	-
Edelweiss Asset Reconstruction Company Limited	0.31	31.27
Edelweiss Financial Services Limited	53.33	13.14
Edelweiss Broking Limited	1.68	2.94
Edelweiss Investment Advisors Limited	1.05	0.07
Edelweiss Business Services Limited	-	58.15
EFSL Trading Limited	-	0.05
Corporate guarantee taken from		
Edelweiss Financial Services Limited	54.00	54.00

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.
- The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

ECL Finance Limited

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

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50. Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

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

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

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

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

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

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51. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Group can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 5.11 for more details on fair value hierarchy

B. Valuation governance framework

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Group sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	218.36	-	-	218.36
OTC derivatives	-	136.59	-	136.59
Embedded derivatives in market-linked debentures	-	-	28.77	28.77
Total derivative financial instruments - A	218.36	136.59	28.77	383.72
Financial Assets held for trading				
Government debt securities	13,873.50	-	-	13,873.50
Other debt securities	-	298.18	-	298.18
Mutual fund units	3,483.09	-	-	3,483.09
Equity instruments	724.60	-	-	724.60
Total Financial assets held for trading - B	18,081.19	298.18	-	18,379.37
Investments				
Security receipts	-	-	943.17	943.17
Units of AIF	-	-	139.84	139.84
Total investments measured at fair value - C	-	-	1,083.01	1,083.01
Total (A+B+C)	18,299.55	434.77	1,111.78	19,846.10
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	35.12	-	-	35.12
OTC derivatives	-	183.22	-	183.22
Embedded derivatives in market-linked debentures	-	-	279.25	279.25
	35.12	183.22	279.25	497.59

ECL Finance Limited

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(Currency: Indian rupees in million)

51. Fair Value measurement:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	6.23	-	-	6.23
OTC derivatives	-	27.50	-	27.50
Embedded derivatives in market-linked debentures	-	-	93.94	93.94
Total derivative financial instruments - A	6.23	27.50	93.94	127.67
Financial assets held for trading				
Government debt securities	16,662.92	-	-	16,662.92
Other debt securities	-	4,354.13	-	4,354.13
Mutual fund units	3,603.51	-	-	3,603.51
Equity instruments	121.01	-	-	121.01
Preference Shares	203.18	-	-	203.18
Total financial assets held for trading - B	20,590.62	4,354.13	-	24,944.75
Investments				
Security receipts	-	-	543.48	543.48
Units of AIF	-	-	195.36	195.36
Total investments measured at fair value - C	-	-	738.84	738.84
Total (A+B+C)	20,596.85	4,381.63	832.78	25,811.26
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	191.39	-	-	191.39
OTC derivatives	-	35.06	-	35.06
Embedded derivatives in market-linked debentures	-	-	223.89	223.89
	191.39	35.06	223.89	450.34
As at April 01, 2017				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	775.20	-	-	775.20
OTC derivatives	-	33.64	-	33.64
Embedded derivatives in market-linked debentures	-	-	226.24	226.24
Total derivative financial instruments - A	775.20	33.64	226.24	1,035.08
Financial assets held for trading				
Government debt securities	6,888.64	-	-	6,888.64
Other debt securities	-	145.37	-	145.37
Mutual fund units	4,811.62	-	-	4,811.62
Equity instruments	888.77	-	-	888.77
Total financial assets held for trading - B	12,589.03	145.37	-	12,734.40
Investments				
Equity instruments	66.80	-	-	66.80
Units of AIF	-	-	210.02	210.02
Total investments measured at fair value - C	66.80	-	210.02	276.82
Total (A+B+C)	13,431.03	179.01	436.26	14,046.30
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	75.96	-	-	75.96
OTC derivatives	-	41.15	-	41.15
Embedded derivatives in market-linked debentures	-	-	555.53	555.53
	75.96	41.15	555.53	672.64

ECL Finance Limited

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51. Fair Value measurement:

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Group uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Units of AIF Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

Interest rate swaps:

Under Interest rate swap contract, the Group agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Group to mitigate the risk of changing interest rate. the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. Group classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

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

Group uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify these embedded derivative as level 2 instruments.

Exchange traded derivatives:

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

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

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51. Fair Value measurement:

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

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

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements

Financial year ended March 2019	Embedded Options		
	Assets	Liabilities	Net Balance
at April 1, 2018	93.94	223.89	(129.95)
Issuances	-	-	-
Settlements	(19.73)	(37.59)	17.86
Changes in fair value recognised in profit or loss	(45.44)	92.95	(138.39)
Investments - at March 31, 2019	28.77	279.25	(250.48)
Financial year ended March 2018	Assets	Liabilities	Net Balance
at April 1, 2017	226.24	555.53	(329.29)
Issuances	0.17	122.15	(121.98)
Settlements	(74.96)	(452.77)	377.81
Changes in fair value recognised in profit or loss	(57.51)	(1.02)	(56.49)
at March 31, 2018	93.94	223.89	(129.95)

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51. Fair Value measurement:

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

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 Instruments i.e. Securities receipts and Units of AIF Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	943.17	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	8,472.47	5% increase in Expected future Cash flow	43.15	5% Decrease in Expected future Cash flow	(43.15)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(10.11)	0.5% Decrease in Risk-adjusted discount rate	10.30
Units of AIF	139.84	Net Asset approach	Fair value of underlying investments	1,061.54	5% Increase in Fair value of Underlying Investment	6.21	5% Increase in Fair value of Underlying Investment	(6.21)
Embedded derivatives (net)	250.48	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(11.27)	5% Decrease in Nifty Index curve	11.27
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	1.35	0.5% Decrease in Risk-adjusted discount rate	(1.35)
Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	543.48	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	2,595.00	5% increase in Expected future Cash flow	27.18	5% Decrease in Expected future Cash flow	(27.18)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(8.25)	0.5% Decrease in Risk-adjusted discount rate	8.43
Units of AIF	195.36	Net Asset approach	Fair value of underlying investments	1,608.87	5% Increase in Fair value of Underlying Investment	9.42	5% Increase in Fair value of Underlying Investment	(9.42)
Embedded derivatives (net)	129.95	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(6.50)	5% Decrease in Nifty Index curve	6.50
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.65	0.5% Decrease in Risk-adjusted discount rate	(0.65)

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51. Fair Value measurement:

H. Fair value of financial instruments not measured at fair value:

the table below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2019	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	1,082.50	1,082.50			1,082.50
Bank balances other than cash and cash equivalents	470.24	470.24			470.24
Trade Receivables	720.99		720.99		720.99
Loans	2,47,797.97			2,44,606.20	2,44,606.20
Investments	711.13		711.13		711.13
Other financial assets	2,440.31		1,964.72	475.59	2,440.31
Total Financial Assets	2,53,223.14	1,552.74	3,396.84	2,45,081.79	2,50,031.37
Financial Liabilities					
Trade payables	3,514.82		3,514.82		3,514.82
Debt securities	94,871.85		98,521.28		98,521.28
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45		1,13,287.45
Subordinated Liabilities	19,994.59		19,136.62		19,136.62
Other financial liabilities	5,133.13		5,133.13		5,133.13
Total Financial Liabilities	2,36,801.84	-	2,39,593.30	-	2,39,593.30
Off balance-sheet items					
Undrawn commitments	31,481.64			31,259.82	31,259.82
Total Off balance-sheet items	31,481.64	-	-	31,259.82	31,259.82

As at March 31, 2018	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	1,659.93	1,659.93			1,659.93
Bank balances other than cash and cash equivalents	985.32	985.32			985.32
Trade Receivables	5,474.52		5,474.52		5,474.52
Loans	2,26,804.28			2,32,593.42	2,32,593.42
Investments	653.09		653.09		653.09
Other financial assets	485.78		485.78	-	485.78
Total Financial Assets	2,36,062.92	2,645.25	6,613.39	2,32,593.42	2,41,852.06
Financial Liabilities					
Trade payables	1,347.49		1,347.49		1,347.49
Debt securities	71,833.44		69,513.13		69,513.13
Borrowings (other than debt securities)	1,38,208.56		1,38,208.56		1,38,208.56
Subordinated Liabilities	19,579.76		18,270.51		18,270.51
Other financial liabilities	3,516.72		3,516.72		3,516.72
Total Financial Liabilities	2,34,485.97	-	2,30,856.41	-	2,30,856.41
Off balance-sheet items					
Undrawn commitments	45,446.60			45,265.43	45,265.43
Total Off balance-sheet items	45,446.60	-	-	45,265.43	45,265.43

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51. Fair Value measurement:

As at April 01, 2017	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	10,875.39	10,875.39			10,875.39
Bank balances other than cash and cash equivalents	936.71	936.71			936.71
Trade Receivables	1,169.30		1,169.30		1,169.30
Loans	1,77,942.97			1,81,093.75	1,81,093.75
Investments	1,332.19		1,332.19		1,332.19
Other financial assets	928.04		928.04		928.04
Total Financial Assets	1,93,184.60	11,812.10	3,429.53	1,81,093.75	1,96,335.38
Financial Liabilities					
Trade payables	518.89		518.89		518.89
Debt securities	94,827.31		96,427.24		96,427.24
Borrowings (other than debt securities)	76,518.36		76,518.36		76,518.36
Subordinated Liabilities	11,270.58		12,212.26		12,212.26
Other financial liabilities	1,748.91		1,748.91		1,748.91
Total Financial Liabilities	1,84,884.05	-	1,87,425.66	-	1,87,425.66
Off balance-sheet items					
Undrawn commitments	20,354.20			20,169.53	20,169.53
Total Off balance-sheet items	20,354.20	-	-	20,169.53	20,169.53

I. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

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52. Risk Management

52.A Introduction and risk profile

Risk is an inherent part of Group's business activities. When the Group extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Group takes on some degree of risk. The Group's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Group.

The Group believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Group;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Group strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

52.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

52.C Risk mitigation and risk culture

The Group's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Group's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

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

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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(Currency: Indian rupees in million)

52. Risk Management

52.D Types of Risks

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

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

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52.D.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Trade receivables and Loans. The Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Group.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Group applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-

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52.D.1 Credit Risk

Significant increase in credit risk (SICR)

Group considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

“A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.”

To fulfil the above requirement Group has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

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52.D.1 Credit Risk

Data sourcing

The Group is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Group has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Group.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortised costs of financial assets modified during the year	1,116.03	-
Net modification loss	(4.55)	-

there were no/ previously modified financial assets for which loss allowance has changed to 12mECL measurement during the year:

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

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

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52.D.1 Credit Risk

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2019

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	1,082.50	-	-	-	-	-	1,082.50
Bank balances other than cash and cash equivalents	-	470.24	-	-	-	-	-	470.24
Derivative financial instruments	-	383.30	-	-	-	-	-	383.30
Securities held for trading	13,873.48	4,496.66	-	9.23	-	-	-	18,379.37
Trade receivables	-	720.99	-	-	-	-	-	720.99
Loans	-	10,968.37	5,247.50	18,866.86	1,13,710.89	15,815.68	83,188.67	2,47,797.97
Investments	-	1,083.01	711.13	-	-	-	-	1,794.14
Other financial assets	-	2,192.44	-	-	-	247.87	-	2,440.31
	13,873.48	21,397.51	5,958.63	18,876.09	1,13,710.89	16,063.55	83,188.67	2,73,068.82

As at March 31, 2018

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	1,659.93	-	-	-	-	-	1,659.93
Bank balances other than cash and cash equivalents	-	985.32	-	-	-	-	-	985.32
Derivative financial instruments	-	125.35	-	-	-	-	-	125.35
Securities held for trading	16,662.95	7,697.08	-	405.10	-	179.62	-	24,944.75
Trade receivables	-	5,474.52	-	-	-	-	-	5,474.52
Loans	-	10,351.48	11,994.27	21,007.19	88,322.67	22,620.26	72,508.41	2,26,804.28
Investments	-	738.84	653.09	-	-	-	-	1,391.93
Other financial assets	-	269.65	-	-	-	216.13	-	485.78
	16,662.95	27,302.17	12,647.36	21,412.29	88,322.67	23,016.01	72,508.41	2,61,871.86

As at April 01, 2017

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	10,875.39	-	-	-	-	-	10,875.39
Bank balances other than cash and cash equivalents	-	936.71	-	-	-	-	-	936.71
Derivative financial instruments	-	983.22	-	-	-	-	-	983.22
Securities held for trading	6,888.63	4,926.42	-	919.35	-	-	-	12,734.40
Trade receivables	-	1,169.30	-	-	-	-	-	1,169.30
Loans	-	9,652.42	7,675.40	23,936.55	59,321.88	17,620.61	59,736.11	1,77,942.97
Investments	-	421.18	945.95	66.80	-	-	-	1,433.93
Other financial assets	-	833.06	-	-	-	94.98	-	928.04
	6,888.63	29,797.70	8,621.35	24,922.70	59,321.88	17,715.59	59,736.11	2,07,003.96

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(Currency: Indian rupees in million)

52.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Financial Assets				
Cash and cash equivalents	1,082.50	1,659.93	10,875.39	
Bank balances other than cash and cash equivalents	470.24	985.32	936.71	
Derivative financial instruments	383.30	125.35	983.22	
Securities held for trading	18,379.37	24,944.75	12,734.40	The Group invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	720.99	5,474.52	1,169.30	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Loans				
Corporate credit	1,59,236.77	1,45,670.36	1,18,232.62	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	94,679.89	85,895.20	63,654.44	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	1,794.14	1,391.93	1,433.93	
Other financial assets	2,440.31	485.78	928.04	
	2,79,187.51	2,66,633.14	2,10,948.05	
Loan Commitments	31,481.64	45,446.60	20,354.20	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

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

(Currency: Indian rupees in million)

52.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2019

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	5,201.42	3,252.45	1,948.97	2,352.68
Retail Credit	486.12	106.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.35	3,363.53	2,328.82	2,845.50

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	4,552.08	2,646.85	1,905.23	5,208.68
Retail Credit	147.12	25.58	121.54	222.30
Trade Receivables	4.75	4.75	-	-
	4,703.95	2,677.18	2,026.77	5,430.98

Maximum exposure to credit risk as at April 01, 2017

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	3,649.79	2,323.18	1,326.61	4,722.98
Retail Credit	143.21	21.08	122.13	279.96
Trade Receivables	4.62	4.62	-	-
	3,797.62	2,348.88	1,448.74	5,002.94

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52.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Group has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Government Debt Securities	13,873.50	16,662.92	6,888.64
Mutual Fund Investments	3,483.09	3,603.51	4,811.62
Total Liquidity cushion	17,356.59	20,266.43	11,700.26

Financing Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	1,732.63	3,194.64	15,063.64

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52.D.2 Liquidity Risk

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at:

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,082.50	-	-	-	-	1,082.50
Bank balances other than cash and cash equivalents	-	110.56	196.69	206.24	-	513.49
Derivative financial instruments	-	383.29	-	-	-	383.29
Securities held for trading	2,093.45	-	16,285.90	-	-	18,379.35
Trade receivables	-	721.02	-	-	-	721.02
Loans	-	25,180.86	41,111.33	2,27,874.62	44,272.64	3,38,439.45
Investments	-	-	-	2,082.99	-	2,082.99
Other financial assets	1,625.80	-	-	623.63	190.88	2,440.31
Total undiscounted financial assets	4,801.75	26,395.73	57,593.92	2,30,787.48	44,463.52	3,64,042.40
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	-	476.84
Trade payables	-	2,961.80	553.01	-	-	3,514.81
Debt securities	-	8,673.86	22,485.11	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	1,182.49	1,28,988.49
Subordinated Liabilities	-	376.02	907.25	12,000.82	12,167.50	25,451.59
Other financial liabilities	673.67	2,151.71	-	2,307.77	-	5,133.15
Total undiscounted financial liabilities	2,767.12	24,956.25	72,949.10	1,47,151.50	37,825.47	2,85,649.44
Total net financial assets / (liabilities)	2,034.63	1,439.48	(15,355.18)	83,635.98	6,638.05	78,392.96

Notes:

The Group has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Group has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Group has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Group has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 9.1), wherein the Group has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Group will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

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52.D.2 Liquidity Risk

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,659.93	-	-	-	-	1,659.93
Bank balances other than cash and cash equivalents	-	13.35	271.75	821.00	-	1,106.10
Derivative financial instruments	-	125.35	-	-	-	125.35
Securities held for trading	15,325.41	-	9,619.35	-	-	24,944.76
Trade receivables	-	5,474.53	-	-	-	5,474.53
Loans	-	27,760.61	44,769.61	2,17,316.83	21,499.61	3,11,346.66
Investments	-	-	-	1,738.83	-	1,738.83
Other financial assets	198.60	-	-	100.70	186.48	485.78
Total undiscounted financial assets	17,183.94	33,373.84	54,660.71	2,19,977.36	21,686.09	3,46,881.94
Financial Liabilities						
Derivative financial instruments	-	450.32	-	-	-	450.32
Trade payables	-	1,001.89	345.59	-	-	1,347.48
Debt securities	-	7,115.60	12,317.14	45,736.73	19,765.22	84,934.69
Borrowings (other than debt securities)	15,325.41	18,597.77	38,994.35	83,495.21	-	1,56,412.74
Subordinated Liabilities	-	-	-	7,012.74	19,694.56	26,707.30
Other financial liabilities	-	2,428.39	-	1,088.33	-	3,516.72
Total undiscounted financial liabilities	15,325.41	29,593.97	51,657.08	1,37,333.01	39,459.78	2,73,369.25
Total net financial assets / (liabilities)	1,858.53	3,779.87	3,003.63	82,644.35	(17,773.69)	73,512.69

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	10,875.39	-	-	-	-	10,875.39
Bank balances other than cash and cash equivalents	-	714.24	132.49	144.91	-	991.64
Derivative financial instruments	-	983.22	-	-	-	983.22
Securities held for trading	6,536.84	6,197.54	-	-	-	12,734.38
Trade receivables	-	1,169.30	-	-	-	1,169.30
Loans	-	36,661.93	35,834.11	1,43,020.65	18,224.54	2,33,741.23
Investments	-	-	1,052.42	496.82	-	1,549.24
Other financial assets	742.02	-	-	95.00	91.03	928.05
Total undiscounted financial assets	18,154.25	45,726.23	37,019.02	1,43,757.38	18,315.57	2,62,972.45
Financial Liabilities						
Derivative financial instruments	-	667.18	-	-	-	667.18
Trade payables	-	316.00	202.89	-	-	518.89
Debt securities	-	33,097.63	19,716.06	39,946.04	14,490.77	1,07,250.50
Borrowings (other than debt securities)	6,536.84	20,011.27	14,843.15	43,658.47	101.31	85,151.04
Subordinated Liabilities	-	376.71	796.31	8,935.21	8,677.23	18,785.46
Other financial liabilities	-	325.66	496.66	926.53	-	1,748.85
Total undiscounted financial liabilities	6,536.84	54,794.45	36,055.07	93,466.25	23,269.31	2,14,121.92
Total net financial assets / (liabilities)	11,617.41	(9,068.22)	963.95	50,291.13	(4,953.74)	48,850.53

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52.D.2 Liquidity Risk

Contractual expiry of commitments

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

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			31,481.63			31,481.63
Estimated amount of contracts capital account	-	-	33.00	-	-	33.00
	-	-	31,514.63	-	-	31,514.63

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			45,446.60			45,446.60
Estimated amount of contracts capital account	-	-	33.25	-	-	33.25
	-	-	45,479.85	-	-	45,479.85

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			20,354.19			20,354.19
Estimated amount of contracts capital account	-	-	54.55	-	-	54.55
	-	-	20,408.74	-	-	20,408.74

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

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52.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total Market risk exposure

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	Total	Traded risk	Non traded risk	
Financial Assets										
Cash and cash equivalents	1,082.50		1,082.50	1,659.93		1,659.93	10,875.39		10,875.39	
Bank balances other than cash and cash equivalents	470.24		470.24	985.32		985.32	936.71		936.71	Interest rate risk
Derivative financial instruments	383.30	354.53	28.77	125.35	31.41	93.94	983.22	756.98	226.24	Price risk , Interest rate risk
Securities held for trading	18,379.37	18,379.37		24,944.75	24,944.75		12,734.40	12,734.40		Price risk , Interest rate risk
Trade receivables	720.99		720.99	5,474.52		5,474.52	1,169.30		1,169.30	
Loans	2,47,797.97		2,47,797.97	2,26,804.28		2,26,804.28	1,77,942.97		1,77,942.97	Interest rate risk
Investments	1,794.14	-	1,794.14	1,391.93	-	1,391.93	1,433.93	-	1,433.93	Interest rate risk
Other financial assets	2,440.31	-	2,440.31	485.78	-	485.78	928.04	-	928.04	Interest rate risk
Total Assets	2,73,068.82	18,733.90	2,54,334.92	2,61,871.86	24,976.16	2,36,895.70	2,07,003.96	13,491.38	1,93,512.58	
Financial Liabilities										
Derivative financial instruments	476.83	197.58	279.25	450.32	226.43	223.89	667.18	111.65	555.53	Price risk , Interest rate
Trade payables	3,514.82		3,514.82	1,347.49		1,347.49	518.89		518.89	
Debt securities	94,871.85		94,871.85	71,833.44		71,833.44	94,827.31		94,827.31	Interest rate risk
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45	1,38,208.56		1,38,208.56	76,518.36		76,518.36	Interest rate risk
Subordinated Liabilities	19,994.59		19,994.59	19,579.76		19,579.76	11,270.58		11,270.58	Interest rate risk
Other financial liabilities	5,133.13	673.72	4,459.41	3,516.72		3,516.72	1,748.91		1,748.91	Price risk
Total Liabilities	2,37,278.67	871.30	2,36,407.37	2,34,936.29	226.43	2,34,709.86	1,85,551.23	111.65	1,85,439.58	

ECL Finance Limited

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

(Currency: Indian rupees in million)

52.D.3 Market Risk (Contd.)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Group's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2019 and at 31 March 2018

Interest rate sensitivity

As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(267.97)	-	25	267.97	-
Interest Rate Swaps	25	21.88	-	25	(21.88)	-
Floting rate loans	25	70.39	-	25	(70.39)	-
Government securities	25	(34.68)	-	25	34.68	-
Corporate debt securities	25	(0.75)	-	25	0.75	-

As at March 31, 2018

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(265.90)	-	25	265.90	-
Interest Rate Swaps	25	(8.13)	-	25	8.13	-
Floting rate loans	25	38.44	-	25	(38.44)	-
Government securities	25	(41.66)	-	25	41.66	-
Corporate debt securities	25	(10.89)	-	25	10.89	-

Price risk

The Group's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Group diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.

ECL Finance Limited

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

(Currency: Indian rupees in million)

52.D.3 Market Risk (Contd.)

As at March 31, 2019

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(55.47)	-	5	55.47	-
Equity instruments	5	2.50	-	5	(2.50)	-
Interest rate futures	5	(34.10)	-	5	34.10	-
Mutual fund units	5	174.15	-	5	(174.15)	-

As at March 31, 2018

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(26.27)	-	5	26.27	-
Equity instruments	5	6.05	-	5	(6.05)	-
Interest rate futures	5	(19.38)	-	5	19.38	-
Mutual fund units	5	180.17	-	5	(180.17)	-

52.D.4 Prepayment Risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by INR 650.92 million (previous year INR 450.39 million)

ECL Finance Limited

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

(Currency: Indian rupees in million)

53. First Time adoption

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

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

The Group has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

De-recognition of financial assets and liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Share based Payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017)

Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Classification and measurement of financial assets:

The Group has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

ECL Finance Limited

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

(Currency: Indian rupees in million)

53. First Time adoption

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity as at:

Particulars	As at March 31, 2018	As at April 01, 2017
Net Worth as reported under Indian GAAP	29,247.76	23,376.03
Ind AS adjustments increasing / (decreasing) equity as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net)	(584.18)	(252.51)
Expected credit loss provision	(1,221.34)	(1,005.02)
Fair valuation of assets and liabilities	594.91	271.21
Interest spread on assignment transactions	15.06	16.27
Interest income recognition on Stage 3 Loans	401.41	371.31
Tax effect on above adjustments	412.14	484.32
Total effect of transition to Ind AS	(382.00)	(114.42)
Equity as per Ind AS	28,865.76	23,261.61

Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	for the year ended March, 31, 2018
Net profit after tax as reported under Indian GAAP	4,671.71
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Effective interest rate on financial assets and liabilities (net)	(331.67)
Expected credit loss provision	(216.33)
Fair valuation of assets and liabilities	663.46
Fair valuation of employee stock options	(42.12)
Interest spread on assignment transactions	(1.21)
Interest income recognition on Stage 3 Loans	28.86
Tax Impact on above Transactions	(13.80)
Total effect of transition to Ind AS	87.19
Total Comprehensive Income as per Ind AS	4,758.90

Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 65 Million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Share Based Payment

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

ECL Finance Limited

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

(Currency: Indian rupees in million)

53. First Time adoption

Trade receivables /Loans:

Under Previous GAAP the Group has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

Effective Interest Rate (EIR)

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP

Valuation of Investments/Securities held for trading

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

Reclassification of provision of standard / non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Group has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to INR 2,664.20 million and INR 3,253.87 million as on 1 April 2017 and 31 March 2018 respectively.

ECL Finance Limited

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

(Currency: Indian rupees in million)

54. Composition of the Group

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

Notes:

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

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

56. Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

	As at March 31, 2019	As at March 31, 2018
No. of accounts	12.00	7.00
Aggregate value (net of provisions) of accounts sold to SC / RC	6,798.94	1,651.98
Aggregate consideration	5,828.60	2,600.00
Additional consideration realized in respect of accounts transferred in earlier	-	-
Aggregate gain / (loss) over net book value	(970.34)	948.02
Loss on sale to SC/RC during the year	(970.34)	948.02
Amount received in respect of accounts transferred in prior year	-	-

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Vidya Shah

Non Executive Director

DIN : 00274831

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai August 13, 2019

Mumbai August 13, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of ECL Finance Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

Re: ECL Finance Limited

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:

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

* paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private

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

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

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

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

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

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

We have audited the internal financial controls over financial reporting of ECL Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

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

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

ECL Finance Limited

Balance Sheet as at March 31, 2019

(Currency: Indian rupees in million)

Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Assets				
Financial assets				
(a) Cash and cash equivalents	9	985.40	1,627.97	10,850.13
(b) Bank balances other than cash and cash equivalents	10	470.24	985.32	936.71
(c) Derivative financial instruments	11	383.30	125.35	983.22
(d) Securities held for trading	12	18,379.37	24,944.75	12,734.40
(e) Receivables				
(i) Trade receivables	13	720.99	5,474.52	1,169.30
(f) Loans	14	2,37,966.74	2,20,024.70	1,71,640.40
(g) Other investments	15	6,585.40	5,727.29	6,992.84
(h) Other financial assets	16	6,130.12	1,978.59	928.04
		2,71,621.56	2,60,888.49	2,06,235.04
Non-financial assets				
(a) Current tax assets (net)	17	422.36	457.72	403.03
(b) Deferred tax assets (net)	18	1,486.22	1,516.32	1,364.72
(c) Property, plant and equipment	19	538.32	541.35	246.74
(d) Capital work in progress		13.52	-	270.12
(e) Intangible assets under development		54.00	43.21	16.40
(f) Other intangible assets	19	78.50	41.92	10.02
(g) Other non- financial assets	20	431.41	214.87	72.95
		3,024.33	2,815.39	2,383.98
Total assets		2,74,645.89	2,63,703.88	2,08,619.02
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	11	476.83	450.32	667.18
(b) Trade payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,413.31	1,301.94	479.12
(c) Debt securities	22	94,871.85	71,833.44	94,827.31
(d) Borrowings (other than debt securities)	23	1,13,287.45	1,38,208.56	76,518.36
(e) Subordinated liabilities	24	19,994.59	19,579.76	11,270.58
(f) Other financial liabilities	25	3,575.60	2,428.39	822.38
		2,35,619.63	2,33,802.41	1,84,584.93
Non-financial liabilities				
(a) Current tax liabilities (net)	26	289.96	568.40	175.56
(b) Provisions	27	29.29	147.47	288.42
(c) Other non-financial liabilities	28	212.49	173.81	111.23
		531.74	889.68	575.21
Equity				
(a) Equity share capital	29	2,138.27	1,948.11	1,891.85
(b) Other equity	30	36,356.25	27,063.68	21,567.03
		38,494.52	29,011.79	23,458.88
Total liabilities and equity		2,74,645.89	2,63,703.88	2,08,619.02

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

1 to 54

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

ECL Finance Limited

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

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	31	37,594.49	29,128.04
Dividend income	32	1,903.38	458.59
Fee and commission income	33	1,173.28	1,656.77
Net gain on fair value changes	34	(645.16)	1,387.99
Other income	35	148.59	92.09
Total Revenue		40,174.58	32,723.48
Expenses			
Finance costs	36	24,398.26	18,858.66
Net loss on derecognition of financial instruments	37	970.36	1,366.60
Impairment on financial instruments	38	1,498.41	2,082.80
Employee benefits expense	39	2,410.29	1,857.53
Depreciation, amortisation and impairment	19	106.53	52.78
Other expenses	40	2,961.28	1,371.13
Total expenses		32,345.13	25,589.50
Profit before tax		7,829.45	7,133.98
Tax expenses			
(1) Current tax	41	2,398.62	2,637.36
(2) Deferred tax (credit)		(228.00)	(208.73)
Profit for the year		5,658.83	4,705.35
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		(5.08)	3.55
Income Tax - OCI - that will not be reclassified		1.78	(1.24)
Total		(3.30)	2.31
Total comprehensive income		5,655.53	4,707.66
Earnings per equity share			
(for continuing operation:) (Face value of ₹ 1 each):			
Basic (INR)		2.73	2.49
Diluted (INR)		2.73	2.49

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

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

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

Mumbai May 13, 2019

1 to 54

For and on behalf of the Board of Directors

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

SD/-
Himanshu Kaji
Executive Director
DIN : 00009438

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai May 13, 2019

ECL Finance Limited

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

(Currency: Indian rupees in million)

A. Equity share capital

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

B. Other Equity

	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution - equity	Total attributable to equity holders
Balance as at 1st April 2017	6,839.25	9,539.19	2,968.44	2,122.26	97.89	21,567.03
Profit for the year	-	4,705.35	-	-	-	4,705.35
Other comprehensive income	-	2.31	-	-	-	2.31
Total comprehensive income	6,839.25	14,246.85	2,968.44	2,122.26	97.89	26,274.69
Securities premium on shares issued during the year	1,163.35	-	-	-	-	1,163.35
Premium paid on redemption of debentures	(19.59)	-	-	-	-	(19.59)
Income tax impact on ESOPs	-	(57.12)	-	-	-	(57.12)
Transfer to statutory reserve	-	(924.10)	924.10	-	-	-
Balance released from debenture redemption reserve	-	401.65	-	(401.65)	-	-
ESOPs charged during the year	-	-	-	-	42.13	42.13
Deemed distribution during the year	-	(339.78)	-	-	-	(339.78)
Balance as at March 31, 2018	7,983.01	13,327.50	3,892.54	1,720.61	140.02	27,063.68
Profit for the year	-	5,658.83	-	-	-	5,658.83
Other comprehensive income	-	(3.30)	-	-	-	(3.30)
Total comprehensive income	7,983.01	18,983.03	3,892.54	1,720.61	140.02	32,719.21
Securities premium on shares issued during the year	3,896.92	-	-	-	-	3,896.92
Income tax impact on ESOPs	-	(259.88)	-	-	-	(259.88)
Transfer to statutory reserve	-	(1,131.77)	1,131.77	-	-	-
Transfer to debenture redemption reserve	-	(2,117.26)	-	2,117.26	-	-
Balance as at March 31, 2019	11,879.93	15,474.12	5,024.31	3,837.87	140.02	36,356.25

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-
per Shrawan Jalan
Partner
Membership No: 102102

For and on behalf of the Board of Directors

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

SD/-
Himanshu Kaji
Executive Director
DIN : 00009438

SD/-
Sarju Simaria
Chief Financial officer

SD/-
Jitendra Maheshwari
Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019

ECL Finance Limited

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

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31 2018
A. Operating activities		
Profit before tax	7,829.45	7,133.98
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	106.53	52.78
Impairment of financial assets (net)	1,498.41	2,082.80
Fair value of financial instruments (net)	1,992.39	110.69
Expense on employee stock option scheme (ESOP)	45.69	42.13
(Profit) / loss on sale of property, plant and equipment	(1.29)	0.32
	11,471.18	9,422.70
Working capital Changes (net)		
Loans	(19,440.45)	(50,595.41)
Trade receivables	4,753.53	(4,305.22)
Securities held for trading	4,697.13	(12,655.72)
Other investments	(1,139.20)	1,581.48
Other financial assets	(3,737.45)	(434.01)
Other non financial assets	(216.54)	(141.92)
Trade payables	2,065.68	822.82
Other financial liability	2,688.49	542.68
Non financial liabilities and provisions	(84.58)	(76.06)
	1,057.79	(55,838.66)
Income taxes paid	(2,641.71)	(2,299.20)
Net cash used in operating activities -A	(1,583.92)	(58,137.86)
B. Investing activities		
Purchase of Property, plant and equipment and intangible assets	(143.43)	(384.46)
Increase in capital work-in-progress and intangibles under development	(24.31)	243.31
Proceeds from sale of Property, plant and equipment and intangible assets	4.64	4.85
Net cash used in investing activities -B	(163.10)	(136.30)
C. Cash flow from financing activities		
Proceeds from issuance of share capital (including securities premium)	4,087.08	1,200.02
Increase / (decrease) in debt securities (Refer note 1)	22,000.69	(21,839.24)
(Decrease) / increase in borrowings other than debt securities (Refer note 1)	(24,983.32)	61,707.12
Increase in subordinate debt (Refer note 1)	-	7,984.10
Net cash generated from financing activities - C	1,104.45	49,052.00
Net decrease in cash and cash equivalents (A+B+C)	(642.57)	(9,222.16)
Cash and cash equivalent as at the beginning of the year	1,627.97	10,850.13
Cash and cash equivalent as at the end of the year	985.40	1,627.97

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

Notes:

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

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Sarju Simaria

Chief Financial officer

SD/-

Jitendra Maheshwari

Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019

1. Corporate information:

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

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

2. Basis of preparation:

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

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

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

3. Presentation of financial statements:

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

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

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

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

4. Significant accounting policies

4.1 Recognition of interest income and dividend income

4.1.1 Effective interest rate (EIR):

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

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

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

4.1.2 Interest income:

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

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

4.1.3 Dividend income:

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

4.2 Financial instruments:

4.2.1 Date of recognition:

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

4.2.2 Initial measurement of financial instruments:

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

4.2.3 Day 1 profit and loss:

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

4.2.4 Classification & measurement categories of financial assets and liabilities:

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

Financial assets carried at amortised cost (AC)

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

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

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

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

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

4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

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

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

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

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

4.3.2 Financial assets held for trading:

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

4.3.3 Investment in equity instruments:

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

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

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

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

4.3.6 Debt securities and other borrowed funds:

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

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

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

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

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

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

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

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

4.3.8 Financial guarantee:

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

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

4.3.9 Loan commitments:

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

4.3.10 Financial liabilities and equity instruments

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

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

4.4 Reclassification of financial assets and liabilities

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

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

4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

4.5.2 Derecognition of financial liabilities

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

4.6 Impairment of financial assets:

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

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

Simplified approach

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

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

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

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

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

Company categories its financial assets as follows:

Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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

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

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

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

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

4.7 Collateral valuation:

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

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

4.8 Collateral repossessed:

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

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

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

4.9 Write-offs:

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

4.10 Forborne and modified loan:

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

4.11 Determination of fair value:

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

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

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

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

Level 1 financial instruments:

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

Level 2 financial instruments:

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

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

Level 3 financial instruments:

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

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

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

4.12 Operating leases:

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

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

4.13 Earnings per share:

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

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

4.14 Foreign currency transaction:

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

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

4.15 Retirement and other employee benefit:

4.15.1 Provident fund and national pension scheme:

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

4.15.2 Gratuity:

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

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

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

4.15.3 Compensated absences:

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

4.15.4 Deferred bonus:

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

4.15.5 Share-based payment arrangements:

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

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

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

4.16 Property, plant and equipment:

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

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

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

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

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

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

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

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

4.17 Intangible assets:

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

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

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

4.18 Impairment of non-financial assets:

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

4.19 Provisions and other contingent liabilities:

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

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

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

4.20 Income tax expenses:

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

4.20.1 Current tax:

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

4.20.2 Deferred tax:

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

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

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

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

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

4.20.3 Current and deferred tax for the year:

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

4.21 Cash and cash equivalents:

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

5. Significant accounting judgements, estimates and assumptions :

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

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

Critical judgements in applying accounting policies:

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

5.1 Business model assessment :

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

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

5.2 Significant increase in credit risk:

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

Key sources of estimation uncertainty:

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

5.3 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.4 Effective Interest Rate (EIR) Method:

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

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

5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

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

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

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

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

5.6 Impairment of Non-Financial assets:

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

5.7 Provisions and contingent liabilities:

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

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

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

5.8 Provisions for Income Taxes:

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

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

6. Standards issued but not yet effective :

Ind AS 116 Leases:

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

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

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

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

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

Annual Improvements to Ind AS (2018):

Ind AS 12 Income taxes:

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

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

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

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

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

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

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

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

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

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

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

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

9. Cash and cash equivalents

Cash in hand

Cash in hand

0.04

0.06

0.02

Balances with banks

In current accounts

985.36

1,627.91

10,850.11

985.40

1,627.97

10,850.13

10. Bank balances other than cash and cash equivalents

Fixed deposit with banks

2.52

709.79

699.98

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

467.72

275.53

236.73

(Refer Note 10.A Below)

470.24

985.32

936.71

Notes:

Fixed deposit balances with banks earns interest at fixed rate.

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

Fixed deposits pledged for:

Bank guarantee for non convertible debenture

RBL Bank Limited

50.02

50.01

50.01

Axis Bank Limited

145.06

-

-

Bank Of India Limited

-

-

20.04

ICICI Bank Limited

0.52

-

-

Bank guarantee for cash credit lines

ICICI Bank Limited

50.12

50.18

-

Security deposit for term loan WCDL facilities

Union Bank of India

5.05

-

-

Bank guarantee for securitisation

DCB Bank Limited

32.46

-

-

ING Vysya Bank Limited

126.64

117.47

108.86

Yes Bank Limited

57.85

57.87

57.82

467.72

275.53

236.73

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

(Currency: Indian rupees in million)

11. Derivative financial instruments

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

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

As at March 31, 2019								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	4,750.00	136.59	Rupees	INR	11,500.00	183.22
Interest rate futures	G-Sec Units		44,54,000	0.42	G-Sec Units		25,00,000	1.86
Less: amounts offset				(0.42)				(1.86)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(i)				136.59				183.22
(ii) Equity linked derivatives								
Stock futures				-	No of Shares		20,88,034	2.18
Less: amounts offset								(2.18)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				-				-
(iii) Index linked derivatives								
Index futures				-	Index Units		87,300.0	16.72
Options purchased	Index Units		1,48,27,500	217.94				-
Options sold				-	Index Units		4,22,94,375	14.36
Less: amounts offset								(16.72)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iii)				217.94				14.36
(iv) Embedded derivatives*								
In market linked debentures				28.77				279.25
Subtotal(iv)				28.77				279.25
Total derivative financial instruments			Total	383.30			Total	476.83

As at March 31, 2018								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency Derivatives								
Options sold				-				0.04
Subtotal(i)				-				0.04
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	9,750.00	27.50	Rupees	INR	20,000.00	35.06
Interest rate future	G-Sec Units		40,80,000	0.10			-	-
Less: amounts offset				(0.10)				
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				27.50				35.06
(iii) Equity linked derivatives								
Stock futures	No of Shares		91,966	1.83	No of Shares		29,800	0.02
Less: amounts offset			-	(1.83)			-	(0.02)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		22,575	0.39			-	-
Options purchased	Index Units		1,56,975	3.91			-	-
Options sold			-	-	Index Units		8,97,375	191.33
Less: amounts offset				(0.39)				-
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iv)				3.91				191.33
(v) Embedded derivatives*								
In market linked debentures				93.94				223.89
Subtotal(v)				93.94				223.89
Total derivative financial instruments			Total	125.35			Total	450.32

ECL Finance Limited

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

(Currency: Indian rupees in million)

11. Derivative financial instruments

As at April 01, 2017								
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Currency derivatives								
Currency swaps	Currency units	USD	1,00,00,000	1.47				-
Currency futures				-	Currency units	INR	1,00,00,000	4.72
Less: amounts offset				-				(4.72)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(i)				1.47				-
(ii) Interest rate derivatives								
Interest rate swaps	Rupees	INR	23,000.00	32.17	Rupees	INR	8,750.00	41.15
Interest rate futures				-	G-Sec Units		18,76,000	0.74
Less: amounts offset							-	(0.74)
<i>(Refer Note 11.A & 50)</i>								
Subtotal(ii)				32.17				41.15
(iii) Equity linked derivatives								
Stock futures	No of Shares		30,51,900	4.15				-
Less: amounts offset				(4.15)				
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iii)				-				-
(iv) Index linked derivatives								
Index futures	Index Units		2,49,150	47.71				-
Options purchased	Index Units		10,79,175	723.34				-
Options sold				-	Index Units		11,91,000	70.50
Less: amounts offset				(47.71)				
<i>(Refer Note 11.A & 50)</i>								
Subtotal(iv)				723.34				70.50
(v) Embedded derivatives*								
In market linked debentures				226.24				555.53
Subtotal(v)				226.24				555.53
Total derivative financial instruments				983.22				667.18

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

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

Hedging activities and derivatives

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

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments

ECL Finance Limited

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

(Currency: Indian rupees in million)

11.A Offsetting

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

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	137.01	(0.42)	136.59	(88.47)	(6.00)	42.12	246.71	383.30	288.83
TriParty REPO (TREPS)	3,700.11	(3,700.11)	-	-	-	-	-	-	-
Margin placed with broker*	1,646.14	(20.34)	1,625.80	-	-	1,625.80	-	1,625.80	1,625.80

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	203.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
TriParty REPO (TREPS)	5,797.14	(3,700.11)	2,097.03	-	(41.05)	2,055.98	-	2,097.03	2,055.98

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2018	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	29.82	(2.32)	27.50	(18.05)	-	9.45	97.85	125.35	107.30
CBLO Lending	3,500.00	(3,500.00)	-	-	-	-	-	-	-
Margin placed with broker*	196.30	2.30	198.60	-	-	198.60	-	198.60	198.60

ECL Finance Limited

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

(Currency: Indian rupees in million)

11.A Offsetting

Financial Liabilities subject to offsetting, netting arrangements

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

Financial Assets subject to offsetting, netting arrangements

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

Financial Liabilities subject to offsetting, netting arrangements

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

12. Securities held for trading:

At fair value through profit and loss account

Central Government Debt Securities

5.69% Government Stock 25.09.2018 Bonds	-	-	-
6.05% Government Stock 02.02.2019 Bonds	-	-	-
7.28% Government Stock 03.06.2019 Bonds	100.00	1,00,000	10.25
6.90% Government Stock 13.07.2019 Bonds	100.00	1,60,000	16.28
10.03% Government Stock 09.08.2019 Bonds	-	-	-
6.35% Government Stock 02.01.2020 Bonds	100.00	60,00,000	609.40
7.80% Government Stock 03.05.2020 Bonds	-	-	-
8.27% Government Stock 09.06.2020 Bonds	100.00	10,00,000	104.59
8.12% Government Stock 10.12.2020 Bonds	100.00	50,00,000	525.27
7.80% Government Stock 11.04.2021 Bonds	100.00	25,00,000	265.03
7.94% Government Stock 24.05.2021 Bonds	100.00	30,00,000	316.56
8.79% Government Stock 08.11.2021 Bonds	100.00	5,00,000	54.25
8.20% Government Stock 15.02.2022 Bonds	100.00	40,00,000	419.59
8.13% Government Stock 21.09.2022 Bonds	-	-	-
8.35% Government Stock 14.05.2022 Bonds	-	-	-
8.15% Government Stock 11.06.2022 Bonds	-	-	-
6.84% Government Stock 19.12.2022 Bonds	-	-	-
6.30% Government Stock 09.04.2023 Bonds	100.00	20,00,000	201.95
7.37% Government Stock 16.04.2023 Bonds	100.00	5,00,000	52.60
7.16% Government Stock 20.05.2023 Bonds	100.00	44,00,000	455.47
6.17% Government Stock 12.06.2023 Bonds	100.00	10,00,000	98.96
8.83% Government Stock 25.11.2023 Bonds	100.00	5,00,000	55.18
7.68% Government Stock 15.12.2023 Bonds	-	-	-
7.32% Government Stock 28.01.2024 Bonds	100.00	1,15,00,000	1,182.56
7.35% Government Stock 22.06.2024 Bonds	100.00	5,00,000	51.81
8.40% Government Stock 28.07.2024 Bonds	-	-	-
7.72% Government Stock 25.05.2025 Bonds	100.00	40,00,000	421.53
7.59% Government Stock 11.01.2026 Bonds	100.00	10,00,000	103.24
6.97% Government Stock 06.09.2026 Bonds	100.00	15,00,000	147.43
8.15% Government Stock 24.11.2026 Bonds	-	-	-
8.24% Government Stock 15.02.2027 Bonds	-	-	-
6.79% Government Stock 15.05.2027 Bonds	100.00	10,00,000	98.62
7.17% Government Stock 08.01.2028 Bonds	100.00	2,00,00,000	1,992.66
6.01% Government Stock 25.03.2028 Bonds	-	-	-
7.26% Government Stock 14.01.2029 Bonds	100.00	60,00,000	605.66
7.88% Government Stock 19.03.2030 Bonds	-	-	-
7.61% Government Stock 09.05.2030 Bonds	-	-	-
6.68% Government Stock 17.09.2031 Bonds	100.00	20,00,000	185.82
8.13% Government Stock 22.06.2045 Bonds	-	-	-

As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
-	-	-	100.00	30,00,000	299.26	-	-	-
-	-	-	100.00	80,00,000	805.28	-	-	-
100.00	1,00,000	10.25	-	-	-	-	-	-
100.00	1,60,000	16.28	100.00	28,60,000	291.15	100.00	3,60,000	36.85
-	-	-	-	-	-	100.00	20,00,000	217.88
100.00	60,00,000	609.40	100.00	55,00,000	554.96	-	-	-
-	-	-	100.00	65,00,000	682.60	-	-	-
100.00	10,00,000	104.59	100.00	50,00,000	527.03	-	-	-
100.00	50,00,000	525.27	-	-	-	-	-	-
100.00	25,00,000	265.03	100.00	85,00,000	897.59	100.00	30,00,000	322.37
100.00	30,00,000	316.56	-	-	-	-	-	-
100.00	5,00,000	54.25	-	-	-	-	-	-
100.00	40,00,000	419.59	100.00	3,55,00,000	3,701.82	100.00	15,00,000	160.00
-	-	-	100.00	10,00,000	103.16	-	-	-
-	-	-	100.00	15,00,000	160.22	-	-	-
-	-	-	-	-	-	100.00	5,00,000	54.01
-	-	-	100.00	20,00,000	200.11	-	-	-
100.00	20,00,000	201.95	-	-	-	-	-	-
100.00	5,00,000	52.60	-	-	-	-	-	-
100.00	44,00,000	455.47	100.00	55,00,000	558.82	-	-	-
100.00	10,00,000	98.96	100.00	75,00,000	727.14	-	-	-
100.00	5,00,000	55.18	-	-	-	-	-	-
-	-	-	-	-	-	100.00	15,00,000	159.64
100.00	1,15,00,000	1,182.56	-	-	-	-	-	-
100.00	5,00,000	51.81	100.00	40,00,000	406.05	100.00	50,00,000	520.11
-	-	-	-	-	-	100.00	50,00,000	547.98
100.00	40,00,000	421.53	100.00	1,00,00,000	1,037.03	-	-	-
100.00	10,00,000	103.24	100.00	15,00,000	152.08	100.00	5,00,000	53.26
100.00	15,00,000	147.43	100.00	40,00,000	387.62	-	-	-
-	-	-	-	-	-	100.00	3,00,00,000	3,285.82
-	-	-	100.00	10,00,000	104.50	-	-	-
100.00	10,00,000	98.62	100.00	70,00,000	683.13	-	-	-
100.00	2,00,00,000	1,992.66	100.00	30,00,000	300.40	-	-	-
-	-	-	100.00	5,00,000	44.33	-	-	-
100.00	60,00,000	605.66	-	-	-	-	-	-
-	-	-	-	-	-	100.00	10,00,000	104.76
-	-	-	-	-	-	100.00	35,00,000	373.13
100.00	20,00,000	185.82	100.00	55,00,000	509.40	-	-	-
-	-	-	-	-	-	100.00	10,00,000	110.19

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
State Government Debt Securities									
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds		-	-	100.00	25,00,000	261.08	-	-	-
8.07% Maharashtra Government Stock 23.10.2018 Bonds		-	-	100.00	30,00,000	313.21	-	-	-
8.28% Tamil Nadu State Development Loans 09.09.2019 Bonds		-	-	-	-	-	100.00	30,00,000	310.46
8.23% Gujarat Government Stock 07.10.2019 Bonds		-	-	100.00	25,00,000	263.41	-	-	-
8.34% Maharashtra Government Stock 03.02.2020 Bonds	100.00	5,00,000	51.24	100.00	30,00,000	309.79	-	-	-
8.56% Kerala Government Stock 16.02.2020 Bonds		-	-	100.00	50,00,000	517.04	-	-	-
8.52% Karnataka Government Stock 10.03.2020 Bonds		-	-	100.00	25,00,000	257.12	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100.00	2,00,00,000	2,034.23	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds		-	-	100.00	25,00,000	255.72	-	-	-
8.21% Rajasthan State Government Stock Uday 31.03.2020 Bonds	100.00	50,00,000	506.20	-	-	-	-	-	-
8.53% Maharashtra Government Stock 27.10.2020 Bonds		-	-	-	-	-	100.00	5,00,000	54.14
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.72% Maharashtra State Development Loan Government Stock 11.01.2022 Bonds	100.00	25,00,000	266.32	-	-	-	-	-	-
8.65% Karnataka State Development Loans Government Stock 25.01.2022 Bonds	100.00	50,00,000	530.22	-	-	-	-	-	-
8.58% Gujarat State Development Loan 23.01.2023 Bonds	100.00	25,00,000	266.64	-	-	-	-	-	-
8.66% Haryana State Development Loan Government Stock 06.02.2023 Bonds	100.00	25,00,000	266.59	-	-	-	-	-	-
8.62% Maharashtra State Development Loan Government Stock 20.02.2023 Bonds	100.00	25,00,000	265.45	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100.00	25,00,000	273.98	-	-	-	-	-	-
8.21% Haryana Government Stock Uday Special 31.03.2024 Bonds	100.00	98,18,000	1,012.61	-	-	-	-	-	-
8.31% Kerala State Development Loan Government Stock 13.02.2029 Bonds	100.00	15,00,000	158.99	-	-	-	-	-	-
Treasury Bills									
Treasury-Bill 182 Days Maturing 24.08.2017	-	-	-	-	-	-	100.00	30,00,000	293.27
Treasury-Bill 182 Days Maturing 15.02.2018	-	-	-	-	-	-	100.00	30,00,000	284.77
Treasury-Bill 91 Days Maturing 12.04.2018	-	-	-	100.00	37,45,200	373.97	-	-	-
Treasury-Bill 182 Days Maturing 12.07.2018	-	-	-	100.00	79,72,700	783.39	-	-	-
Treasury-Bill 182 Days Maturing 06.09.2018	-	-	-	100.00	20,00,000	194.51	-	-	-
<i>Total Government Debt Securities (A)</i>			13,873.50			16,662.92			6,888.64

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Debt Securities									
7.80% Piramal Enterprises Limited 19.04.2019 Ccd	-	-	-	1,07,600	3,030	337.11	-	-	-
8.65% Indiabulls Housing Finance Limited 26.09.19 Bonds	-	-	-	-	-	-	1,000	13,000.00	13.63
9.00% Edelweiss Commodities Services Limited 17.04.2020 Bonds	-	-	-	10,00,000	900	977.98	-	-	-
11.00% Shriram Transport Finance Company Limited 20.04.2020 Bonds	-	-	-	10,00,000	10	11.24	-	-	-
8.75% Muthoot Finance Limited 24.06.2020 Bonds	-	-	-	1,000	4,000	4.34	-	-	-
9.25% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option I)	10,00,000	14	14.01	-	-	-	-	-	-
9.50% Muthoot Finance Limited 01.02.2021 Ncd (Series 3A Option Iii)	10,00,000	108	108.20	-	-	-	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	12,49,000	1,244.48	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	1,000	81,210.00	80.12
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	16,920	17.04	-	-	-	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 Ncd	-	-	-	1,000	4,271	4.57	-	-	-
8.41% National Thermal Power Corporation Limited 16.12.2023 Ncd	-	-	-	-	-	-	1,000	6,333.00	7.21
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	-	-	-	-	-	-	1,000	15,000.00	16.98
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	-	-	-	13	11,514	0.15	13	1,19,984.00	1.57
10.00% Edelweiss Housing Finance Limited 19.07.2026 Ncd	-	-	-	1,000	53,375	59.00	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	898	0.96	-	-	-
8.35% National Insurance Company Limited 26.05.2027 Bonds	-	-	-	-	-	-	10,00,000	4.00	4.06
8.90% Greater Hyderabad Municipal Corporation 16.02.2028 Ncd	-	-	-	10,00,000	16	16.34	-	-	-
8.85% Indiabulls Commercial Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	1,00,000	8,000	773.01	-	-	-
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	10,00,000	300	299.13	-	-	-
9.75% Jm Financial Credit Solutions Limited 07.06.2028 Bonds	1,000	37,970	36.75	-	-	-	-	-	-
9.38% Greater Hyderabad Municipal Corporation 14.08.2028 Bonds	10,00,000	9	9.23	-	-	-	-	-	-
8.50% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	-	-	-	1,000	14,700.00	18.59
9.14% Kudgi Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	6	6.68	-	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	1,000	2,740.00	3.21
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	9	10.02	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	-	-	-	10,00,000	25	25.49	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	10,00,000	1	1.04	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	550	582.59	-	-	-
Total Debt Securities (B)			298.18			4,354.13			145.37
Equity Instruments									
CPSE ETF	10.00	2,65,88,545	724.27	-	-	-	-	-	-
IRB InvIT Fund	102.00	5,000	0.33	102.00	13,75,000	112.81	-	-	-
India Grid Trust	-	-	-	100.00	86,751	8.20	-	-	-
Hindustan Zinc Limited	-	-	-	-	-	-	2.00	11,36,000	328.08
Coal India Limited	-	-	-	-	-	-	10.00	19,15,900	560.69
Total Equity Instruments (C)			724.60			121.01			888.77
Preference Shares									
6.00% Zee Entertainment Enterprises Limited Pref Shares Sr-I	-	-	-	8.00	2,29,68,297	179.62	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10.00	22,26,835	23.56	-	-	-
Total Preference Shares (D)			-			203.18			-

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Mutual Fund									
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option		10,00,000	10.00		10,00,000	10.00	-	10,00,000	10.03
HDFC Overnight Fund - Growth Option - Direct Plan		3,06,132	864.02		-	-	-	-	-
JM Large Cap Fund - Annual Dividend Option		16,26,89,805	2,513.85		-	-	-	-	-
Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth		40,00,000	42.60		-	-	-	-	-
Edelweiss Short Term Fund - Direct - Growth		30,66,864	52.62		-	-	-	-	-
Kotak Mahindra Mutual Fund Collection		-	-		4,61,398	1,010.22	-	-	-
JM Equity Fund - Monthly Dividend Option -Payout		-	-		4,77,24,041	570.71	-	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan		-	-		2,36,429	1,002.45	-	-	-
Reliance Medium Term Fund		-	-		2,71,68,155	1,010.13	-	-	-
Edelweiss Active Bond Fund - Direct - Growth		-	-		-	-		7,18,52,978	1,300.42
LIC Nomura Liquid Fund - Direct - Growth		-	-		-	-		3,39,185	1,000.27
Kotak Floater Fund - Direct Plan - Growth		-	-		-	-		5,62,086	1,500.42
JM High Liquidity Fund - Direct - Growth		-	-		-	-		2,24,71,506	1,000.48
<i>Total Mutual Fund (E)</i>			3,483.09			3,603.51			4,811.62
<i>Total (A+B+C+D+E)</i>			18,379.37			24,944.75			12,734.40

Notes:

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

13. Trade receivables

a) Trade receivables

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

b) Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	6.42	4.99
Add/ (less): asset originated or acquired (net)	0.33	1.43
Impairment allowance - closing balance	6.75	6.42

Notes:

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

c) Trade receivables days past due

As at March 31, 2019	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		1.2%	5.7%	25.0%	100.0%	100.0%	
Estimated total gross carrying amount at default*	660.37	48.50	5.52	7.94	0.60	4.81	727.74
ECL - simplified approach	-	0.18	-	1.73	0.03	4.81	6.75
Net carrying amount	660.37	48.32	5.52	6.21	0.57	-	720.99

As at March 31, 2018	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		0.6%	3.1%	16.4%	87.5%	100.0%	
Estimated total gross carrying amount at default*	5,411.31	55.08	0.06	9.70	0.04	4.75	5,480.94
ECL - simplified approach	-	-	-	1.67	-	4.75	6.42
Net carrying amount	5,411.31	55.08	0.06	8.03	0.04	-	5,474.52

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

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

14.A Loans given to directors

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans Given to Directors (refer note 48 related party disclosure)	342.19	-	-
	342.19	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

14.B Credit quality of assets

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

a Credit quality of assets

	As at March 31, 2019				As at March 31, 2018				As at March 31, 2017			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing												
High grade	2,12,533.38			2,12,533.38	2,07,186.27			2,07,186.27	1,54,301.98			1,54,301.98
Standard grade		25,864.50		25,864.50		12,900.51		12,900.51		17,489.51		17,489.51
Non-performing				-				-				-
Individually impaired			5,687.55	5,687.55			4,699.20	4,699.20			3,793.00	3,793.00
	2,12,533.38	25,864.50	5,687.55	2,44,085.43	2,07,186.27	12,900.51	4,699.20	2,24,785.98	1,54,301.98	17,489.51	3,793.00	1,75,584.49

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

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

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

Reconciliation / movement for the year ended March 31, 2019

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	2,24,785.98	4,761.28
Transfer of financial assets								
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-
Stage II to Stage I	958.66	8.98	(958.66)	(8.98)	-	-	-	-
Stage III to Stage II	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	624.20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	24,534.31	1,078.03
Loans sold to ARC	-	-	-	-	(4,992.44)	(117.82)	(4,992.44)	(117.82)
Amounts written off	-	-	-	-	(242.42)	(227.00)	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.55	3,358.72	2,44,085.43	6,118.69

ECL Finance Limited

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

(Currency: Indian rupees in million)

14.B Credit quality of assets (contd.)

Reconciliation / movement for the year Ended March 31, 2018

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying Amount	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	1,54,301.98	1,238.29	17,489.51	361.54	3,793.00	2,344.26	1,75,584.49	3,944.09
Transfer of financial assets:								
Stage I to Stage II	(2,334.85)	(14.82)	2,334.85	14.82	-	-	-	-
Stage I to Stage III	(6,957.03)	(224.82)	-	-	6,957.03	224.82	-	-
Stage II to Stage I	100.15	2.00	(100.15)	(2.00)	-	-	-	-
Stage II to Stage III	-	-	(760.29)	(9.42)	760.29	9.42	-	-
Stage III to Stage I	414.90	161.49	-	-	(414.90)	(161.49)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(158.36)	-	3.72	-	2,068.71	-	1,914.07
New assets originated /repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	(329.98)	(66.17)	55,267.73	650.24
Loans sold to ARC	-	-	-	-	(4,286.03)	(714.62)	(4,286.03)	(714.62)
Amounts written off	-	-	-	-	(1,780.21)	(1,032.50)	(1,780.21)	(1,032.50)
Closing balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	2,24,785.98	4,761.28

ECL Finance Limited

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

(Currency: Indian rupees in million)

15. Other investments

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

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

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

Notes:

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

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

3) Please refer note 50 - Fair value measurement for valuation methodology

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

i) Credit quality of assets:

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

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

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

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

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

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
15.B Other investments									
Equity instruments (fully paid up)									
At fair value through profit and loss									
Alok Industries Limited	-	-	-	-	-	-	10	2,26,42,893	66.80
<i>Total (A)</i>			-			-			66.80
Equity instruments (fully paid up)									
at cost									
Aeon Credit Services India Pvt Limited (Associate company)	-	-	-	-	-	-	10	2,27,50,000	227.50
<i>Total (B)</i>			-			-			227.50
Preference shares (fully paid up)									
At amortised cost									
Edelweiss Commodities Services Limited (7% Non cumulative non convertible redeemable)	10	10,00,000	711.13	10.00	10,00,000	653.09	10	10,00,000	945.95
Edelweiss Investment Adviser Limited (1% Non cumulative non convertible redeemable)	-	-	-	-	-	-	10	2,20,000	158.74
<i>Total (C)</i>			711.13			653.09			1,104.69
Security receipts									
At fair value through profit and loss									
EARC Trust SC 007	1,000	1,04,500	68.38	1,000	1,04,500	51.28	1,000	1,04,500	51.28
EARC Trust SC 009	1,000	71,488	0.11	1,000	71,487	44.20	1,000	71,487	97.11
EARC Trust SC 043	1,000	54,000	28.80	-	-	-	-	-	-
EARC Trust SC 055	1,000	46,800	23.40	-	-	-	-	-	-
EARC Trust SC 102	1,000	7,68,570	357.87	1,000	352	362.15	1,000	7,68,570	1,060.73
EARC Trust SC 104	-	-	-	-	-	-	1,000	77,180	28.98
EARC Trust SC 109	1,000	6,33,500	619.22	-	-	-	-	-	-
EARC Trust SC 112	1,000	3,40,000	281.71	-	-	-	-	-	-
EARC Trust SC 223	1,000	23,37,500	979.54	1,000	23,37,500	1,081.35	1,000	23,37,500	2,495.28
EARC Trust SC 229	1,000	2,55,000	191.25	-	-	-	-	-	-
EARC Trust SC 245	1,000	2,76,760	194.90	-	-	-	-	-	-
EARC Trust SC 251	1,000	17,00,000	1,700.00	1,000	17,00,000	1,901.38	1,000	17,00,000	1,650.45
EARC Trust SC 297	1,000	33,182	26.35	1,000	5,18,470	543.48	-	-	-
EARC Trust SC 308	1,000	2,40,550	173.89	1,000	2,40,550	127.85	-	-	-
EARC Trust SC 313	1,000	23,427	28.37	-	-	-	-	-	-
EARC Trust SC 314	1,000	71,400	108.13	1,000	71,400	96.03	-	-	-
EARC Trust SC 326	1,000	711	0.65	-	-	-	-	-	-
EARC Trust SC 329	1,000	2,88,000	288.98	1,000	2,88,000	281.32	-	-	-

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
EARC Trust SC 331	1,000	3,96,720	401.40	1,000	3,96,720	389.80		-	-
EARC Trust SC 345	1,000	8,865	9.73		-	-		-	-
EARC Trust SC 361	1,000	2,40,000	240.00		-	-		-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	11.75		-	-		-	-
<i>Total (D)</i>			5,734.43			4,878.84			5,383.83
Units of AIF									
At fair value through profit and loss									
Edelweiss Stressed and Troubled Assets Revival Fund	5,576.40	25,000.00	139.41	7,797.20	25,000.00	194.93	8,383.60	25,000.00	209.59
Edelweiss Short Term Income Fund- Institutional Growth	10.00	40,799.00	0.43	10.00	40,799.00	0.43	10.00	40,799.00	0.43
<i>Total (E)</i>			139.84			195.36			210.02
<i>Total (A+B+C+D+E)</i>			6,585.40			5,727.29			6,992.84

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
16. Other financial assets			
Security deposits	56.99	29.65	3.95
Deposits placed with/exchange/depositories	91.05	71.05	91.05
Accrued interest on margin	0.21	0.59	0.32
Margin placed with broker (refer note 11.A)	1,625.80	198.60	742.02
Interest accrued on investments	5.54	5.54	31.17
Advances recoverable in cash or in kind or for value to be received	185.13	180.35	59.53
Receivables from trust	4,165.40	1,492.81	-
	6,130.12	1,978.59	928.04
17. Current tax assets (net)			
Advance income taxes (net of provision for tax ₹ 5,673.86, March 31, 2018 ₹ 6,286.90 million, April 01, 2017 ₹ 4,953.07 millions)	422.36	457.72	403.03
	422.36	457.72	403.03
18. Deferred tax assets (net)			
Deferred tax assets			
Loans			
Expected credit loss	1,847.19	1,442.94	1,153.63
Effective interest rate on financial assets	152.25	154.24	82.24
Investments and other financial instruments			
Impairment - Investments at amortised cost	-	63.70	61.52
Fair valuation - Investments and securities held for trading	-	4.00	-
Employee benefit obligations			
Provision for deferred bonus	-	46.68	95.33
Disallowances under section 43B of the Income tax act, 1961	8.70	(0.02)	4.49
Fair valuation of employee stock options	-	259.88	317.01
Others	9.42	2.24	1.73
	2,017.56	1,973.66	1,715.95
Deferred tax liabilities			
Property, plant and equipment and intangibles			
Difference between book and tax depreciation	26.98	24.29	16.70
Investments and other financial instruments			
Fair valuation - Derivative financial instruments	5.41	6.09	83.55
Fair valuation - Investments and securities held for trading	268.99	333.11	133.77
Borrowings			
Effective interest rate on financial liabilities	229.96	91.00	117.21
Others	-	2.85	-
	531.34	457.34	351.23
	1,486.22	1,516.32	1,364.72

ECL Finance Limited

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

(Currency: Indian rupees in million)

19. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Other intangible assets		Total	
	Building\$	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Computer software	Total		
Deemed cost*										
As at April 1, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
Additions	270.11	2.01	30.07	6.29	14.28	21.60	344.36	40.10	40.10	384.46
Disposals	-	-	-	(5.36)	(0.40)	(0.07)	(5.83)	-	-	(5.83)
as at March 31, 2018	476.87	4.15	30.92	21.33	16.24	35.76	585.27	50.12	50.12	635.39
Additions	-	10.26	5.07	0.71	8.32	49.34	73.70	69.73	69.73	143.43
Disposals	-	-	-	(3.14)	-	(3.44)	(6.58)	-	-	(6.58)
as at March 31, 2019	476.87	14.41	35.99	18.90	24.56	81.66	652.39	119.85	119.85	772.24
Depreciatin and Impairment:										
<u>Opening balance*</u>	-	-	-	-	-	-	-	-	-	-
Add: Deperciation/amortisation for the year	17.92	1.12	2.99	6.24	3.22	13.09	44.58	8.20	8.20	52.78
Disposals	-	-	-	(0.56)	(0.08)	(0.02)	(0.66)	-	-	(0.66)
as at March 31, 2018	17.92	1.12	2.99	5.68	3.14	13.07	43.92	8.20	8.20	52.12
Add: Deperciation/amortisation for the year	22.95	2.09	7.74	5.13	7.74	27.73	73.38	33.15	33.15	106.53
Disposals	-	-	-	(1.56)	-	(1.67)	(3.23)	-	-	(3.23)
as at March 31, 2019	40.87	3.21	10.73	9.25	10.88	39.13	114.07	41.35	41.35	155.42
Net book value										
As at April 01, 2017	206.76	2.14	0.85	20.40	2.36	14.23	246.74	10.02	10.02	256.76
As at March 31, 2018	458.95	3.03	27.93	15.65	13.10	22.69	541.35	41.92	41.92	583.27
As at March 31, 2019	436.00	11.20	25.26	9.65	13.68	42.53	538.32	78.50	78.50	616.82

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
20. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
303 Input tax credit	353.52	120.13	-
217 Contribution to gratuity fund (net)	-	0.74	3.36
297 Prepaid expenses	31.06	6.91	5.44
301 Vendor advances	25.61	42.56	55.87
307 Advances recoverable in cash or in kind or for value to be received	0.75	-	2.75
312 Advances to employees	3.36	6.01	3.04
321 Others	17.11	38.52	2.49
	431.41	214.87	72.95
21. Trade Payables			
Payable to :			
100 Trade payables to non-related parties	2,560.85	814.48	418.83
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	852.46	487.46	60.29
	3,413.31	1,301.94	479.12

21.A Details of dues to micro and small enterprises

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

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
22. Debt securities			
<i>at amortised cost</i>			
<i>(Refer Note 22.A and 22.B)</i>			
Redeemable non-convertible debentures - secured			
iS029 Privately placed	45,351.78	44,885.23	29,905.88
S029Z Public issue	29,552.37	3,246.45	10,213.07
S029X Market linked debentures	8,237.72	9,635.39	17,582.38
INR Bonds			
S029Y INR denominated USD settled notes (masala bonds)	5,197.22	5,174.33	5,154.70
Redeemable non-convertible debentures - unsecured			
S029W Privately placed	906.16	829.20	748.69
iS088 Commercial papers - unsecured	5,650.00	8,250.00	31,620.00
iS089 <i>Less : Unamortised discount</i>	(23.40)	(187.16)	(397.41)
	5,626.60	8,062.84	31,222.59
Total	94,871.85	71,833.44	94,827.31
Debt securities in India	89,674.63	66,659.11	89,672.61
Debt securities outside India	5,197.22	5,174.33	5,154.70
Total	94,871.85	71,833.44	94,827.31

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

As at March 31, 2019

Redeemable non-convertible debentures - secured

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

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

*MLD represents market linked debentures

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

83,141.87

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

INR Bonds

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

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

5,197.22

Redeemable non-convertible debentures - unsecured

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

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

906.16

As at March 31, 2018

Redeemable non-convertible debentures - secured

Month	Rate of Interest					MLD*	Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%		
Apr 2018	-	-	-	-	-	747.80	747.80
May 2018	-	-	-	-	-	409.80	409.80
Jun 2018	-	-	-	-	-	308.00	308.00
Jul 2018	-	-	-	-	-	459.20	459.20
Aug 2018	-	-	-	2,600.00	-	645.90	3,245.90
Sep 2018	-	-	-	-	-	237.70	237.70
Oct 2018	-	-	-	-	-	205.00	205.00
Nov 2018	-	-	-	-	-	170.50	170.50
Dec 2018	-	-	1,650.00	-	-	267.90	1,917.90
Jan 2019	-	-	100.00	-	1,425.85	112.00	1,637.85
Feb 2019	-	-	250.00	-	327.00	93.50	670.50
Mar 2019	-	-	-	-	-	292.00	292.00
Apr 2019	-	-	-	-	-	160.00	160.00
May 2019	-	-	125.00	-	470.00	192.70	787.70
Jun 2019	-	-	-	-	-	213.60	213.60
Jul 2019	-	-	-	-	125.00	179.00	304.00
Aug 2019	-	-	125.00	2,500.00	-	351.50	2,976.50
Sep 2019	-	500.00	-	-	-	173.00	673.00
Oct 2019	-	-	-	-	-	352.60	352.60
Nov 2019	-	-	125.00	-	-	352.30	477.30
Dec 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jan 2020	-	-	-	-	-	339.80	339.80
Feb 2020	-	-	375.00	-	-	213.30	588.30
Mar 2020	-	-	2,000.00	1,408.47	-	199.00	3,607.47
Apr 2020	50.00	122.00	42.00	-	-	243.50	457.50
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	314.30	-	-	-	80.00	394.30
Jul 2020	-	-	28.00	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	4,000.00	-	63.00	4,063.00

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

Non-convertible redeemable debentures (secured) (contd..)

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

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

57,767.07

INR Bonds

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

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

Total 5,174.33

Redeemable non-convertible debentures - unsecured

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

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

829.20

*MLD represents market linked debentures

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

ECL Finance Limited

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

(Currency: Indian rupees in million)

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

As at April 01, 2017

Redeemable non-convertible debentures - secured

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2017	-	-	-	-	-	173.10	173.10
May 2017	-	-	-	-	-	655.50	655.50
Jun 2017	-	-	-	-	-	242.50	242.50
Jul 2017	-	1,500.00	-	-	-	738.10	2,238.10
Aug 2017	-	-	-	60.00	-	639.80	699.80
Sep 2017	-	-	-	-	-	415.90	415.90
Oct 2017	-	-	-	100.00	-	596.60	696.60
Nov 2017	-	-	-	85.00	-	872.40	957.40
Dec 2017	-	-	-	-	-	403.00	403.00
Jan 2018	-	-	-	-	-	802.80	802.80
Feb 2018	-	-	-	-	-	288.30	288.30
Mar 2018	-	-	-	-	-	255.00	255.00
Apr 2018	-	-	-	-	-	237.70	237.70
May 2018	-	-	1,650.00	-	-	274.40	1,924.40
Jun 2018	-	-	-	-	-	459.20	459.20
Jul 2018	-	-	-	-	-	258.50	258.50
Aug 2018	-	-	-	-	-	808.20	808.20
Sep 2018	-	-	-	7,234.29	-	812.00	8,046.29
Oct 2018	-	-	-	2,600.00	-	643.90	3,243.90
Nov 2018	-	-	-	50.00	-	1,148.70	1,198.70
Dec 2018	-	-	-	-	-	176.00	176.00
Jan 2019	-	-	-	-	-	160.00	160.00
Feb 2019	-	-	-	-	470.00	177.70	647.70
Mar 2019	-	-	-	-	-	213.60	213.60
Apr 2019	-	-	-	-	-	143.00	143.00
May 2019	-	-	1,650.00	-	-	335.50	1,985.50
Jun 2019	-	-	-	-	125.00	169.00	294.00
Jul 2019	-	-	-	-	-	352.60	352.60
Aug 2019	-	-	250.00	-	327.00	101.00	678.00
Sep 2019	-	-	-	-	-	280.50	280.50
Oct 2019	-	-	-	2,500.00	-	349.50	2,849.50
Nov 2019	-	-	100.00	-	1,425.85	117.50	1,643.35
Dec 2019	-	-	-	-	-	343.30	343.30
Jan 2020	-	-	42.00	-	-	243.50	285.50
Feb 2020	-	37.00	215.00	-	-	24.00	276.00
Mar 2020	-	-	-	-	-	80.00	80.00
Apr 2020	-	-	1,700.00	-	-	-	1,700.00
May 2020	-	-	28.00	-	-	45.70	73.70
Jun 2020	-	-	-	4,000.00	-	54.00	4,054.00
Jul 2020	-	-	250.00	-	-	813.30	1,063.30
Aug 2020	-	-	-	1,408.47	-	209.00	1,617.47
Oct 2020	-	-	-	-	-	84.50	84.50
Nov 2020	-	-	-	-	-	289.80	289.80
Dec 2020	-	-	-	-	-	10.00	10.00
Jan 2021	-	-	-	-	-	15.00	15.00
Apr 2021	-	-	-	-	-	50.00	50.00
May 2021	-	-	-	-	-	20.00	20.00
Jan 2022	-	-	750.00	-	-	-	750.00
Oct 2022	-	-	-	-	-	20.00	20.00
Oct 2023	-	-	750.00	-	-	-	750.00
Jan 2024	-	-	-	200.00	-	-	200.00
Oct 2024	-	-	750.00	-	-	-	750.00
Dec 2024	-	-	500.00	-	-	-	500.00
Feb 2025	-	-	-	100.00	-	-	100.00
Mar 2025	-	-	70.00	-	-	-	70.00
Apr 2025	-	-	250.00	-	-	-	250.00

*MLD represents market linked debentures

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

22.A Maturity profile and rate of interest of debt securities are set out below:

Non-convertible redeemable debentures (secured) - Contd..

Month	Rate of Interest						Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	
Aug 2025	-	-	875.00	200.00	-	-	1,075.00
Sep 2025	-	-	-	50.00	-	-	50.00
Oct 2025	-	-	-	100.00	-	-	100.00
Dec 2025	-	-	30.00	-	-	-	30.00
Jan 2026	-	-	110.00	-	-	-	110.00
Mar 2026	-	-	200.00	-	-	-	200.00
Apr 2026	-	-	225.00	-	-	-	225.00
May 2026	-	-	250.00	-	-	-	250.00
Jun 2026	-	-	-	-	-	20.00	20.00
Aug 2026	-	-	8.00	-	-	-	8.00
Mar 2027	-	-	5,000.00	-	-	-	5,000.00
	-	1,537.00	15,653.00	18,687.76	2,347.85	15,623.60	53,849.21
							Add: interest accrued & effective interest rate amortisation** 3,852.12
							57,701.33

INR Bonds

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00
						Add: interest accrued & effective interest rate amortisation** 134.70
						Total 5,154.70

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2017	-	-	-	300.00	-	300.00
Dec 2025	-	-	10.00	-	-	10.00
Mar 2026	-	-	400.00	-	-	400.00
	-	-	410.00	300.00	-	710.00
						Add: interest accrued & effective interest rate amortisation** 38.69
						Total 748.69

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

22.A Maturity profile and rate of interest of debt securities are set out below:

Commercial papers - unsecured

As at March 31, 2019

Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
Apr 2019	-	4,987.15	-	4,987.15
May 2019	-	-	493.07	493.07
Jul 2019	-	-	146.38	146.38
	-	4,987.15	639.45	5,626.60

As at March 31, 2018

Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
May 2018	1,977.64	740.71	-	2,718.35
Jun 2018	-	2,857.05	-	2,857.05
Sep 2018	-	1,927.03	-	1,927.03
Dec 2018	-	94.26	-	94.26
Feb 2019	-	466.15	-	466.15
	1,977.64	6,085.20	-	8,062.84

As at April 01, 2017

Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
Apr 2017	497.32	799.66	-	1,296.98
May 2017	15,830.28	-	128.58	15,958.86
Jun 2017	13,783.03	144.47	39.25	13,966.75
	30,110.63	944.13	167.83	31,222.59

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

22.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets) and corporate guarantee from parent

During the previous year, the Company has raised Rs 28,914.15 million worth of redeemable non-convertible debentures through public issue. As at March 31 2019 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the prospectus.

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

INR Bonds (Masala Bond):

Debentures are secured by pari passu charge on receivables from financing business and securities held for trading.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
23. Borrowings other than debt securities <i>(at amortised cost)</i>			
Secured			
<u>Term loan from bank</u>	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] <i>(Refer Note 23.A)</i>			
<u>Term loans from other parties</u>	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] <i>(Refer note 23.A)</i>			
<u>Other borrowings</u>			
Cash credit lines	22,322.04	18,235.36	3,872.83
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.50% to 10%)			
Working capital demand loan	2,900.00	4,370.00	3,100.00
[Secured by charge on receivables from financing business] (Repayable on demand, Interest rate payable in the range of 8.65% to 10%)			
Tri party REPO			
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement	2,097.03	-	-
[Secured by pledge of government securities] [Repayable on April 02, 2019]			
CBLO borrowings			
Collateralised borrowing and lending obligation and clearcorp repo order matching system	-	15,325.41	6,536.84
[Secured by pledge of government securities] [March 18; Repayable on April 03 2018 Interest payable in range of 6.55% to 6.75%] [March 17; Repayable on April 03 2017 Interest payable in range of 6.06% to 6.09%]			
Unsecured			
<u>Loan from related parties (refer note 48)</u>	1,014.31	12,124.87	14,080.73
(Repayable on demand, Interest rate payable @ 10% for March-19, 9% for March-18 and 10% for March-17)			
Total	1,13,287.45	1,38,208.56	76,518.36
Borrowings in India	1,13,287.45	1,38,208.56	76,518.36
Borrowings in outside India	-	-	-
Total	1,13,287.45	1,38,208.56	76,518.36

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2019

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2019	83.40	140.90	500.00	-	724.30
May 2019	-	37.50	187.50	-	225.00
Jun 2019	511.20	2,961.16	693.06	200.00	4,365.42
Jul 2019	83.40	640.90	422.37	-	1,146.67
Aug 2019	125.00	137.50	87.50	-	350.00
Sep 2019	927.47	2,484.08	568.06	500.00	4,479.60
Oct 2019	83.40	140.90	1,972.37	-	2,196.67
Nov 2019	-	37.50	187.50	-	225.00
Dec 2019	458.40	6,454.08	668.06	200.00	7,780.53
Jan 2020	83.40	590.90	422.37	-	1,096.67
Feb 2020	-	137.50	25.00	-	162.50
Mar 2020	575.07	2,320.75	518.06	500.00	3,913.87
Apr 2020	83.40	140.90	1,972.37	-	2,196.67
May 2020	-	37.50	125.00	-	162.50
Jun 2020	358.40	2,654.08	593.06	200.00	3,805.53
Jul 2020	82.60	590.90	422.37	-	1,095.87
Aug 2020	-	137.50	25.00	-	162.50
Sep 2020	475.07	2,220.75	430.56	500.00	3,626.37
Oct 2020	-	140.90	1,922.37	-	2,063.27
Nov 2020	-	37.50	125.00	-	162.50
Dec 2020	307.60	6,074.91	475.00	200.00	7,057.51
Jan 2021	-	590.90	350.00	-	940.90
Feb 2021	-	137.50	25.00	-	162.50
Mar 2021	391.67	1,899.91	325.00	500.00	3,116.58
Apr 2021	-	140.90	1,900.00	-	2,040.90
May 2021	-	37.50	125.00	-	162.50
Jun 2021	225.00	1,949.91	425.00	200.00	2,799.91
Jul 2021	-	591.00	350.00	-	941.00
Aug 2021	-	137.50	25.00	-	162.50
Sep 2021	225.00	1,849.91	325.00	500.00	2,899.91
Oct 2021	-	50.00	1,825.00	-	1,875.00
Nov 2021	-	37.50	125.00	-	162.50
Dec 2021	225.00	6,091.58	425.00	200.00	6,941.58
Jan 2022	-	500.00	275.00	-	775.00
Feb 2022	-	137.50	25.00	-	162.50
Mar 2022	225.00	1,246.58	325.00	500.00	2,296.58
Apr 2022	-	50.00	1,825.00	-	1,875.00
May 2022	-	37.50	100.00	-	137.50
Jun 2022	100.00	1,056.58	425.00	200.00	1,781.58
Jul 2022	-	500.00	275.00	-	775.00
Aug 2022	-	137.50	-	-	137.50
Sep 2022	100.00	956.58	325.00	500.00	1,881.58
Oct 2022	-	50.00	1,775.00	-	1,825.00
Nov 2022	-	37.50	100.00	-	137.50
Dec 2022	50.00	150.00	425.00	-	625.00
Jan 2023	-	500.00	225.00	-	725.00
Feb 2023	-	137.50	-	-	137.50
Mar 2023	50.00	-	325.00	-	375.00
Apr 2023	-	-	525.00	-	525.00
May 2023	-	37.50	-	-	37.50
Jun 2023	-	-	175.00	-	175.00
Jul 2023	-	-	75.00	-	75.00

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Sep 2023	-	-	275.00	-	275.00
Oct 2023	-	-	375.00	-	375.00
Dec 2023	-	-	175.00	-	175.00
Jan 2024	-	-	75.00	-	75.00
Mar 2024	-	-	225.00	-	225.00
Apr 2024	-	-	75.00	-	75.00
	5,829.47	47,167.46	26,967.54	4,900.00	84,864.47

Add: interest accrued & effective interest rate amortisation** 89.60

84,954.07

As at March 31, 2018

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2018	245.90	-	-	-	245.90
May 2018	187.50	-	-	-	187.50
Jun 2018	3,758.75	473.33	-	-	4,232.08
Jul 2018	993.27	50.00	-	-	1,043.27
Aug 2018	312.50	-	-	-	312.50
Sep 2018	3,975.42	140.00	-	-	4,115.42
Oct 2018	543.27	50.00	-	-	593.27
Nov 2018	187.50	-	-	-	187.50
Dec 2018	4,008.75	140.00	-	-	4,148.75
Jan 2019	1,730.77	50.00	-	-	1,780.77
Feb 2019	187.50	-	-	-	187.50
Mar 2019	3,508.75	473.33	-	-	3,982.08
Apr 2019	930.77	50.00	-	-	980.77
May 2019	312.50	-	-	-	312.50
Jun 2019	3,856.27	140.00	-	-	3,996.27
Jul 2019	1,730.77	-	-	-	1,730.77
Aug 2019	187.50	-	-	-	187.50
Sep 2019	7,257.20	140.00	-	-	7,397.20
Oct 2019	993.27	50.00	-	-	1,043.27
Nov 2019	312.50	-	-	-	312.50
Dec 2019	3,881.67	140.00	-	-	4,021.67
Jan 2020	930.77	-	-	-	930.77
Feb 2020	125.00	-	-	-	125.00
Mar 2020	3,290.53	140.00	-	-	3,430.53
Apr 2020	1,730.77	-	-	-	1,730.77
May 2020	125.00	-	-	-	125.00
Jun 2020	2,948.87	473.33	-	-	3,422.20
Jul 2020	929.97	-	-	-	929.97
Aug 2020	125.00	-	-	-	125.00
Sep 2020	3,003.03	140.00	-	-	3,143.03
Oct 2020	1,597.37	-	-	-	1,597.37
Nov 2020	125.00	-	-	-	125.00
Dec 2020	6,534.18	140.00	-	-	6,674.18
Jan 2021	775.00	-	-	-	775.00
Feb 2021	125.00	-	-	-	125.00
Mar 2021	2,543.25	90.00	-	-	2,633.25
Apr 2021	325.00	-	-	-	325.00
May 2021	125.00	-	-	-	125.00

** Interest accrued but not due is payable on next interest payment date for respective term loan

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Jun 2021	2,326.58	90.00	-	-	2,416.58
Jul 2021	775.00	-	-	-	775.00
Aug 2021	125.00	-	-	-	125.00
Sep 2021	2,376.58	40.00	-	-	2,416.58
Oct 2021	150.00	-	-	-	150.00
Nov 2021	125.00	-	-	-	125.00
Dec 2021	6,726.58	40.00	-	-	6,766.58
Jan 2022	550.00	-	-	-	550.00
Feb 2022	125.00	-	-	-	125.00
Mar 2022	1,981.58	40.00	-	-	2,021.58
Apr 2022	100.00	-	-	-	100.00
May 2022	100.00	-	-	-	100.00
Jun 2022	1,606.58	-	-	-	1,606.58
Jul 2022	550.00	-	-	-	550.00
Aug 2022	100.00	-	-	-	100.00
Sep 2022	1,606.58	-	-	-	1,606.58
Oct 2022	50.00	-	-	-	50.00
Nov 2022	100.00	-	-	-	100.00
Dec 2022	450.00	-	-	-	450.00
Jan 2023	450.00	-	-	-	450.00
Feb 2023	100.00	-	-	-	100.00
Mar 2023	100.00	-	-	-	100.00
	85,035.53	3,090.00	-	-	88,125.53

Add: interest accrued & effective interest rate amortisation**

27.39

88,152.92

As at April 01, 2017

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Apr 2017	-	-	112.50	-	112.50
May 2017	-	125.00	166.67	-	291.67
Jun 2017	62.50	1,610.14	621.83	-	2,294.47
Jul 2017	-	197.37	112.50	-	309.87
Aug 2017	-	125.00	83.33	-	208.33
Sep 2017	62.50	1,610.14	530.93	-	2,203.56
Oct 2017	-	247.37	112.50	-	359.87
Nov 2017	-	25.00	41.67	-	66.67
Dec 2017	62.50	1,672.64	343.43	-	2,078.56
Jan 2018	-	247.37	112.50	-	359.87
Feb 2018	-	150.00	41.67	-	191.67
Mar 2018	62.50	1,672.64	343.43	-	2,078.56
Apr 2018	-	247.37	112.50	-	359.87
May 2018	-	25.00	41.67	-	66.67
Jun 2018	62.50	1,672.64	343.43	-	2,078.56
Jul 2018	-	247.37	112.50	-	359.87
Aug 2018	-	150.00	-	-	150.00
Sep 2018	62.50	1,672.64	343.43	-	2,078.56
Oct 2018	-	247.37	112.50	-	359.87
Nov 2018	-	25.00	-	-	25.00
Dec 2018	62.50	1,672.64	343.43	-	2,078.56
Jan 2019	-	247.37	112.50	-	359.87
Feb 2019	-	150.00	-	-	150.00

** Interest accrued but not due is payable on next interest payment date for respective term loan

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month					Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Mar 2019	62.50	1,641.39	280.93	-	1,984.81
Apr 2019	-	247.37	50.00	-	297.37
May 2019	-	25.00	-	-	25.00
Jun 2019	62.50	1,516.39	249.68	-	1,828.56
Jul 2019	-	247.37	50.00	-	297.37
Aug 2019	-	150.00	-	-	150.00
Sep 2019	62.50	1,491.39	139.90	-	1,693.79
Oct 2019	-	197.37	50.00	-	247.37
Nov 2019	-	25.00	-	-	25.00
Dec 2019	62.50	5,386.39	112.50	-	5,561.39
Jan 2020	-	197.37	50.00	-	247.37
Feb 2020	-	25.00	-	-	25.00
Mar 2020	62.50	1,190.56	112.50	-	1,365.56
Apr 2020	-	147.37	50.00	-	197.37
May 2020	-	25.00	-	-	25.00
Jun 2020	62.50	1,065.56	112.50	-	1,240.56
Jul 2020	-	147.37	50.00	-	197.37
Aug 2020	-	25.00	-	-	25.00
Sep 2020	62.50	1,015.56	-	-	1,078.06
Oct 2020	-	147.37	-	-	147.37
Nov 2020	-	25.00	-	-	25.00
Dec 2020	62.50	4,910.00	-	-	4,972.50
Jan 2021	-	125.00	-	-	125.00
Feb 2021	-	25.00	-	-	25.00
Mar 2021	62.50	735.00	-	-	797.50
Apr 2021	-	125.00	-	-	125.00
May 2021	-	25.00	-	-	25.00
Jun 2021	62.50	735.00	-	-	797.50
Jul 2021	-	125.00	-	-	125.00
Aug 2021	-	25.00	-	-	25.00
Sep 2021	62.50	685.00	-	-	747.50
Oct 2021	-	50.00	-	-	50.00
Nov 2021	-	25.00	-	-	25.00
Dec 2021	62.50	5,085.00	-	-	5,147.50
Jan 2022	-	50.00	-	-	50.00
Feb 2022	-	25.00	-	-	25.00
Mar 2022	62.50	352.50	-	-	415.00
Apr 2022	-	50.00	-	-	50.00
Jul 2022	-	49.41	-	-	49.41
	1,250.00	42,180.76	5,452.88	-	48,883.65

Add: interest accrued & effective interest rate amortisation**

44.31

48,927.96

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
24. Subordinated liabilities (unsecured)			
<i>(at amortised cost)</i>			
<i>(Refer Note 24.A)</i>			
Subordinated debt			
Privately placed non-convertible redeemable	8,318.84	8,343.95	7,121.17
Public issue of non-convertible redeemable	4,357.01	4,243.64	4,149.41
Market linked debentures	4,045.92	3,719.35	-
Perpetual debt	3,272.82	3,272.82	-
Total	19,994.59	19,579.76	11,270.58
Subordinated liabilities in India	19,994.59	19,579.76	11,270.58
Subordinated liabilities outside India	-	-	-
Total	19,994.59	19,579.76	11,270.58

24.A Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2019

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2020	-	-	4,000.00	-	4,000.00
Sep 2020	-	-	500.00	-	500.00
Dec 2020	-	-	200.00	-	200.00
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,751.60	1,751.60
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	3,000.00	-	3,000.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	2,700.00	8,200.00	3,184.10	15,884.10

Add: interest accrued & effective interest rate amortisation**

837.67

16,721.77

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	3,000.00	-	3,000.00

Add: interest accrued & effective interest rate amortisation** **272.82**

3,272.82

As at March 31, 2018

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	10% - 11%	11% - 12%	MLD*	
Apr 2020	-	-	4,000.00	-	4,000.00
Sep 2020	-	-	500.00	-	500.00
Dec 2020	-	-	200.00	-	200.00
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,751.60	1,751.60
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	3,000.00	-	3,000.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	2,700.00	8,200.00	3,184.10	15,884.10

Add: interest accrued & effective interest rate amortisation** 422.84

16,306.94

Perpetual debt

Month	Rate of Interest			Grand Total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	3,000.00	-	3,000.00

Add: interest accrued & effective interest rate amortisation** 272.82

3,272.82

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

As at April 01, 2017

Subordinated debt (unsecured)

Month	Rate of Interest			Grand Total
	9% - 10%	10% - 11%	11% - 12%	
Apr 2020	-	-	4,000.00	4,000.00
Sep 2020	-	-	500.00	500.00
Dec 2020	-	-	200.00	200.00
Jun 2022	-	-	500.00	500.00
May 2025	-	-	3,000.00	3,000.00
Sep 2025	-	200.00	-	200.00
Jun 2026	-	2,500.00	-	2,500.00
	-	2,700.00	8,200.00	10,900.00

Add: interest accrued & effective interest rate amortisation** 370.58

11,270.58

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

24.B Details of subordinated liabilities:

Market Linked Debentures:

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level.

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment. if call option is not exercised.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
25. Other financial liabilities			
Payable on account of securitisation	750.24	-	-
Book overdraft	1,622.07	1,707.83	325.66
Accrued salaries and benefits	529.57	720.56	496.72
Payable - SLB segment	673.72	-	-
	3,575.60	2,428.39	822.38
26. Current tax liabilities (net)			
Provision for taxation (net of advance Tax ₹ 5384.86, March 31, 2018 ₹ 3,927.81 million, April 01, 2017 ₹ 3,009.54 millions)	289.96	568.40	175.56
	289.96	568.40	175.56
27. Provisions			
Provision for employee benefits			
Gratuity (Refer Note 39.A)	4.40	-	-
Compensated leave absences	24.89	13.88	12.97
Deferred bonus	-	133.59	275.45
	29.29	147.47	288.42
28. Other non-financial liabilities			
Statutory liabilities*	56.17	114.63	33.61
Others	156.32	59.18	77.62
	212.49	173.81	111.23

* Includes withholding taxes, Provident fund, profession tax and other statutory dues payables

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
29. Equity share capital						
Authorised :						
Equity shares of Re.1 each	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00
Preference shares of Rs 10 each	40,00,000	40.00	40,00,000	40.00	40,00,000	40.00
	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00
Issued, subscribed and paid up:						
Equity shares of Re.1 each	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85
	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85

A. Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85	1,89,18,48,462	1,891.85
Shares issued during the year	19,01,59,398	190.16	5,62,58,790	56.26	-	-
Outstanding at the end of the year	2,13,82,66,650	2,138.27	1,94,81,07,252	1,948.11	1,89,18,48,462	1,891.85

Notes:

Financial year 2019

During the year the Company has issued 19,01,59,398 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 4,056.10 million to Edel Finance Company Limited and Edelweiss Financial Services Limited.

Financial year 2018

During the year the Company has issued 5,62,58,790 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 1,200.00 million to Edel Finance Company Limited.

B. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	9,74,16,683	4.56%	9,74,16,683	5.00%	9,74,16,683	5.15%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	29,44,72,650	13.77%	29,44,72,650	15.12%	14,69,76,650	7.77%
Edel Finance Limited	8,43,88,184	3.95%	5,62,58,790	2.89%	-	-
Waverly Pte. Ltd	-	-	-	-	14,74,96,000	7.80%
	2,13,82,66,650	100.00%	1,94,81,07,252	100.00%	1,89,18,48,462	100.00%

D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company#						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities Limited	-	-	9,74,16,683	5.00%	9,74,16,683	5.15%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	29,44,72,650	13.77%	29,44,72,650	15.12%	14,69,76,650	7.77%
Waverly Pte. Ltd	-	-	-	-	14,74,96,000	7.80%
	1,95,64,61,783	91.50%	1,89,18,48,462	97.11%	1,89,18,48,462	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

E. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

30. Other equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Securities premium reserve	11,879.93	7,983.01	6,839.25
Statutory reserve	5,024.31	3,892.54	2,968.44
Debenture redemption reserve	3,837.87	1,720.61	2,122.26
Retained earnings	15,474.12	13,327.50	9,539.19
Deemed capital contribution - equity	140.02	140.02	97.89
	36,356.25	27,063.68	21,567.03

A. Nature and purpose of reserves

a. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Statutory reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

c. Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFCs has to maintain debenture redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

d. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

30. Other equity

B. Movement in Other equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Securities premium reserve			
Opening balance	7,983.01	6,839.25	6,991.43
Add : Premium Received on issue of securities	3,896.92	1,163.35	-
Less: Provision for premium payable on redemption of debentures	-	(19.59)	(152.18)
	11,879.93	7,983.01	6,839.25
II. Statutory reserve			
Opening balance	3,892.54	2,968.44	2,187.83
Add : Reserve created for current year	1,131.77	924.10	780.61
	5,024.31	3,892.54	2,968.44
III. Debenture redemption reserve			
Opening balance	1,720.61	2,122.26	1,705.06
Add : Reserve created for current year	2,117.26	-	417.20
Less: Reserve utilised during the year	-	(401.65)	-
	3,837.87	1,720.61	2,122.26
IV. Retained earnings			
Opening balance	13,327.50	9,539.19	7,046.14
Add: Profit for the year	5,658.83	4,705.35	3,903.17
Add: Other comprehensive income	(3.30)	2.31	-
Less: Income tax effect of ESOP	(259.88)	(57.12)	317.01
Impact on first time adoption of Ind AS (Refer Note 52)	-	-	(529.32)
Add: Balance released from debenture redemption reserve		401.65	
Amount available for appropriation	18,723.15	14,591.38	10,737.00
Appropriations:			
Transfer to debenture redemption reserve	(2,117.26)	-	(417.20)
Transfer to statutory reserve	(1,131.77)	(924.10)	(780.61)
Deemed distribution during the year	-	(339.78)	-
	(3,249.03)	(1,263.88)	(1,197.81)
	15,474.12	13,327.50	9,539.19
V. Deemed capital contribution - equity			
Opening balance	140.02	97.89	-
Add : ESOP charge for the year	-	42.13	97.89
	140.02	140.02	97.89
	36,356.25	27,063.68	21,567.03

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
31. Interest Income		
On financial assets measured at amortised cost		
<i>Interest on loans</i>		
Loans	35,233.31	26,627.64
<i>Interest income from investments</i>		
Collateralised borrowing and lending operations / TriParty REPO	93.88	22.05
Investment in preference Shares	58.05	101.40
Interest on deposits with bank		
Fixed deposits	45.42	81.89
Other interest income		
Margin with brokers	33.39	16.68
Others	31.09	53.03
	35,495.14	26,902.69
On financial assets measured at FVTPL		
<i>Interest income from investments</i>		
Interest income - securities held for trading	2,099.35	2,225.35
	2,099.35	2,225.35
	37,594.49	29,128.04
32. Dividend Income		
Dividend - Securities held for trading	1,902.68	457.89
Dividend - Units of AIF funds	0.70	0.70
	1,903.38	458.59
33. Fee income		
Processing and other fees	1,173.28	1,656.77
	1,173.28	1,656.77
34. Net gain/ (loss) on financial instruments at FVTPL		
Investments		
Profit on trading - Securities held for trading (net)	690.70	464.16
Fair value - Securities held for trading (net)	(1,867.21)	(445.37)
Derivatives		
Profit on trading - Interest rate swap (net)	52.37	8.78
Profit on trading - Equity derivative instruments (net)	14.43	500.61
Profit on trading - Currency derivative instruments (net)	-	2.08
Profit / (loss) on trading - Interest rate derivative instruments (net)	28.29	(154.52)
Fair value - Derivative financial instruments (net)	156.95	(192.72)
Others		
Profit on sale/redemption - Securities receipts	561.44	677.57
Fair value - security receipts	(282.13)	527.40
	(645.16)	1,387.99
Fair value changes		
Realised	1,347.23	1,498.68
Unrealised	(1,992.39)	(110.69)
	(645.16)	1,387.99
35. Other income		
Miscellaneous income	148.59	92.08
	148.59	92.08

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
36. Finance costs		
<i>On financial liabilities measured at amortised cost</i>		
Interest on borrowings other than debt securities	12,369.14	8,852.96
Interest on debt securities	10,191.50	8,144.23
Interest on subordinated liabilities	1,404.30	1,289.37
Other finance cost and bank charges	433.32	572.10
	24,398.26	18,858.66
37. Net loss on derecognition of financial instruments		
Loss on sale of credit impaired assets <i>(Refer note 53.D)</i>	970.36	1,366.60
	970.36	1,366.60
38. Impairment on financial instruments		
Expected credit loss		
Loans (Including undrawn commitments)	1,502.30	2,213.02
Trade receivables	0.32	1.43
Investments	-	(128.31)
Provision for credit loss on securitisation	(4.21)	(3.34)
	1,498.41	2,082.80
39. Employee benefit expenses		
Salaries wages and bonus	2,198.79	1,715.73
Contribution to provident and other funds	110.49	62.40
Expense on employee stock option scheme (ESOP) - refer note below	45.69	42.13
Staff welfare expenses	55.32	37.27
	2,410.29	1,857.53

Notes:

Edelweiss Financial Services Limited (“EFSL”) the holding Company has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Company’s employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

(Currency: Indian rupees in million)

39.A Employee Benefits

a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 83.21 million (March 31, 2018 : Rs 41.85 million) for provident fund and other contributions in the Statement of profit and loss.

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Present value of funded obligations (A)	93.02	58.74	46.95
Fair value of plan assets (B)	88.62	59.48	50.31
Present value of funded obligations (A - B)	4.40	(0.74)	(3.36)
Net deficit / (assets) are analysed as:			
Liabilities - (refer note 27)	4.40	-	-
Assets - (refer note 20)	-	0.74	3.36

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening balance	58.74	46.95	59.48	50.31	(0.74)	(3.36)
Current service cost	21.16	12.00	-	-	21.16	12.00
Past service cost	-	6.95	-	-	-	6.95
Interest cost (income)	5.22	2.89	4.00	3.32	1.22	(0.43)
	85.12	68.79	63.48	53.63	21.64	15.16
Other comprehensive income						
Remeasurement loss (gain):	-	-	(0.02)	0.78	0.02	(0.78)
Actuarial loss (gain) arising from:						
Experience	3.54	(1.13)	-	-	3.54	(1.13)
Financial assumptions	1.52	(1.64)	-	-	1.52	(1.64)
	5.06	(2.77)	(0.02)	0.78	5.08	(3.55)
Others						
Transfer in/ (out)	12.68	(4.36)	-	-	12.68	(4.36)
Contributions by employer	-	-	35.00	7.99	(35.00)	(7.99)
Benefits paid	(9.84)	(2.92)	(9.84)	(2.92)	-	-
Closing balance	93.02	58.74	88.62	59.48	4.40	(0.74)
Represented by						
Net defined benefit asset					-	0.74
Net defined benefit liability					4.40	-
					4.40	0.74

(Currency: Indian rupees in million)

39.A Employee Benefits

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Recognised in statement of profit or loss		
Current service cost	21.16	12.00
Interest cost / (income) (net)	1.22	(0.43)
Past service cost	-	6.95
Unrecognised past service cost- non vested benefits		
Total	22.38	18.52
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	5.08	(3.55)
Return on plan assets excluding net interest	-	-
Total	5.08	(3.55)

Percentage break-down of total plan assets

	as at March 31, 2019	as at March 31, 2018	as at April 01, 2017
Investment funds with insurance company			
Of which. unit linked	88.62	59.48	50.16
Cash and cash equivalents	-	-	0.14
	88.62	59.48	50.30

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Discount rate	7.00%	7.30%	6.80%
Salary growth rate	7.00%	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	13% to 25%	13% to 25%	13% to 25%
Mortality rate	IALM 2012-14(Ultimate)	IALM 2006-08(Ultimate)	IALM 2006-08(Ultimate)
Expected weighted average remainin working lives of employees	5 Years	5 Years	5 Years
Interest rate on net DBO/ (asset) (% p.a.)	7.30%	6.80%	7.40%

Notes:

- a) The discount rate are based on the benchmark yields available on Government Bonds at reporting date.
- b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	5.36	(4.93)	3.33	(3.26)	2.37	(2.35)
Discount Rate (+/- 1%)	(4.89)	5.41	(3.22)	3.35	(2.33)	2.40
Withdrawal Rate (+/- 1%)	0.80	(0.78)	0.37	(0.37)	0.44	(0.43)

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

39.A Employee Benefits

Description of asset liability matching (ALM) policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 5 years (March 31, 2018: 5 years; March 31, 2017: 5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Expected future contributions

The Company expects to contribute Rs.5 million to the fund in the next financial year.

Asset liability comparisons

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Present value of DBO	93.02	58.74	46.95
Fair value of plan assets	88.62	59.48	50.31
Net (assets)/liability	<u>4.40</u>	<u>(0.74)</u>	<u>(3.36)</u>

C) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

40. Other expenses

	For the year ended March 31, 2019	For the year ended 31 March 2018
Advertisement and business promotion	61.46	14.75
Auditors' remuneration (refer note 40.A)	13.28	7.18
Commission and brokerage	458.48	314.38
Communication	27.28	16.07
Directors' sitting fees	0.76	0.48
Insurance	0.16	0.16
Legal and professional fees	729.13	344.23
Printing and stationery	13.38	3.59
Rates and taxes	14.17	4.06
Rent (refer note 40.C & 40.D)	194.54	134.27
Repairs and maintenance (refer note 40.D)	19.17	4.62
Electricity charges (refer note 40.D)	31.09	22.37
Computer expenses	26.31	21.59
Corporate social responsibility (refer note 40.B)	125.54	96.92
Clearing & custodian charges	0.86	0.44
Dematerialisation charges	2.17	1.18
Rating support fees	3.84	1.74
Loss on sale of property, plant and equipment	(1.29)	0.32
Membership and subscription	3.55	3.31
Office expenses	365.67	110.73
Securities transaction tax	41.19	11.28
Loan origination cost	333.29	50.02
Goods & service tax expenses	264.54	87.94
Stamp duty	56.12	25.76
Travelling and conveyance	103.76	67.57
Miscellaneous expenses	41.14	19.02
Housekeeping and security charges (refer note 40.D)	31.69	7.15
	2,961.28	1,371.13

40.A Auditors' remuneration:

	For the year ended March 31, 2019	For the year ended 31 March 2018
As a Auditor		
Statutory audit of the company	5.55	2.24
Limited review	1.80	1.88
Certification and others	5.53	2.64
Towards reimbursement of expenses	0.40	0.42
	13.28	7.18

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

40.B Details of CSR Expenditure:

	For the year ended March 31, 2019	For the year ended 31 March 2018
Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	121.54	96.69
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	125.54	96.92
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	125.54	96.92
Amount paid to EdelGive Foundation (refer note 48 related party disclosure)	122.24	96.72
Paid to external parties	3.30	0.20
	125.54	96.92

40.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2019 aggregated to Rs. 221.97 million (Previous year: Rs. 141.40 million) which has been included under the head other expenses – Rent in the Statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows :

	As at March 31, 2019	As at 31 March 2018
Minimum lease payments for non cancellable lease		
Not later than one year	26.98	24.59
later than one year and not later than five years	32.79	12.97
later than five years	-	-

40.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 39 and 40 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 553.40 millions (previous year Rs. 263.29 millions)

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

41. Income tax

Component of income tax expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	2,342.70	2,467.04
Adjustment in respect of current income tax of prior years	55.92	170.32
Deferred tax relating to temporary differences	(228.00)	(208.73)
Total tax charge for the year	2,170.62	2,428.63
Current tax (refer note 41.A)	2,398.62	2,637.36
Deferred tax (refer note 41.B)	(228.00)	(208.73)

41.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before taxes	7,829.45	7,133.98
Statutory income tax rate	34.94%	34.61%
Tax charge at statutory rate	2,735.92	2,468.93
Tax effect of :		
A) Adjustment in respect of current income tax of prior year	55.92	170.32
B) Income not subject to tax or chargeable to lower tax rate		
Dividend income	(666.45)	(158.78)
Long term capital gain on sale of shares	-	(22.28)
C) Non deductible expenses	44.34	10.68
D) Others		
Profit from EARC Trusts (taxed on realisation)	0.89	(40.24)
Total tax reported in statement of profit and loss	2,170.62	2,428.63
Effective income tax rate	27.72%	34.04%

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

41. Income Tax (contd.)

41.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expense

For the year ended March 31, 2019	As at March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2019
Deferred tax assets					
Expected credit loss provision	1,450.39	402.86	-	-	1,853.25
Effective interest rate on financial assets	336.86	(27.59)	-	-	309.27
Stage 3 Income recognition	(139.02)	165.40	-	-	26.38
Retirement benefits	45.47	(36.72)	1.78	-	10.53
Tax break on employee stock option scheme	259.88	-	-	(259.88)	-
Others	(2.85)	5.51	-	-	2.66
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(24.29)	(2.68)	-	-	(26.97)
Effective interest rate on financial liabilities	(133.36)	(280.12)	-	-	(413.48)
Fair valuation of assets and liabilities	(271.50)	(1.02)	-	-	(272.52)
Interest spread on assignment transactions	(5.26)	2.36	-	-	(2.90)
Deferred tax asset (net)	1,516.32	228.00	1.78	(259.88)	1,486.22
<hr/>					
For the year ended March 31, 2018	As at April 01, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2018
Deferred tax assets					
Expected credit loss provision	1,169.07	281.32	-	-	1,450.39
Effective interest rate on financial assets	225.62	111.24	-	-	336.86
Retirement benefits	99.83	(54.35)	(1.24)	-	45.47
Tax break on employee stock option scheme	317.00	-	-	(57.12)	259.88
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(16.70)	(7.59)	-	-	(24.29)
Effective interest rate on financial Liabilities	(140.17)	6.81	-	-	(133.36)
Stage 3 Income recognition	(128.50)	(10.52)	-	-	(139.02)
Fair valuation of assets and liabilities	(155.80)	(115.70)	-	-	(271.50)
Interest spread on assignment transactions	(5.63)	0.37	-	-	(5.26)
Others	-	(2.85)	-	-	(2.85)
Deferred tax asset (net)	1,364.72	208.73	(1.24)	(57.12)	1,516.32

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Notes to the financial statement for the year ended March 31, 2019

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42. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit attributable to Equity holders of the Company - A	5,658.83	4,705.35
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	1,948.11	1,891.85
- Number of equity shares issued during the year	190.16	56.26
Total number of equity shares outstanding at the end of the year	2,138.27	1,948.11
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,072.55	1,892.16
Basic and diluted earnings per share (in rupees) (A/B)	2.73	2.49

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

	For the year ended March 31, 2019	For the year ended March 31, 2018
Taxation matters of assessment year 2013-14, assessment year 2014-15 and assessment year 2015-16 in respect of which appeal is pending	Nil	Nil
Litigation pending against the Company	657.51	111.98

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote”

Commitment

	For the year ended March 31, 2019	For the year ended March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	33.00	33.25
Undrawn committed credit lines	31,481.63	45,446.60

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

44. Segment Reporting

Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	35,276.06	2,316.05	2.38	37,594.49
Other Operating income	1,460.02	1,064.20	55.87	2,580.09
Total Revenue from Operations	36,736.08	3,380.25	58.25	40,174.58
Interest Expenses	22,072.60	2,322.43	3.22	24,398.25
Other Expenses	7,366.49	434.17	146.22	7,946.88
Total Expenses	29,439.09	2,756.60	149.44	32,345.13
Segment profit/(loss) before taxation	7,296.99	623.65	(91.19)	7,829.45
Income Tax Expenses			2,170.62	2,170.62
Profit for the year				5,658.83
Other Comprehensive Income			(3.30)	(3.30)
Total comprehensive income				5,655.53
Segment Assets	2,41,472.53	30,910.51	2,262.85	2,74,645.89
Segment Liabilities	2,11,466.04	24,328.36	356.97	2,36,151.37
Capital expenditure	210.96	-	-	210.96
Depreciation and amortisation	106.53	-	-	106.53
Significant non-cash items	2,654.58	1.00	0.06	2,655.64

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

44. Segment Reporting

Segment information as at and for the year ended March 31, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	26,704.77	2,422.77	0.50	29,128.04
Other Operating income	1,995.98	1,599.46	-	3,595.44
Total Revenue from Operations	28,700.75	4,022.23	0.50	32,723.48
Interest Expenses	17,523.83	1,334.82	-	18,858.65
Other Expenses	6,318.62	300.49	111.74	6,730.85
Total Expenses	23,842.45	1,635.31	111.74	25,589.50
Segment profit/(loss) before taxation	4,858.30	2,386.92	(111.24)	7,133.98
Income Tax Expenses			2,428.63	2,428.63
Profit for the year				4,705.35
Other Comprehensive Income			2.31	2.31
Total comprehensive income				4,707.66
Segment Assets	2,23,762.10	37,847.11	2,094.67	2,63,703.88
Segment Liabilities	2,03,477.70	30,523.11	691.28	2,34,692.09
Capital expenditure	427.75	-	-	427.75
Depreciation and amortisation	52.78	-	-	52.78
Significant non-cash items	2,211.87	(128.16)	0.01	2,083.72

Segment information as at and for the year ended April 01, 2017

Particulars	Financing business	Capital based business	Unallocated	Total
Segment Assets	1,76,978.82	29,870.47	1,769.73	2,08,619.02
Segment Liabilities	1,56,145.85	28,802.93	211.36	1,85,160.14

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

45. Transfer of financial assets

45.A Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets <i>(held as Collateral)</i>	704.93	-
Carrying amount of associated liabilities	750.24	-
Fair value of assets	848.48	-
Fair value of associated liabilities	784.84	-
Net position at FV	63.64	-

45.B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46. Change in liabilities arising from financing activities

Particulars	As at April 01, 2018	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	71,833.44	22,000.69	-	1,037.72	94,871.85
Borrowings other than debt securities	1,38,208.56	(24,983.32)	-	62.21	1,13,287.45
Subordinated liabilities	19,579.76	-	-	414.83	19,994.59
	2,29,621.76	(2,982.63)	-	1,514.76	2,28,153.89

Particulars	As at April 01, 2017	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2018
Debt securities	94,827.31	(21,839.24)	-	(1,154.63)	71,833.44
Borrowings other than debt securities	76,518.36	61,707.12	-	(16.92)	1,38,208.56
Subordinated liabilities	11,270.58	7,984.10	-	325.08	19,579.76
	1,82,616.25	47,851.98	-	(846.47)	2,29,621.76

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

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Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

47. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	985.40	-	985.40	1,627.97	-	1,627.97	10,850.13	-	10,850.13
Bank balances other than cash and cash equivalents	311.18	159.06	470.24	927.68	57.64	985.32	856.20	80.51	936.71
Derivative financial instruments	377.63	5.67	383.30	38.93	86.42	125.35	807.74	175.48	983.22
Securities held for trading	18,379.37	-	18,379.37	24,944.75	-	24,944.75	12,734.40	-	12,734.40
Trade receivables	720.99	-	720.99	5,474.52	-	5,474.52	1,169.30	-	1,169.30
Loans	72,085.90	1,65,880.84	2,37,966.74	78,821.60	1,41,203.10	2,20,024.70	72,159.53	99,480.87	1,71,640.40
Investments	0.43	6,584.97	6,585.40	0.43	5,726.86	5,727.29	946.38	6,046.46	6,992.84
Other financial assets	1,964.72	4,165.40	6,130.12	485.78	1,492.81	1,978.59	928.04	-	928.04
Non-financial assets									
Current tax assets (net)	-	422.36	422.36	-	457.72	457.72	-	403.03	403.03
Deferred tax assets (net)	-	1,486.22	1,486.22	-	1,516.32	1,516.32	-	1,364.72	1,364.72
Property, plant and equipment	-	538.32	538.32	-	541.35	541.35	-	246.74	246.74
Capital work in progress	-	13.52	13.52	-	-	-	-	270.12	270.12
Intangible assets under development	-	54.00	54.00	-	43.21	43.21	-	16.40	16.40
Other intangible assets	-	78.50	78.50	-	41.92	41.92	-	10.02	10.02
Other non- financial assets	431.41	-	431.41	214.87	-	214.87	72.95	-	72.95
Total Assets	95,257.03	1,79,388.86	2,74,645.89	1,12,536.53	1,51,167.35	2,63,703.88	1,00,524.67	1,08,094.35	2,08,619.02
Financial Liabilities									
Derivative financial instruments	258.07	218.76	476.83	261.16	189.16	450.32	414.03	253.15	667.18
Trade payables	3,413.31	-	3,413.31	1,301.94	-	1,301.94	479.12	-	479.12
Debt securities	27,842.39	67,029.46	94,871.85	20,988.69	50,844.75	71,833.44	53,260.46	41,566.85	94,827.31
Borrowings (other than debt securities)	55,210.08	58,077.37	1,13,287.45	70,700.59	67,507.97	1,38,208.56	38,276.09	38,242.27	76,518.36
Subordinated liabilities	992.22	19,002.37	19,994.59	548.60	19,031.16	19,579.76	529.97	10,740.61	11,270.58
Other financial liabilities	3,575.60	-	3,575.60	2,428.39	-	2,428.39	822.38	-	822.38
Non-financial liabilities									
Current tax liabilities (net)	-	289.96	289.96	-	568.40	568.40	-	175.56	175.56
Provisions	-	29.29	29.29	-	147.47	147.47	-	288.42	288.42
Other non-financial liabilities	212.49	-	212.49	173.81	-	173.81	111.23	-	111.23
Total Liabilities	91,504.16	1,44,647.21	2,36,151.37	96,403.18	1,38,288.91	2,34,692.09	93,893.28	91,266.86	1,85,160.14
Net	3,752.87	34,741.65	38,494.52	16,133.35	12,878.44	29,011.79	6,631.39	16,827.49	23,458.88

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Notes to the financial statement for the year ended March 31, 2019

48. Related Party Disclosure for the year April 1, 2018 to March 31, 2019

List of related parties and relationship:

<p>Name of related parties by whom control is exercised :</p> <p>Holding company</p> <p>Fellow subsidiaries (with whom transactions have taken place)</p>	<p>Edelweiss Financial Services Limited</p> <p>Edelweiss Housing Finance Limited</p> <p>Edelweiss Finvest Private Limited</p> <p>EC Commodity Limited</p> <p>ECap Equities Limited</p> <p>Edel Investments Limited</p> <p>Edelweiss General Insurance Company Limited</p> <p>EFSL Trading Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>EFSL Comtrade Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edel Finance Company Limited</p> <p>Edelcap Securities Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Management Limited</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)</p> <p>Edelweiss Finance and Investments Limited</p> <p>Edelweiss Securities Limited</p> <p>Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p> <p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Investment Advisors Limited</p> <p>Edelweiss Insurance Brokers Limited</p> <p>Edelweiss Capital Markets Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)</p> <p>Edel Land Limited</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 263</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 283</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 348</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 298</p> <p>Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)</p>
<p>Key management personnel</p>	<p>Raviprakash R. Bubna (upto 31st March 2019)</p> <p>Rashesh Shah</p> <p>Himanshu Kaji</p> <p>Deepak Mittal (w.e.f 1st Dec 2018)</p> <p>Venkatchalam Ramaswamy (w.e.f. 5th March 2019)</p> <p>PN Venkatachalam</p> <p>Biswamohan Mahapatra (upto 2nd August 2017)</p> <p>Kunnasagan Chinniah (w.e.f. 18th February 2019)</p>
<p>Relative of key management personnel (with whom transactions have taken place)</p>	<p>Pooja Mittal (w.e.f 1st Dec 2018)</p> <p>Aparna T. Chadrashekhar (w.e.f. 5th March 2019)</p> <p>Ramautar S Bubna (upto 31st March 2019)</p> <p>Sandhya R. Bubna (upto 31st March 2019)</p> <p>Sharda R. Bubna (upto 31st March 2019)</p>
<p>Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place</p>	<p>Ravi R Bubna HUF (upto 31st March 2019)</p> <p>Evyavan Global Private Limited (upto 31st March 2019)</p> <p>Evyavan Mercantile Private Limited (upto 31st March 2019)</p>

ECL Finance Limited

Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Capital account transactions		
Issuance of equity share capital		
Edelweiss Financial Services Limited	3,456.10	-
Edel Finance Company Limited	600.00	1,200.00
Current account transactions		
Loans taken from		
Edelweiss Rural & Corporate Services Limited	30,447.56	47,426.59
Edelweiss Financial Services Limited	-	7,000.00
Loan repaid to		
Edelweiss Rural & Corporate Services Limited	41,561.53	49,382.44
Edelweiss Financial Services Limited	-	7,000.00
Loans given to		
Edelweiss Rural & Corporate Services Limited	4,573.30	6,453.41
Loans repaid by		
Edelweiss Rural & Corporate Services Limited	4,573.30	6,453.41
Loans given including interest accrual to key management personnel & relatives		
Ravi R Bubna HUF	282.62	496.19
Evyavan Global Private Limited	15.34	161.18
Evyavan Mercantile Private Limited	94.31	1,132.99
Deepak Mittal	606.22	-
Pooja Mittal	580.31	-
Aparna T. Chadrashekar	221.11	-
Ramautar S Bubna	-	1.02
Raviprakash R. Bubna	-	1.03
Sandhya R. Bubna	-	1.02
Sharda R. Bubna	-	1.02
Repayment of loans including interest by key management personnel & relatives		
Ravi R Bubna HUF	318.27	653.35
Evyavan Global Private Limited	92.38	122.04
Evyavan Mercantile Private Limited	503.41	943.05
Deepak Mittal	264.04	-
Pooja Mittal	311.35	-
Aparna T. Chadrashekar	221.11	-
Ramautar S Bubna	-	1.02
Raviprakash R. Bubna	-	1.03
Sandhya R. Bubna	0.01	1.02
Sharda R. Bubna	-	1.02
Issuance of benchmark linked debentures		
Edelweiss Rural & Corporate Services Limited	-	42.00
ECap Equities Limited	-	382.79
Redemption - benchmark linked debentures		
ECap Equities Limited	3,731.23	1,458.90
Edelweiss Rural & Corporate Services Limited	52.49	-

ECL Finance Limited

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48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Secondary market transactions		
Purchases of securities from		
Ecap Equities Limited	1,365.64	2,145.71
Edelweiss Rural & Corporate Services Limited	20,531.67	19,267.21
Edelweiss Finance and Investments Limited	2,448.82	8,549.20
Edelweiss Broking Limited	53.47	-
Edelweiss Tokio Life Insurance Company Limited	1,309.09	-
Edelweiss Finvest Private Limited	3,592.75	641.31
Edelweiss General Insurance Company Limited	108.19	-
Edelcap Securities Limited	240.13	-
Sale / subscription* of securities		
Ecap Equities Limited	782.51	2,741.55
Edelweiss Rural & Corporate Services Limited*	26,356.82	22,575.99
Edelweiss Finance and Investments Limited	2,625.64	5,915.17
Edelweiss Securities Limited	1,188.74	-
Edelweiss Broking Limited	400.54	-
Edelweiss Tokio Life Insurance Company Limited	477.46	1,046.27
Edelweiss Housing Finance Limited	1,622.95	-
Edelweiss General Insurance Company Limited	-	186.72
Edelweiss Finvest Private Limited	-	245.17
Margin placed with		
Edelweiss Securities Limited	6,737.27	0.43
Edelweiss Custodial Services Limited	3,259.46	236.07
Margin refund received from		
Edelweiss Securities Limited	6,736.50	1.25
Edelweiss Custodial Services Limited	1,883.67	747.43
Amount paid to broker for trading in cash segment		
Edelweiss Securities Limited	23,632.51	5,787.73
Amount received from broker for trading in cash segment		
Edelweiss Securities Limited	24,341.93	6,619.06
Assignment of loan book from		
Edelweiss Housing Finance Limited	4,481.59	1,614.34
Purchase of securities receipts from		
Edelweiss Finvest Private Limited	1,833.30	-
Sale of loans to		
Edelweiss Asset Reconstruction Company Limited - SC 263	-	1,600.00
Edelweiss Asset Reconstruction Company Limited - SC 283	-	1,000.00
Edelweiss Asset Reconstruction Company Limited - SC 348	1,700.00	-
Edelweiss Asset Reconstruction Company Limited - SC 298	3,850.00	-
Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)	278.60	-
Income		
Arranger fees received from		
Edelweiss Finvest Private Limited	17.36	45.29

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(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Cost reimbursement received from		
Edelweiss Financial Services Limited	0.09	0.12
Edelweiss General Insurance Company Limited	0.03	-
Edelweiss Retail Finance Limited	0.14	-
Edelweiss Housing Finance Limited	3.44	-
Edelcap Securities Limited	-	0.03
Edelweiss Custodial Services Limited	-	0.03
Edelweiss Tokio Life Insurance Company Limited	-	0.03
Edelweiss Global Wealth Management Limited	-	0.02
Edelweiss Comtrade Limited	-	0.41
Edelweiss Business Services Limited	-	0.08
Dividend received on investments		
Edelweiss Rural & Corporate Services Limited	0.70	0.70
Interest income on margin placed with brokers		
Edelweiss Custodial Services Limited	18.81	16.66
Edelweiss Securities Limited	14.58	0.02
Interest income on loans given to		
Ravi R Bubna HUF	8.15	12.54
Evyavan Mercantile Private Limited	27.56	-
Evyavan Global Private Limited	4.96	-
Deepak Mittal	31.94	-
Pooja Mittal	28.74	-
Aparna T. Chadrashkhar	1.22	-
Edelweiss Rural & Corporate Services Limited	9.94	44.35
Ravi R Bubna	-	0.01
Ramautar S. Bubna	-	0.01
Sandhya R Bubna	-	0.01
Sharda R. Bubna	-	0.01
Interest received on securities		
Edelweiss Housing Finance Limited	6.95	1.47
Edelweiss Rural & Corporate Services Limited	15.37	9.22
Edelweiss Finance and Investments Limited	-	5.41
Edelweiss Retail Finance Limited	-	1.74
Rent received from		
Alternative Investment Market Advisors Private Limited	0.01	-
EC Commodity Limited	0.02	-
Edel Investments Limited	0.01	-
Edelcap Securities Limited	0.01	-
Edelweiss Alternative Asset Advisors Limited	3.41	-
Edelweiss Broking Limited	0.55	0.95
Edelweiss Business Services Limited	0.10	-
Edelweiss Rural & Corporate Services Limited	0.80	-
Edelweiss Custodial Services Limited	2.29	-
Edelweiss Finance and Investments Limited	0.03	-
Edelweiss Financial Services Limited	0.94	-
Edelweiss Finvest Private Limited	0.53	0.11
Edelweiss General Insurance Company Limited	14.35	-
Edelweiss Global Wealth Management Limited	1.34	-
Edelweiss Housing Finance Limited	11.54	0.53
Edelweiss Retail Finance Limited	0.53	0.15
Edelweiss Securities Limited	1.28	0.82
ECap Equities Limited	0.56	-
Edelweiss Tokio Life Insurance Company Limited	3.03	-

ECL Finance Limited

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(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	26.72	141.50
Edelweiss Housing Finance Limited	169.49	57.97
Corporate guarantee support fee paid to		
Edelweiss Financial Services Limited	3.21	9.92
Clearing charges paid to		
Edelweiss Custodial Services Limited	0.27	0.24
Edelweiss Securities Limited	18.12	-
Collateral management fees paid		
Edelweiss Agri Value Chain Limited	16.67	37.46
Commission and brokerage paid to		
Edelweiss Global Wealth Management Limited	334.74	307.19
Edelweiss Investment Advisors Limited	2.70	2.26
Edelweiss Securities Limited	155.47	11.45
Edel Investments Limited	0.02	-
Cost reimbursement paid to		
ECap Equities Limited	2.26	2.09
Edelweiss Agri Value Chain Limited	0.66	0.33
Edelweiss Asset Management Limited	0.99	0.08
Edelweiss Broking Limited	3.54	3.58
Edelweiss Business Services Limited	0.07	-
Edelweiss Rural & Corporate Services Limited	13.10	15.38
Edelweiss Financial Services Limited	33.66	5.17
Edelweiss Global Wealth Management Limited	0.11	-
Edelweiss Housing Finance Limited	6.51	4.17
Edelweiss Retail Finance Limited	25.02	0.91
Edelweiss Alternative Asset Advisors Limited	0.97	-
Edelweiss Securities Limited	1.43	1.31
EFSL Trading Limited	-	0.16
Edelweiss Finance and Investments Limited	-	0.01
Reimbursement paid to		
Edelweiss Retail Finance Limited	-	0.89
Edelweiss Financial Services Limited	-	0.01
Edelweiss Rural & Corporate Services Limited	-	16.77
Edelweiss Business Services Limited	-	27.20
Edelcap Securities Limited	-	1.05
Edelweiss Alternative Asset Advisors Limited	-	1.79
Edelweiss Housing Finance Limited	-	0.14
Corporate Social responsibility expenses paid to		
EdelGive Foundation	122.24	96.72
Enterprise Service charge paid to		
Edelweiss Business Services Limited	217.34	107.17
Edelweiss Rural & Corporate Services Limited	124.33	-

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48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest paid on loan		
Edelweiss Rural & Corporate Services Limited	1,539.93	1,304.69
Edelweiss Financial Services Limited	-	81.36
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	184.00	116.45
Rating support fees paid to		
Edelweiss Financial Services Limited	2.10	1.74
Rent paid to		
ECap Equities Limited	21.35	18.32
Edelweiss Agri Value Chain Limited	1.70	0.71
Edelweiss Asset Management Limited	4.44	0.85
Edelweiss Broking Limited	7.61	6.03
Edelweiss Business Services Limited	0.11	-
Edelweiss Rural & Corporate Services Limited	93.30	91.41
Edelweiss Global Wealth Management Limited	0.50	-
Edelweiss Retail Finance Limited	27.76	2.60
Edelweiss Housing Finance Limited	6.86	3.38
Edelweiss Securities Limited	4.81	2.90
Interest paid on bench mark linked debentures		
ECap Equities Limited	785.33	506.03
Edelweiss Rural & Corporate Services Limited	10.49	-
Interest paid on securities		
ECap Equities Limited	7.82	2.73
Edelweiss Finance and Investments Limited	0.37	29.53
Interest expenses on non-convertible debentures		
Edelweiss Rural & Corporate Services Limited	5.79	23.56
Edelweiss Finance and Investments Limited	0.04	-
Edelweiss Finvest Private Limited	-	13.43
ECap Equities Limited	-	0.34
ESOP cost reimbursement		
Edelweiss Financial Services Limited	45.69	-
Remuneration paid to		
Raviprakash R. Bubna	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalam	0.44	0.24
Biswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kunnasagaran Chinniah	0.02	-

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(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Assets		
Interest accrued on loans given to		
Edelweiss Rural & Corporate Services Limited	0.49	-
Investments in preference shares		
Edelweiss Rural & Corporate Services Limited	711.13	653.09
Margin money balance with		
Edelweiss Custodial Services Limited	1,502.04	126.25
Edelweiss Securities Limited	-	5.06
Loan given outstanding		
Ravi R Bubna HUF	-	35.65
Evyavan Mercantile Private Limited	-	409.10
Evyavan Global Private Limited	-	77.05
Deepak Mittal	342.19	-
Pooja Mittal	268.96	-
Edelweiss Rural & Corporate Services Limited	-	-
Sandhya R Bubna	-	0.01
Non convertible debentures (securities held for trading)		
Edelweiss Housing Finance Limited	-	56.74
Edelweiss Rural & Corporate Services Limited	-	928.35
Edelweiss Retail Finance Limited	-	1,235.89
Trade receivables		
EC Commodity Limited	-	0.01
ECap Equities Limited	0.60	0.01
Edelcap Securities Limited	0.18	-
Edelweiss Alternative Asset Advisors Limited	0.93	0.92
Edelweiss Broking Limited	0.09	-
Edelweiss Business Services Limited	1.77	-
Edelweiss Custodial Services Limited	4.39	0.29
Edelweiss Financial Services Limited	-	0.13
Edelweiss Finvest Private Limited	23.94	50.02
Edelweiss General Insurance Company Limited	9.52	-
Edelweiss Global Wealth Management Limited	0.26	-
Edelweiss Insurance Brokers Limited	-	0.10
Edelweiss Retail Finance Limited	3.24	1.47
Edelweiss Tokio Life Insurance Company Limited	6.65	0.04
Edelweiss Rural & Corporate Services Limited	0.61	1.00
Edel Investments Limited	0.83	-
Edelweiss Agri Value Chain Limited	3.70	-
Edelweiss Asset Management Limited	0.45	-
Edelweiss Finance and Investments Limited	0.23	-
Edelweiss Housing Finance Limited	6.68	-

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(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Edelweiss Investment Advisors Limited	0.33	-
Edelweiss Securities Limited	3.13	-
EFSL Trading Limited	0.02	-
Edelweiss Comtrade Limited	0.24	1.00
Purchase of property, plant and equipment		
Edelweiss Securities Limited	0.19	1.46
Edelweiss Finance and Investments Limited	-	0.11
Edelweiss Retail Finance Limited	1.16	0.02
Edelweiss Housing Finance Limited	0.26	0.44
ECap Equities Limited	0.00	-
Edelcap Securities Limited	0.01	-
Edelweiss Agri Value Chain Limited	0.03	-
Edelweiss Asset Management Limited	0.01	-
Edelweiss Broking Limited	0.44	-
Edelweiss Capital Markets Limited	0.03	-
Edelweiss Custodial Services Limited	0.10	-
Edelweiss Financial Services Limited	0.00	-
Edelweiss Global Wealth Management Limited	0.02	-
Edelweiss Insurance Brokers Limited	0.01	-
Edelweiss Investment Advisors Limited	0.04	-
Edelweiss Rural & Corporate Services Limited	0.20	-
EFSL Comtrade Limited	0.02	-
Sale of property, plant and equipment		
ECap Equities Limited	0.01	-
Edel Land Limited	0.00	-
Edelweiss Alternative Asset Advisors Limited	0.04	-
Edelweiss Asset Management Limited	0.00	-
Edelweiss Asset Reconstruction Company Limited	0.02	-
Edelweiss Broking Limited	0.80	-
Edelweiss Custodial Services Limited	0.11	-
Edelweiss Financial Services Limited	0.05	-
Edelweiss Finvest Private Limited	0.19	-
Edelweiss General Insurance Company Limited	0.05	-
Edelweiss Housing Finance Limited	0.15	-
Edelweiss Rural & Corporate Services Limited	0.30	-
Edelweiss Securities Limited	0.13	-
EFSL Comtrade Limited	0.00	-
Evyavan Global Private Limited	1.71	-
Liabilities		
Non convertible debentures held by		
Edelweiss Rural & Corporate Services Limited	475.52	42.00
Edelweiss Finance and Investments Limited	2.44	4.45
Edelweiss Tokio Life Insurance Company Limited	0.17	-
Edelweiss Finvest Private Limited	-	63.51
Interest accrued and due on borrowings		
Edelweiss Rural & Corporate Services Limited	3.40	-

ECL Finance Limited

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(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on non convertible debentures		
Edelweiss Finvest Private Limited	-	34.49
Edelweiss Finance and Investments Limited	0.04	0.14
Edelweiss Rural & Corporate Services Limited	42.38	-
Market linked debentured held by		
ECap Equities Limited	111.84	-
Interest accrued but not due on market linked debentures held by		
ECap Equities Limited	1.90	-
Short term borrowings		
Edelweiss Rural & Corporate Services Limited	1,010.91	12,124.87
Trade payables		
ECap Equities Limited	5.32	12.27
Edelweiss Agri Value Chain Limited	-	0.40
Edelweiss Alternative Asset Advisors Limited	204.59	141.62
Edelweiss Asset Management Limited	2.62	1.01
Edelweiss Rural & Corporate Services Limited	171.98	45.54
Edelweiss Finvest Private Limited	17.35	-
Edelweiss Global Wealth Management Limited	76.59	104.22
Edelweiss Housing Finance Limited	6.25	63.32
Edelweiss Retail Finance Limited	14.69	5.24
Edelweiss Securities Limited	355.61	2.62
Edelweiss Custodial Services Limited	0.58	-
Edelweiss Asset Reconstruction Company Limited	0.31	31.27
Edelweiss Financial Services Limited	53.33	13.14
Edelweiss Broking Limited	1.68	2.94
Edelweiss Investment Advisors Limited	1.05	0.07
Edelweiss Business Services Limited	-	58.15
EFSL Trading Limited	-	0.05
Corporate guarantee taken from		
Edelweiss Financial Services Limited	54.00	54.00

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.
- The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

ECL Finance Limited

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(Currency: Indian rupees in million)

49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

Regulatory capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Funds			
Net owned funds (Tier I capital)	39,738.10	30,334.33	21,993.24
Tier II capital	13,931.88	14,972.36	10,814.28
Total capital funds	53,669.98	45,306.69	32,807.52
Total risk weighted assets/ exposures	2,78,471.27	2,64,188.14	1,99,408.62
% of capital funds to risk weighted assets/exposures:			
Tier I capital	14.27%	11.48%	11.03%
Tier II capital	5.00%	5.67%	5.42%
Total capital Funds	19.27%	17.15%	16.45%

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.11 for more details on fair value hierarchy

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	218.36	-	-	218.36
OTC derivatives	-	136.59	-	136.59
Embedded derivatives in market-linked debentures	-	-	28.77	28.77
Total derivative financial instruments - A	218.36	136.59	28.77	383.72
Financial Assets held for trading				
Government debt securities	13,873.50	-	-	13,873.50
Other debt securities	-	298.18	-	298.18
Mutual fund units	3,483.09	-	-	3,483.09
Equity instruments	724.60	-	-	724.60
Total Financial assets held for trading - B	18,081.19	298.18	-	18,379.37
Investments				
Security receipts	-	-	5,734.43	5,734.43
Units of AIF	-	-	139.84	139.84
Total investments measured at fair value - C	-	-	5,874.27	5,874.27
Total (A+B+C)	18,299.55	434.77	5,903.04	24,637.36
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	35.12	-	-	35.12
OTC derivatives	-	183.22	-	183.22
Embedded derivatives in market-linked debentures	-	-	279.25	279.25
	35.12	183.22	279.25	497.59

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	6.23	-	-	6.23
OTC derivatives	-	27.50	-	27.50
Embedded derivatives in market-linked debentures	-	-	93.94	93.94
Total derivative financial instruments - A	6.23	27.50	93.94	127.67
Financial assets held for trading				
Government debt securities	16,662.92	-	-	16,662.92
Other debt securities	-	4,354.13	-	4,354.13
Mutual fund units	3,603.51	-	-	3,603.51
Equity instruments	121.01	-	-	121.01
Preference Shares	203.18	-	-	203.18
Total financial assets held for trading - B	20,590.62	4,354.13	-	24,944.75
Investments				
Equity instruments	-	-	-	-
Security receipts	-	-	4,878.84	4,878.84
Units of AIF	-	-	195.36	195.36
Total investments measured at fair value - C	-	-	5,074.20	5,074.20
Total (A+B+C)	20,596.85	4,381.63	5,168.14	30,146.62
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	191.39	-	-	191.39
OTC derivatives	-	35.06	-	35.06
Embedded derivatives in market-linked debentures	-	-	223.89	223.89
	191.39	35.06	223.89	450.34
As at April 01, 2017				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	775.20	-	-	775.20
OTC derivatives	-	33.64	-	33.64
Embedded derivatives in market-linked debentures	-	-	226.24	226.24
Total derivative financial instruments - A	775.20	33.64	226.24	1,035.08
Financial assets held for trading				
Government debt securities	6,888.64	-	-	6,888.64
Other debt securities	-	145.37	-	145.37
Mutual fund units	4,811.62	-	-	4,811.62
Equity instruments	888.77	-	-	888.77
Total financial assets held for trading - B	12,589.03	145.37	-	12,734.40
Investments				
Equity instruments	66.80	-	-	66.80
Security receipts	-	-	5,383.83	5,383.83
Units of AIF	-	-	210.02	210.02
Total investments measured at fair value - C	66.80	-	5,593.85	5,660.65
Total (A+B+C)	13,431.03	179.01	5,820.09	19,430.13
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	75.96	-	-	75.96
OTC derivatives	-	41.15	-	41.15
Embedded derivatives in market-linked debentures	-	-	555.53	555.53
	75.96	41.15	555.53	672.64

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Units of AIF Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. company classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 2 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1

E. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

ECL Finance Limited

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(Currency: Indian rupees in million)

50. Fair Value measurement:

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2019	Security receipts	Units of AIF	Total
Investments - at April 1, 2018	4,878.84	195.36	5,074.20
Purchase	10,510.89	-	10,510.89
Sale/Redemption proceeds	(10,090.84)	(61.60)	(10,152.44)
Profit for the year recognised in profit or loss	435.54	6.08	441.62
Investments - at March 31, 2019	5,734.43	139.84	5,874.27
Unrealised gain/(Loss) related to balances held at the end of the year	206.66	(5.36)	201.30
Financial year ended March 2018	Security receipts	Units of AIF	Total
Investments - at April 1, 2017	5,383.83	210.02	5,593.85
Purchase	2,033.61	-	2,033.61
Sale/Redemption proceeds	(3,142.27)	(7.88)	(3,150.15)
Profit for the year recognised in profit or loss	603.67	(6.78)	596.89
Investments - at March 31, 2018	4,878.84	195.36	5,074.20
Unrealised gain/(Loss) related to balances held at the end of the year	332.56	(11.44)	321.12

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements

Financial year ended March 2019	Embedded Options		
	Assets	Liabilities	Net Balance
at April 1, 2018	93.94	223.89	(129.95)
Issuances	-	-	-
Settlements	(19.73)	(37.59)	17.86
Changes in fair value recognised in profit or loss	(45.44)	92.95	(138.39)
Investments - at March 31, 2019	28.77	279.25	(250.48)
Financial year ended March 2018	Assets	Liabilities	Net Balance
at April 1, 2017	226.24	555.53	(329.29)
Issuances	0.17	122.15	(121.98)
Settlements	(74.96)	(452.77)	377.81
Changes in fair value recognised in profit or loss	(57.51)	(1.02)	(56.49)
at March 31, 2018	93.94	223.89	(129.95)

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

50. Fair Value measurement:

G. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts and Units of AIF Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	5,734.43	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	16,234.40	5% increase in Expected future Cash flow	111.92	5% Decrease in Expected future Cash flow	-111.92
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(18.67)	0.5% Decrease in Risk-adjusted discount rate	18.98
Units of AIF	139.84	Net Asset approach	Fair value of underlying investments	1,061.54	5% Increase in Fair value of Underlying Investment	6.21	5% Increase in Fair value of Underlying Investment	(6.21)
Embedded derivatives (net)	250.48	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(11.27)	5% Decrease in Nifty Index curve	11.27
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	1.35	0.5% Decrease in Risk-adjusted discount rate	(1.35)
Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	4,878.84	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	27,592.16	5% increase in Expected future Cash flow	235.12	5% Decrease in Expected future Cash flow	-235.12
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	-55.92	0.5% Decrease in Risk-adjusted discount rate	57.02
Units of AIF	195.36	Net Asset approach	Fair value of underlying investments	1,608.87	5% Increase in Fair value of Underlying Investment	9.42	5% Increase in Fair value of Underlying Investment	(9.42)
Embedded derivatives (net)	129.95	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Nifty Index curve	(6.50)	5% Decrease in Nifty Index curve	6.50
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.65	0.5% Decrease in Risk-adjusted discount rate	(0.65)

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50. Fair Value measurement:

H. Fair value of financial instruments not measured at fair value:

the table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2019	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	985.40	985.40			985.40
Bank balances other than cash and cash equivalents	470.24	470.24			470.24
Trade Receivables	720.99		720.99		720.99
Loans	2,37,966.74			2,34,774.97	2,34,774.97
Investments	711.13		711.13		711.13
Other financial assets	6,130.12		1,964.72	4,165.40	6,130.12
Total Financial Assets	2,46,984.62	1,455.64	3,396.84	2,38,940.37	2,43,792.85
Financial Liabilities					
Trade payables	3,413.31		3,413.31		3,413.31
Debt securities	94,871.85		98,521.28		98,521.28
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45		1,13,287.45
Subordinated Liabilities	19,994.59		19,136.62		19,136.62
Other financial liabilities	3,575.60		3,575.60		3,575.60
Total Financial Liabilities	2,35,142.80	-	2,37,934.26	-	2,37,934.26
Off balance-sheet items					
Undrawn commitments	31,481.64			31,259.82	31,259.82
Total Off balance-sheet items	31,481.64	-	-	31,259.82	31,259.82

As at March 31, 2018	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	1,627.97	1,627.97			1,627.97
Bank balances other than cash and cash equivalents	985.32	985.32			985.32
Trade Receivables	5,474.52		5,474.52		5,474.52
Loans	2,20,024.70			2,25,813.84	2,25,813.84
Investments	653.09		653.09		653.09
Other financial assets	3,575.60		2,082.79	1,492.81	3,575.60
Total Financial Assets	2,32,341.20	2,613.29	8,210.40	2,27,306.65	2,38,130.34
Financial Liabilities					
Trade payables	1,301.94		1,301.94		1,301.94
Debt securities	71,833.44		69,513.13		69,513.13
Borrowings (other than debt securities)	1,38,208.56		1,38,208.56		1,38,208.56
Subordinated Liabilities	19,579.76		18,270.51		18,270.51
Other financial liabilities	2,428.39		2,428.39		2,428.39
Total Financial Liabilities	2,33,352.09	-	2,29,722.53	-	2,29,722.53
Off balance-sheet items					
Undrawn commitments	45,446.60			45,265.43	45,265.43
Total Off balance-sheet items	45,446.60	-	-	45,265.43	45,265.43

ECL Finance Limited

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50. Fair Value measurement:

As at April 01, 2017	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	10,850.13	10,850.13			10,850.13
Bank balances other than cash and cash equivalents	936.71	936.71			936.71
Trade Receivables	1,169.30		1,169.30		1,169.30
Loans	1,71,640.40			1,74,791.18	1,74,791.18
Investments	1,332.19		1,332.19		1,332.19
Other financial assets	928.04		928.04		928.04
Total Financial Assets	1,86,856.77	11,786.84	3,429.53	1,74,791.18	1,90,007.55
Financial Liabilities					
Trade payables	479.12		479.12		479.12
Debt securities	94,827.31		96,427.24		96,427.24
Borrowings (other than debt securities)	76,518.36		76,518.36		76,518.36
Subordinated Liabilities	11,270.58		12,212.26		12,212.26
Other financial liabilities	822.38		822.38		822.38
Total Financial Liabilities	1,83,917.75	-	1,86,459.36	-	1,86,459.36
Off balance-sheet items					
Undrawn commitments	20,354.20			20,169.53	20,169.53
Total Off balance-sheet items	20,354.20	-	-	20,169.53	20,169.53

I. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

ECL Finance Limited

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51. Risk Management

51.A Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

51.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

51.C Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51. Risk Management

51.D Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
51.D.1	<p>Credit risk</p> <p>Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.</p>	<p>Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives</p>	<p>Measured as the amount that could be lost if a customer or counterparty fails to make repayments;</p> <p>Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and</p> <p>Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.</p>
51.D.2	<p>Liquidity risk</p> <p>Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.</p>	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Arises when illiquid asset positions cannot be funded at the expected terms and when required.</p>	<p>Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio,</p> <p>Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.</p> <p>Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company</p>
51.D.3	<p>Market risk</p> <p>Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios</p>	<p>Exposure to market risk is separated into two portfolios: trading and non-trading.</p>	<p>Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.</p> <p>Monitored using measures, including the sensitivity of net interest income.</p> <p>Managed using risk limits approved by the risk management committee</p>

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51.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-

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51.D.1 Credit Risk

Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

“A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.”

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

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51.D.1 Credit Risk

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortised costs of financial assets modified during the year	1,116.03	-
Net modification loss	(4.55)	-

there were no/ previously modified financial assets for which loss allowance has changed to 12mECL measurement during the year:

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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51.D.1 Credit Risk

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2019

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	985.40	-	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	470.24	-	-	-	-	-	470.24
Derivative financial instruments	-	383.30	-	-	-	-	-	383.30
Securities held for trading	13,873.48	4,496.66	-	9.23	-	-	-	18,379.37
Trade receivables	-	720.99	-	-	-	-	-	720.99
Loans	-	9,918.96	5,247.50	18,321.96	1,06,644.51	14,645.18	83,188.63	2,37,966.74
Investments	-	5,874.27	711.13	-	-	-	-	6,585.40
Other financial assets	-	5,882.25	-	-	-	247.87	-	6,130.12
	13,873.48	28,732.07	5,958.63	18,331.19	1,06,644.51	14,893.05	83,188.63	2,71,621.56

As at March 31, 2018

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	1,627.97	-	-	-	-	-	1,627.97
Bank balances other than cash and cash equivalents	-	985.32	-	-	-	-	-	985.32
Derivative financial instruments	-	125.35	-	-	-	-	-	125.35
Securities held for trading	16,662.95	7,697.08	-	405.10	-	179.62	-	24,944.75
Trade receivables	-	5,474.52	-	-	-	-	-	5,474.52
Loans	-	9,174.22	11,994.27	19,163.24	85,179.96	22,051.04	72,461.97	2,20,024.70
Investments	-	5,074.20	653.09	-	-	-	-	5,727.29
Other financial assets	-	1,762.46	-	-	-	216.13	-	1,978.59
	16,662.95	31,921.12	12,647.36	19,568.34	85,179.96	22,446.79	72,461.97	2,60,888.49

As at April 01, 2017

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	10,850.13	-	-	-	-	-	10,850.13
Bank balances other than cash and cash equivalents	-	936.71	-	-	-	-	-	936.71
Derivative financial instruments	-	983.22	-	-	-	-	-	983.22
Securities held for trading	6,888.63	4,926.42	-	919.35	-	-	-	12,734.40
Trade receivables	-	1,169.30	-	-	-	-	-	1,169.30
Loans	-	6,716.80	7,675.40	23,936.55	57,301.81	16,375.88	59,633.96	1,71,640.40
Investments	-	5,980.09	945.95	66.80	-	-	-	6,992.84
Other financial assets	-	833.06	-	-	-	94.98	-	928.04
	6,888.63	32,395.73	8,621.35	24,922.70	57,301.81	16,470.86	59,633.96	2,06,235.04

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Notes to the financial statement for the year ended March 31, 2019

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51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Financial Assets				
Cash and cash equivalents	985.40	1,627.97	10,850.13	
Bank balances other than cash and cash equivalents	470.24	985.32	936.71	
Derivative financial instruments	383.30	125.35	983.22	
Securities held for trading	18,379.37	24,944.75	12,734.40	The Company invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	720.99	5,474.52	1,169.30	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Loans				
Corporate credit	1,49,405.54	1,38,890.78	1,11,930.05	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	94,679.89	85,895.20	63,654.44	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	6,585.40	5,727.29	6,992.84	
Other financial assets	6,130.12	1,978.59	928.04	
	2,77,740.25	2,65,649.77	2,10,179.13	
Loan Commitments	31,481.64	45,446.60	20,354.20	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

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51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2019

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	5,201.43	3,252.45	1,948.98	2,352.68
Retail Credit	486.12	106.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.36	3,363.53	2,328.83	2,845.50

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	4,552.08	2,646.85	1,905.23	5,208.68
Retail Credit	147.12	25.58	121.54	222.30
Trade Receivables	4.75	4.75	-	-
	4,703.95	2,677.18	2,026.77	5,430.98

Maximum exposure to credit risk as at April 01, 2017

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	3,649.79	2,323.18	1,326.61	4,722.98
Retail Credit	143.21	21.08	122.13	279.96
Trade Receivables	4.62	4.62	-	-
	3,797.62	2,348.88	1,448.74	5,002.94

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51.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Government Debt Securities	13,873.50	16,662.92	6,888.64
Mutual Fund Investments	3,483.09	3,603.51	4,811.62
Total Liquidity cushion	17,356.59	20,266.43	11,700.26

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	1,732.63	3,194.64	15,063.64

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51.D.2 Liquidity Risk

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	985.40	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	110.56	196.69	206.24	-	513.49
Derivative financial instruments	-	383.29	-	-	-	383.29
Securities held for trading	2,093.45	-	16,285.90	-	-	18,379.35
Trade receivables	-	721.02	-	-	-	721.02
Loans	-	25,180.86	41,111.33	2,18,043.39	44,272.64	3,28,608.22
Investments	-	-	-	6,874.25	-	6,874.25
Other financial assets	1,625.80	-	-	4,313.44	190.88	6,130.12
Total undiscounted financial assets	4,704.65	26,395.73	57,593.92	2,29,437.32	44,463.52	3,62,595.14
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	-	476.84
Trade payables	-	2,961.80	451.50	-	-	3,413.30
Debt securities	-	8,673.86	22,485.11	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	1,182.49	1,28,988.49
Subordinated Liabilities	-	376.02	907.25	12,000.82	12,167.50	25,451.59
Other financial liabilities	673.67	2,151.71	-	750.24	-	3,575.62
Total undiscounted financial liabilities	2,767.12	24,956.25	72,847.59	1,45,593.97	37,825.47	2,83,990.40
Total net financial assets / (liabilities)	1,937.53	1,439.48	(15,253.67)	83,843.35	6,638.05	78,604.74

Notes:

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 8.1), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

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51.D.2 Liquidity Risk

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,627.97	-	-	-	-	1,627.97
Bank balances other than cash and cash equivalents	-	13.35	271.75	821.00	-	1,106.10
Derivative financial instruments	-	125.35	-	-	-	125.35
Securities held for trading	15,325.41	-	9,619.35	-	-	24,944.76
Trade receivables	-	5,474.53	-	-	-	5,474.53
Loans	-	27,760.61	44,769.61	2,10,537.25	21,499.61	3,04,567.08
Investments	-	-	-	6,074.19	-	6,074.19
Other financial assets	198.60	-	-	1,593.51	186.48	1,978.59
Total undiscounted financial assets	17,151.98	33,373.84	54,660.71	2,19,025.95	21,686.09	3,45,898.57
Financial Liabilities						
Derivative financial instruments	-	450.32	-	-	-	450.32
Trade payables	-	1,001.89	300.04	-	-	1,301.93
Debt securities	-	7,115.60	12,317.14	45,736.73	19,765.22	84,934.69
Borrowings (other than debt securities)	15,325.41	18,597.77	38,994.35	83,495.21	-	1,56,412.74
Subordinated Liabilities	-	-	-	7,012.74	19,694.56	26,707.30
Other financial liabilities	-	2,428.39	-	-	-	2,428.39
Total undiscounted financial liabilities	15,325.41	29,593.97	51,611.53	1,36,244.68	39,459.78	2,72,235.37
Total net financial assets / (liabilities)	1,826.57	3,779.87	3,049.18	82,781.27	(17,773.69)	73,663.20

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	10,850.13	-	-	-	-	10,850.13
Bank balances other than cash and cash equivalents	-	714.24	132.49	144.91	-	991.64
Derivative financial instruments	-	983.22	-	-	-	983.22
Securities held for trading	6,536.84	6,197.54	-	-	-	12,734.38
Trade receivables	-	1,169.30	-	-	-	1,169.30
Loans	-	36,661.93	35,834.11	1,36,718.08	18,224.54	2,27,438.66
Investments	-	-	1,227.50	5,880.65	-	7,108.15
Other financial assets	742.02	-	-	95.00	91.03	928.05
Total undiscounted financial assets	18,128.99	45,726.23	37,194.10	1,42,838.64	18,315.57	2,62,203.53
Financial Liabilities						
Derivative financial instruments	-	667.18	-	-	-	667.18
Trade payables	-	316.00	163.12	-	-	479.12
Debt securities	-	33,097.63	19,716.06	39,946.04	14,490.77	1,07,250.50
Borrowings (other than debt securities)	6,536.84	20,011.27	14,843.15	43,658.47	101.31	85,151.04
Subordinated Liabilities	-	376.71	796.31	8,935.21	8,677.23	18,785.46
Other financial liabilities	-	325.66	496.66	-	-	822.32
Total undiscounted financial liabilities	6,536.84	54,794.45	36,015.30	92,539.72	23,269.31	2,13,155.62
Total net financial assets / (liabilities)	11,592.15	(9,068.22)	1,178.80	50,298.92	(4,953.74)	49,047.91

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			31,481.63			31,481.63
Estimated amount of contracts capital account	-	-	33.00	-	-	33.00
	-	-	31,514.63	-	-	31,514.63

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			45,446.60			45,446.60
Estimated amount of contracts capital account	-	-	33.25	-	-	33.25
	-	-	45,479.85	-	-	45,479.85

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			20,354.19			20,354.19
Estimated amount of contracts capital account	-	-	54.55	-	-	54.55
	-	-	20,408.74	-	-	20,408.74

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total Market risk exposure

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk Sensitivity
	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	Total	Traded risk	Non traded risk	
Financial Assets										
Cash and cash equivalents	985.40		985.40	1,627.97		1,627.97	10,850.13		10,850.13	
Bank balances other than cash and cash equivalents	470.24		470.24	985.32		985.32	936.71		936.71	Interest rate risk
Derivative financial instruments	383.30	354.53	28.77	125.35	31.41	93.94	983.22	756.98	226.24	Price risk , Interest rate risk
Securities held for trading	18,379.37	18,379.37		24,944.75	24,944.75		12,734.40	12,734.40		Price risk , Interest rate risk
Trade receivables	720.99		720.99	5,474.52		5,474.52	1,169.30		1,169.30	
Loans	2,37,966.74		2,37,966.74	2,20,024.70		2,20,024.70	1,71,640.40		1,71,640.40	Interest rate risk
Investments	6,585.40	-	6,585.40	5,727.29	-	5,727.29	6,992.84	-	6,992.84	Interest rate risk
Other financial assets	6,130.12	-	6,130.12	1,978.59	-	1,978.59	928.04	-	928.04	Interest rate risk
Total Assets	2,71,621.56	18,733.90	2,52,887.66	2,60,888.49	24,976.16	2,35,912.33	2,06,235.04	13,491.38	1,92,743.66	
Financial Liabilities										
Derivative financial instruments	476.83	197.58	279.25	450.32	226.43	223.89	667.18	111.65	555.53	Price risk , Interest rate
Trade payables	3,413.31		3,413.31	1,301.94		1,301.94	479.12		479.12	
Debt securities	94,871.85		94,871.85	71,833.44		71,833.44	94,827.31		94,827.31	Interest rate risk
Borrowings (other than debt securities)	1,13,287.45		1,13,287.45	1,38,208.56		1,38,208.56	76,518.36		76,518.36	Interest rate risk
Subordinated Liabilities	19,994.59		19,994.59	19,579.76		19,579.76	11,270.58		11,270.58	Interest rate risk
Other financial liabilities	3,575.60	673.72	2,901.88	2,428.39		2,428.39	822.38		822.38	Price risk
Total Liabilities	2,35,619.63	871.30	2,34,748.33	2,33,802.41	226.43	2,33,575.98	1,84,584.93	111.65	1,84,473.28	

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk (Contd.)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2019 and at 31 March 2018

Interest rate sensitivity

As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(267.97)	-	25	267.97	-
Interest Rate Swaps	25	21.88	-	25	(21.88)	-
Floting rate loans	25	70.39	-	25	(70.39)	-
Government securities	25	(34.68)	-	25	34.68	-
Corporate debt securities	25	(0.75)	-	25	0.75	-

As at March 31, 2018

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(265.90)	-	25	265.90	-
Interest Rate Swaps	25	(8.13)	-	25	8.13	-
Floting rate loans	25	38.44	-	25	(38.44)	-
Government securities	25	(41.66)	-	25	41.66	-
Corporate debt securities	25	(10.89)	-	25	10.89	-

Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

51.D.3 Market Risk (Contd.)

As at March 31, 2019

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(55.47)	-	5	55.47	-
Equity instruments	5	2.50	-	5	(2.50)	-
Interest rate futures	5	(34.10)	-	5	34.10	-
Mutual fund units	5	174.15	-	5	(174.15)	-

As at March 31, 2018

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(26.27)	-	5	26.27	-
Equity instruments	5	6.05	-	5	(6.05)	-
Interest rate futures	5	(19.38)	-	5	19.38	-
Mutual fund units	5	180.17	-	5	(180.17)	-

51.D.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by INR 650.92 million (previous year INR 450.39 million)

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52. First Time adoption

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

De-recognition of financial assets and liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Share based Payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017)

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52. First Time adoption

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity as at:

Particulars	As at March 31, 2018	As at April 01, 2017
Net Worth as reported under Indian GAAP	29,393.79	23,573.30
Ind AS adjustments increasing / (decreasing) equity as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net)	(584.18)	(252.51)
Expected credit loss provision	(1,221.34)	(1,005.02)
Fair valuation of assets and liabilities	594.91	271.21
Interest spread on assignment transactions	15.06	16.27
Interest income recognition on Stage 3 Loans	401.41	371.31
Tax effect on above adjustments	412.14	484.32
Total effect of transition to Ind AS	(382.00)	(114.42)
Equity as per Ind AS	29,011.79	23,458.88

Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	for the year ended March, 31, 2018
Net profit after tax as reported under Indian GAAP	4,620.47
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Effective interest rate on financial assets and liabilities (net)	(331.67)
Expected credit loss provision	(216.33)
Fair valuation of assets and liabilities	663.46
Fair valuation of employee stock options	(42.12)
Interest spread on assignment transactions	(1.21)
Interest income recognition on Stage 3 Loans	28.86
Tax Impact on above Transactions	(13.80)
Total effect of transition to Ind AS	87.19
Total Comprehensive Income as per Ind AS	4,707.66

Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 65 Million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Share Based Payment

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

52. First Time adoption

Trade receivables /Loans:

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

Effective Interest Rate (EIR)

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP

Valuation of Investments/Securities held for trading

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

Reclassification of provision of standard / non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to INR 2,664.20 million and INR 3,253.87 million as on 1 April 2017 and 31 March 2018 respectively.

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.A Capital to risk assets ratio (CRAR)

	As at March 31, 2019	As at March 31, 2018
CRAR (%)	19.27%	17.15%
CRAR - Tier I capital (%)	14.27%	11.48%
CRAR - Tier II Capital (%)	5.00%	5.67%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

53.B Investments

	As at March 31, 2019	As at March 31, 2018
I) Value of Investment		
Gross value of investments		
In India	6,722.40	5,753.07
Outside India	-	-
Provisions for depreciation / appreciation		
In India	(137.00)	(25.78)
Outside India	-	-
Net value of investments		
In India	6,585.40	5,727.29
Outside India	-	-

II) Movement of provisions held towards depreciation/appreciation on investments.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	25.78	(226.99)
Add : Provisions made during the year	175.35	287.87
Less : Write-off / write-back of excess provisions during the year	(64.13)	(35.10)
Closing balance	137.00	25.78

53.C Derivatives

	As at March 31, 2019	As at March 31, 2018
I) Forward rate agreement / interest rate swap		
The notional principal of swap agreements	16,250.00	29,750.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	136.59	27.50
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	(46.63)	(7.56)

* % of concentration of credit risk arising from swaps with banks

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

	As at March 31, 2019	As at March 31, 2018
II) Exchange traded interest rate (IR) derivatives		
Notional principal amount of exchange traded IR derivatives undertaken during the year	99,666.60	66,940.60
Notional principal amount of exchange traded IR derivatives outstanding	695.40	408.00
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

III) Disclosures on risk exposure in derivatives**Qualitative disclosure**

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

Quantitative disclosure

	As at March 31, 2019		As at March 31, 2018	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For hedging	-	16,945.40	-	30,158.00
Marked to market positions				
Assets (+)	-	136.59	-	27.50
Liability (-)	-	(183.22)	-	(35.06)
Credit exposure	-	291.25	-	332.50
Unhedged exposures	-	-	-	-

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.D Disclosures relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	As at March 31, 2019	As at March 31, 2018
a) No. of SPVs sponsored by the NBFC for securitisation transactions	3.00	2.00
b) Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	868.48	181.03
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	86.85	18.10
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	86.85	18.10
- Others	-	-
d) Amount of exposures to securitisation transactions other than MRR	201.43	120.06
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	201.43	120.06
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

	As at March 31, 2019	As at March 31, 2018
No. of accounts	12.00	7.00
Aggregate value (net of provisions) of accounts sold to SC / RC	6,798.94	1,651.98
Aggregate consideration	5,828.60	2,600.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	(970.34)	948.02
Loss on sale to SC/RC during the year	(970.34)	948.02
Amount received in respect of accounts transferred in prior year	-	-

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

	As at March 31, 2019	As at March 31, 2018
a) No. of transactions assigned by the NBFC	5.00	5.00
b) Total amount outstanding	247.95	353.07
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	27.55	39.23
Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
- First loss	-	-
- Others	27.55	39.23
d) Amount of exposures to securitisation transactions other than MRR	-	-
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	-	-
- Others	-	-
Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Details of non-performing financials assets purchased from / sold to other NBFCs

During the year, the Company has neither purchased nor sold any non-performing financials assets to other NBFCs

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.E Asset liability management**Maturity pattern of certain items of assets and liabilities as at March 31, 2019**

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	11,842.19	18,379.37	1,684.76	8,229.45
Over One months to 2 months	5,204.51	-	225.00	1,314.32
Over 2 months up to 3 months	4,481.72	-	6,290.42	1,465.36
Over 3 months to 6 months	8,182.28	-	5,528.90	6,318.13
Over 6 months to 1 year	19,800.63	-	36,802.55	16,185.80
Over 1 year to 3 years	1,15,658.80	-	42,455.48	45,520.75
Over 3 years to 5 years	56,322.95	6,585.40	10,300.66	16,682.84
Over 5 years	22,592.35	-	-	29,149.47
	2,44,085.43	24,964.77	1,03,287.77	1,24,866.12

*Investments also include securities held for trading

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 8.1), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche 1 of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

Maturity pattern of certain items of assets and liabilities as at March 31, 2018

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	10,443.76	24,944.75	23,052.58	28,697.78
Over One months to 2 months	10,004.60	-	187.50	3,553.49
Over 2 months up to 3 months	4,937.68	-	4,232.07	3,451.39
Over 3 months to 6 months	8,997.43	-	5,173.82	6,941.95
Over 6 months to 1 year	16,815.83	-	9,712.22	7,235.08
Over 1 year to 3 years	1,03,705.83	-	44,090.86	34,571.77
Over 3 years to 5 years	51,477.00	5,727.29	20,434.47	14,230.63
Over 5 years	18,403.85	-	-	24,056.15
	2,24,785.98	30,672.04	1,06,883.52	1,22,738.24

*Investments also include securities held for trading

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.F Exposures**Exposure to real estate sector**

	As at March 31, 2019	As at March 31, 2018
a) Direct exposure		
Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to Rs.15 lakhs may be shown separately)	10,400.14	11,597.71
Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	1,29,577.85	71,205.53
Investments in mortgage backed securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
c) Others	-	-

Exposure to capital market

	As at March 31, 2019	As at March 31, 2018
a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	724.60	121.01
b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	44,156.81	36,122.99
c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	39,701.29	50,572.67
d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	1,069.87	4,065.75
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	4.02	84.69
f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	-	-

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.G Details of financing of parent company products:

Details of financing of parent company products: Nil (Previous year : Nil)

53.H Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended 31 March 2019 and 31 March 2018, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

53.I Registration obtained from other financial sector regulators - None**53.J Disclosure of penalties imposed by RBI and other regulators- Rs.Nil million in respect of penalty for securities pay in shortage (Previous year - Rs. NIL million)****53.K Related party transactions**

All Material transactins with related parties are reflected in Note 48

53.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2019	For the year ended March 31, 2018
PN Venkatachalam	Sitting Fees	0.44	0.24
Biswamohan Mahapatra	Sitting Fees	0.30	0.12
Kunnasagaran Chinniah (w.e.f. February 18, 2019.)	Sitting Fees	0.02	-
Sunil Mitra (upto August 2, 2017)	Sitting Fees	-	0.12

53.M Provisions and contingencies

	As at March 31, 2019	As at March 31, 2018
Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss		
Provisions for depreciation on Investment	125.55	370.91
Provision towards Stage 3	510.42	312.21
Provision made towards Income tax	2,398.62	2,637.36
Provision for Stage 1/Stage 2 Assets including restructured and others	673.90	491.71
Other Provision and Contingencies	-	-
Provision for doubtful debts	-	-
Provision for credit loss on securitisation	(4.21)	(3.34)
Provision on Stage 3 Income recognition	183.80	15.96

53.N Draw down from reserves

During the year ended 31 March 2019 and 31 March 2018, the Company has not drawn any reserve

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.O Concentration of deposits, advances, exposures and stage 3 assets

	As at March 31, 2019	As at March 31, 2018
<u>Concentration of advances</u>		
Total Advances to twenty largest borrowers	55,099.91	53,860.05
% of Advances to twenty largest borrowers to Total Advances	22.57%	23.96%
<u>Concentration of exposures</u>		
Total Exposures to twenty largest borrowers / Customers	57,695.20	56,990.15
% of Exposures to twenty largest borrowers / Customers to Total Advances	23.64%	25.35%
<u>Concentration of stage 3</u>		
Total Exposures to top Four Stage 3 Assets	4,619.37	4,309.56

Sector-wise Stage 3 Assets

Sectors	% of Stage 3 assets to Total Advances in that sector	
	March 31, 2019	March 31, 2018
Agriculture & allied activities	2.35%	0.37%
MSME	0.53%	0.07%
Corporate borrowers	7.53%	6.43%
Services	0.07%	0.00%
Unsecured loans	0.00%	0.01%
Auto loans	0.00%	0.00%
Other loans	0.29%	0.23%

53.P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2019	As at March 31, 2018
Stage 3 assets net of stage 3 provision to to net advances (%)	0.69%	0.75%
Movement of Stage 3 assets		
Opening balance	4,015.82	3,155.11
Additions during the year	9,426.36	11,754.41
Reductions during the year*	(8,872.71)	(10,893.70)
Closing balance	4,569.47	4,015.82
Movement of Stage 3 net of stage 3 provisions		
Opening balance	1,626.22	1,077.73
Additions during the year	7,612.26	8,598.39
Reductions during the year	(7,569.02)	(8,049.90)
Closing balance	1,669.46	1,626.22
Movement of stage 3 provisions (excluding provision on Stage 1/Stage 2)		
Opening Balance	2,389.60	2,077.38
Additions during the year	1,814.10	3,156.02
Reductions during the year	(1,303.69)	(2,843.80)
Closing balance	2,900.01	2,389.60

*Includes Stage 3 assets written off during the year Rs. 984.77 million (Previous year: Rs 1405.44 million)

Note : The movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per extant IRAC norms prescribed by the Reserve Bank of India

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.Q Overseas assets - Nil (Previous year - nil)

53.R Off-balance sheet SPV sponsored - none (previous year - none)

53.S Customer complaints

	For the year ended March 31, 2019	For the year ended March 31, 2018
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	148.00	72.00
No. of complaints redressed during the year	148.00	72.00
No. of complaints pending at the end of the year	-	-

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.T Rating assigned by credit rating agencies

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

as at March 31, 2019	CRISIL		ICRA		CARE		Brickworks		Acuite	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA/ Stable	2,50,300.00	ICRA AA	3,12,862.50	CARE AA	1,73,465.20	BWR AA+, BWR AA	18,000.00	ACUITE AA + /Stable	4,500.00
Short term instruments	CRISIL A1+	1,50,000.00	ICRA A1+	1,55,000.00	CARE A1+	1,00,000.00				
Market linked debentures										
Short term	CRISIL PP- MLD A1+R	12,000.00	PP-MLD ICRA A1+	9,000.00						
Long Term	CRISIL PP- MLD AA/ Stable	25,250.00	PP-MLD ICRA AA	24,116.30	CARE PP-MLD AA	5,286.30	BWR PP-MLD AA+	1,500.00		

as at March 31, 2018	CRISIL		ICRA		CARE		Brickworks		SMERA	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA/ Stable	1,37,600.00	ICRA AA/ Stable	1,95,000.00	CARE AA/ Stable	1,76,252.90	BWR AA+/ Stable BWR AA/ Stable	15,000.00 3,000.00	SMERA AA+/ Stable SMERA AA/ Stable	1,500.00 3,000.00
Short term instruments	CRISIL A1+	96,000.00	ICRA A1+	76,000.00	CARE A1+	36,000.00				
Market linked debentures										
Short term	CRISIL PP- MLD A1+R	12,000.00	ICRA PP MLD A1+	9,000.00						
Long Term	CRISIL PP MLD AA t/ stable	22,250.00	ICRA PP MLD AA/ Stable	26,500.00	CARE PP MLD- AA	7,875.40	BWR PP MLD AA+/ Stable	1,500.00		

53.U Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.V Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2019

Sl No	Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
Details																								
1	Restructured accounts as on 1st April, 2018 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	1.93	-	-	1.93	-	1.93	-	-	1.93
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	1.61	-	-	1.61	-	1.61	-	-	1.61
-																								
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	12.00	-	-	13.00	1.00	12.00	-	-	13.00		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.97	1,113.06	-	-	1,116.03	2.97	1,113.06	-	-	1,116.03		
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.79	601.58	-	-	603.37	1.79	601.58	-	-	603.37		
-																								
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	(1.00)	-	-	-	1.00	(1.00)	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	62.98	(63.55)	-	-	(0.57)	62.98	(63.55)	-	-	(0.57)		
		Provision thereon	-	-	-	-	-	-	-	-	-	-	7.34	(7.34)	-	-	0.00	7.34	(7.34)	-	-	0.00		
-																								
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(2.00)	-	-	(2.00)	-	(2.00)	-	-	(2.00)		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	(0.55)	-	-	(0.55)	-	(0.55)	-	-	(0.55)	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	(0.71)	-	-	(0.71)	-	(0.71)	-	-	(0.71)	
-																								
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-																								
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)			
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.94)	-	-	(0.94)	-	(0.94)	-	-	(0.94)			
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.90)	-	-	(0.90)	-	(0.90)	-	-	(0.90)			
-																								
7	Restructured accounts as on 31st Mar, 2019 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	2.00	11.00	-	-	13.00	2.00	11.00	-	-	13.00			
		Amount outstanding	-	-	-	-	-	-	-	-	-	65.95	1,049.95	-	-	1,115.90	65.95	1,049.95	-	-	1,115.90			
		Provision thereon	-	-	-	-	-	-	-	-	-	9.14	594.24	-	-	603.38	9.14	594.24	-	-	603.38			
-																								

Note :

*includes recovery made during the year from the Sub-standard restructure accounts.

**includes recovery made during the year from the standard restructure accounts.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.V Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2018

Sl No	Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total									
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total					
		Details																									
1	Restructured accounts as on 1st April, 2017 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	5.00	-	-	5.00	-	5.00	-	-	5.00	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	418.19	-	-	418.19	-	418.19	-	-	418.19	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	164.43	-	-	164.43	-	164.43	-	-	164.43	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	0.01	-	0.01	-	-	0.01	-	-	-	-	0.01
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)	-	-	-	-	(1.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(414.90)	-	-	(414.90)	-	(414.90)	-	-	(414.90)	-	-	-	-	(414.90)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(161.49)	-	-	(161.49)	-	(161.49)	-	-	(161.49)	-	-	-	-	(161.49)
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(3.00)	-	-	(3.00)	-	(3.00)	-	-	(3.00)	-	-	-	-	(3.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.73)	-	-	(0.73)	-	(0.73)	-	-	(0.73)	-	-	-	-	(0.73)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.76)	-	-	(0.76)	-	(0.76)	-	-	(0.76)	-	-	-	-	(0.76)
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	(1.00)	-	-	(1.00)	-	(1.00)	-	-	(1.00)	-	-	-	-	(1.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.64)	-	-	(0.64)	-	(0.64)	-	-	(0.64)	-	-	-	-	(0.64)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(0.57)	-	-	(0.57)	-	(0.57)	-	-	(0.57)	-	-	-	-	(0.57)
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2018 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00	-	-	-	-	3.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.93	-	-	1.93	-	1.93	-	-	1.93	-	-	-	-	1.93
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.61	-	-	1.61	-	1.61	-	-	1.61	-	-	-	-	1.61
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note :

*includes recovery made during the year from the Sub-standard restructure accounts.

**includes recovery made during the year from the standard restructure accounts.

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

	As at March, 31, 2019		As at March, 31, 2018	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	88,339.09	-	62,941.40	-
ii) Unsecured	20,900.75	-	20,408.96	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and Other parties)	84,954.07	-	88,152.92	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	5,626.60	-	8,062.84	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	2,900.00	-	4,370.00	-
ii) Bank Overdraft	22,322.04	-	18,235.36	-
iii) CBLO Borrowings	2,097.03	-	15,325.41	-
iv) Loan from related parties	1,014.31	-	12,124.87	-

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
2. Break up of Loans and Advances including bills receivables		
i) Secured	2,18,759.95	2,07,893.96
ii) Unsecured	25,325.48	16,892.02
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
i) Financial Lease	-	-
ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	-	-
ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	-	-
ii) Other loans	-	-
4. Break up of Investments (including securities held for trading)		
a) Current Investment - Quoted		
i) Shares		
Equity	724.60	121.01
Preference Shares	-	203.18
ii) Debentures and Bonds	298.18	4,354.13
iii) Units of Mutual Funds	3,483.09	3,603.51
iv) Government Securities	13,873.50	16,662.92
v) Others	-	-
a) Current Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	0.43	0.43
iv) Government Securities	-	-
v) Others	-	-

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
4. Break up of Investments (including securities held for trading) (Contd.)		
a) Long term Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
a) Long term Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	711.13	653.09
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others		
- Investments in security receipts of trusts	5,734.43	4,878.84
- Investment in Units of E-STAR Fund	139.41	194.93

5. Borrower group-wise classification of assets financed as in (2) and (3) above at at March 31, 2019

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	2,12,998.72	24,968.02	2,37,966.74

Borrower group-wise classification of assets financed as in (2) and (3) above at at March 31, 2018

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	2,03,156.96	16,867.74	2,20,024.70

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

	As at March, 31, 2019		As at March, 31, 2018	
	Market Value/ Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
a) Related Parties				
Subsidiaries	-	-	-	-
Companies in the same group	711.13	711.13	653.09	653.09
Other related parties	-	-	-	-
b) Other than related parties	24,253.64	24,253.64	30,018.95	30,018.95

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

53.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
7. Other Information		
a) Stage 3 assets		
i) Related Parties	-	-
ii) Other than related parties	4,569.47	4,015.82
b) Stage 3 assets net of stage 3 provision		
i) Related Parties	-	-
ii) Other than related parties	1,669.46	1,626.22
c) Assets acquired in satisfaction of debt	-	-

ECL Finance Limited

Notes to the financial statement for the year ended March 31, 2019

(Currency: Indian rupees in million)

54. Other Disclosures

54.A The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

54.B There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

The accompanying notes are an integral part of the financial statements
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

SD/-

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai May 13, 2019

For and on behalf of the Board of Directors

SD/-

Deepak Mittal

Managing Director & CEO

DIN : 00010337

SD/-

Sarju Simaria

Chief Financial officer

Mumbai May 13, 2019

SD/-

Himanshu Kaji

Executive Director

DIN : 00009438

SD/-

Jitendra Maheshwari

Company Secretary

SECTION IV- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs are as follows:

Issuer	ECL Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non-Convertible Debentures
Nature of the instrument	Secured Redeemable Non-Convertible Debenture
Mode of Issue	Public issue
Lead Managers	Axis Bank Limited and Edelweiss Financial Services Limited**
Debenture Trustee	Beacon Trusteeship Limited
Depositories	NSDL and CDSL
Registrar to the Issue/Registrar	Link Intime India Pvt Limited
Base Issue	Rs 1,000 million
Option to retain Oversubscription Amount	Rs 4,000 million
Tranche II Issue Size	Rs 5,000 million
Shelf Limit	Rs 20,000 million
Eligible investors	<p>The following categories of persons are eligible to apply in the Issue:</p> <p>Category I (Institutional Investors)</p> <ul style="list-style-type: none"> • Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India <p>Category II (Non Institutional Investors)</p> <ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks;

	<ul style="list-style-type: none"> Public/private charitable/ religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons <p>Category III (High Net-worth Individual Investors) (“HNIs”),</p> <ul style="list-style-type: none"> High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lacs across all series of NCDs in Issue <p>Category IV (Retail Individual Investors)</p> <ul style="list-style-type: none"> Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in Issue
Objects of the Tranche II Issue	Please refer to the chapter titled “ <i>Objects of the Tranche II Issue</i> ” on page 26 of this Tranche II Prospectus
Details of utilization of the proceeds	Please refer to the chapter titled “ <i>Objects of the Tranche II Issue</i> ” on page 26 of this Tranche II Prospectus
Interest rate for each category of investors	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Step up/ Step down interest rates	N.A.
Interest type	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Interest reset process	N.A.
Issuance mode of the instrument	In dematerialized form only
Frequency of interest payment	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Interest payment date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Day count basis	Actual/ Actual
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Redemption Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Redemption Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Redemption premium/ discount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 219 of this Tranche II Prospectus
Face value	₹ 1,000 per NCD
Issue Price (in ₹)	₹ 1,000 per NCD

Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put option date	N.A.
Put option price	N.A.
Call option date	N.A.
Call option price	N.A.
Put notification time.	N.A.
Call notification time	N.A.
Minimum Application size and in multiples of NCD thereafter	Rs. 10,000/- only
Market Lot/ Trading Lot	1 (one)
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit ratings	The NCDs proposed to be issued under this Issue have been rated “CARE AA; Positive” (pronounced as CARE AA with Positive outlook) for an amount of ₹ 20,000 million, by CARE Ratings Limited vide their letter dated April 10, 2019 and revalidated as “CARE AA-; Stable” (pronounced as CARE AA Minus with Stable outlook) by revalidation letters dated July 31, 2019 and September 10, 2019 and October 18, 2019 and “CRISIL AA/Stable” (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹ 20,000 million, by CRISIL Limited vide their letter dated April 18, 2019 and revalidated as “CRISIL AA/Negative” (pronounced as CRISIL double A with Negative outlook) vide its revalidation letters dated July 20, 2019 and August 20, 2019 and further revalidated as “CRISIL AA-/Stable” (pronounced as CRISIL double A minus with Stable outlook) vide its letter dated October 07, 2019. The rating of “CARE AA-; Stable” by CARE Ratings Limited and “CRISIL AA-; Stable” by CRISIL Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexures A and B of this Tranche II Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 6 (six) Working Days from the date of Issue Closure
Modes of payment	Please refer to the chapter titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 233 of this Tranche II Prospectus
Trading	In dematerialised form only
Tranche II Issue Opening Date	November 4, 2019
Tranche II Issue Closing Date*	November 22, 2019
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Debentures Committee or such other Committee as may be determined by the Board of Directors, from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be

	In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Security and Asset Cover	The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due on the NCDs in respect thereof are secured vide the Debenture Trust Deed. For further details please refer to the section titled “ <i>Terms of the Issue – Security</i> ” on page 219 of this Tranche II Prospectus
Issue documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche II Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Lead Broker Agreement. For further details, please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 275 of this Tranche II Prospectus
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement
Events of default / cross default	Please refer to the chapter titled “ <i>Terms of the Issue – Events of Default</i> ” on page 219 of this Tranche II Prospectus
Deemed date of Allotment	The date on which the Board of Directors/ Debentures Committee thereof approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ Debentures Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 219 of this Tranche II Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India
Working day convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

**This Tranche II Issue shall remain open for subscription on Working Days from 10.a.m. to 5 p.m. during the period above, except that the Tranche II Issue may close on such earlier date or extended date as may be decided by the Board or Debentures Committee authorised by resolution of the Board dated April 12, 2019. In the event of an early closure or extension of the Tranche II Issue, our Company shall ensure that notice of the same is approved to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier initial date of Issue closure. On the Tranche II Issue Closing Date, Application Forms for Tranche II Issue will be accepted only from 10:00 a.m. till 3.00*

p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE.

***In compliance with the proviso to Regulation 21A (1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations"), Edelweiss Financial Services Limited ("EFSL") will be involved only in marketing of the Tranche II Issue.*

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Series	I	II	III*	IV	V	VI	VII	VIII	IX
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Minimum Application	₹ 10,000/- (10 NCDs) across all Series								
Face Value / Issue Price of NCDs (Rs/NCD)	₹ 1,000/-								
In Multiples of thereafter (Rs)	₹ 1,000/- (1 NCD)								
Tenor	24 Months	24 Months	39 Months	39 Months	60 Months	60 Months	60 Months	120 Months	120 Months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV)	9.90%	NA	10.20%	NA	9.95%	10.40%	NA	9.95%	10.40%
Effective Yield (% per annum) for NCD Holders in Category I, II, III & IV)	9.89%	9.90%	10.22%	10.20%	10.41%	10.39%	10.40%	10.41%	10.39%
Mode of Interest Payment	Through various mode available								
Amount (Rs/ NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹1,000/-	₹1208.11/-	₹1,000/-	₹1,371.81/-	₹1,000/-	₹1,000/-	₹1,640.90/-	₹1,000/-	₹1,000/-
Maturity / Redemption Date (Years from the Deemed Date of Allotment)	24 Months	24 Months	39 Months	39 Months	60 Months	60 Months	60 Months	120 Months	120 Months

Put and Call Option	NA
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*** Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

All Category of Investors in the proposed Tranche II Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series V, Series VI, Series VIII and/or Series IX NCDs shall be eligible for additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series V, Series VI, Series VIII and/or Series IX NCDs.

For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company in past public issues of NCDs and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series II, Series IV and/or Series VII, the maturity amount at redemption along with the additional yield would be ₹ 1,213.62/- per NCD, ₹ 1,377.89/- per NCD and ₹ 1,659.58/- per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series IV and/or Series VII.

The additional incentive will be maximum of 0.25% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Tranche II Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Tranche II Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Tranche II Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Terms of payment

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche II Prospectus.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to

register under the U.S. Investment Company Act, 1940 in reliance on section 3(c) (7) thereof. This Tranche II Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, see the section titled “*Issue Procedure*” on page 233 of this Tranche II Prospectus.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 October 29, 2013 and the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 October 29, 2013 and SEBI Circular No. CIR/ IMD/ DF-1/ 122/ 2016 dated November 11, 2016, as the case may be, as disclosed in Annexure D of this Tranche II Prospectus.

For further details, see the section titled “*Issue Procedure*” on page 233 of this Tranche II Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on April 12, 2019. Further, the proposed borrowing is within the borrowing limits of INR 450,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders in the EGM held on November 12, 2018.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Tranche II Prospectus, Draft Shelf Prospectus, the Shelf Prospectus, the Application Forms, the Abridged Prospectus, statutory advertisement and corrigendum if any, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/Stock Exchange, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of the Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured vide the Debenture Trust Deed. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Security

The principal amount of the NCDs to be issued in terms of this Tranche II Prospectus together with all interest due on the NCDs in respect thereof are secured vide the Debenture Trust Deed.

Debenture Trust Deed

Our Company has already entered into the Debenture Trust Deed with the Debenture Trustee for the benefit of the NCD Holders, the terms of which inter alia govern the powers, authorities and obligations of the Debenture Trustee.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs.

Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the

specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee have executed the Debenture Trust Deeds, for inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s). The Debenture Trustee will protect the interest of the NCD Holders in the event of happening of an Event of Default in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee have executed the Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences are specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Offer Document, corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after

providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act 2013, Any NCD Holder may, at any time, nominate, any person as his nominee in whom the NCDs shall vest in the event of his death. On the receipt of the said nomination as per prescribed law a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013.

Where the NCDs are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the NCDs shall vest in the event of death of all the joint holders. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate as prescribed any person as nominee.

The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form. In the event of death of the NCD Holder or where the NCDs are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either:

- (a) to register himself as holder of the NCDs; or
- (b) to transfer the NCDs as the deceased holder could have done.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the NCDs himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased NCD Holder(s).

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the NCDs, where a nomination made in the prescribed manner purports to confer on any person the right to vest the NCDs, the nominee shall, on the death of the holder of NCDs or, as the case may be, on the death of the joint holders, become entitled to all the rights in the NCDs, of the NCD Holder or, as the case may be, of all the joint holders, in relation to the said NCDs, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

All the limitations, restrictions and provisions of the Companies Act 2013 relating to the right to transfer and the registration of transfers of the NCDs shall be applicable to any such notice or transfer as aforesaid as if the death of the NCD Holder had not occurred and the notice or transfer were a transfer signed by that NCD Holder. Where the nominee is a minor, it shall be lawful for the NCD Holder, making the nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the death of the nominee during his minority. Where the nominee is a minor, NCD Holder making the nomination, may appoint a person as specified under sub-rule (1) of Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, who shall become entitled to the NCDs, in the event of death of the nominee during his minority.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered NCD Holder except that he shall not, before being registered as a NCD Holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred by subscription to the same in relation to meetings of the NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in

the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Our Company has in the Debenture Trustee Agreement agreed, for the exclusive benefit of the Debenture Trustee and the Debenture holders, that the courts in Mumbai, Maharashtra are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Debenture Trust or the NCDs and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Debenture Trust Deed and the NCDs may be brought only in the courts in Mumbai, Maharashtra

Application in the Issue

NCDs being issued through the Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled “*Issue Procedure*” beginning on page 233 of this Tranche II Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Title

The NCD Holder(s) for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Period of Subscription

TRANCHE II ISSUE PROGRAMME	
TRANCHE II ISSUE OPENS ON	NOVEMBER 4, 2019
TRANCHE II ISSUE CLOSES ON	NOVEMBER 22, 2019*

**The Tranche II Issue shall remain open for subscription on Working Days from 10 A.M. to 5 P.M. (Indian Standard Time) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the Debentures Committee authorised by resolution of the Board dated April 12, 2019. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Tranche II Issue Closing Date Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche II Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Tranche II Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche II Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Tranche II Issue Closing Date. All times mentioned in this Tranche II Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche II Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Interest and Payment of Interest

Series I NCD

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.90%
For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.15%

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series II NCD

In case of Series II NCDs, the NCDs shall be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,208.11
For Category I, Category II, Category III and Category IV Investors eligible for additional incentive/premium amount (Rs/Secured NCD)	1,000	1,213.62

Series III NCD

In case of Series III NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.20%
For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.45%

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 39 months from the Deemed Date of Allotment.

Series IV NCD

In case of Series IV NCDs, the NCDs shall be redeemed at the end of 39 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,371.81
For Category I, Category II and IV Investors eligible for additional incentive/premium amount (Rs/Secured NCD)	1,000	1,377.89

Series V NCD

In case of Series V NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series V NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.95%
For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.20%

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VI NCD

In case of Series VI NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.40%
For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.65%

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VII NCD

In case of Series VII NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,640.90
For Category I, Category II and IV Investors eligible for additional incentive/premium amount (Rs/Secured NCD)	1,000	1,659.58

Series VIII NCD

In case of Series VIII NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VIII NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.95%

For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.20%
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Series VIII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

Series IX NCD

In case of Series IX NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IX NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.40%
For Category I, Category II and IV Investors eligible for additional incentive of 0.25% (p.a.)	10.65%

Series IX NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

All Category of Investors in the proposed Tranche II Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series V, Series VI, Series VIII and/or Series IX NCDs shall be eligible for additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons in respect of Series I, Series III, Series V, Series VI, Series VIII and/or Series IX NCDs.

For all Category of Investors in the proposed Tranche II Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company in past public issues of NCDs and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment applying in Series II, Series IV and/or Series VII, the maturity amount at redemption along with the additional yield would be ₹ 1,213.62/- per NCD, ₹ 1,377.89/- per NCD and ₹ 1,659.58/- per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II, Series IV and/or Series VII.

The additional incentive will be maximum of 0.25% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company and/or are equity shareholder(s) of our Promoter, Edelweiss Financial Services Limited (“EFSL”) as the case may be, on the Deemed Date of Allotment.

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Tranche II Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Tranche II Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Tranche II Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor,

coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/ Refund*” at page 229 of this Tranche II Prospectus.

Payment of Interest will be made to those NCD Holders whose names appear in the register of NCD Holders (or to first holder in case of joint-holders) as on Record Date. For NCDs subscribed, in respect to Series VI and Series VIII, where the interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last day of every month during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed along with the interest of the subsequent month and paid on the first day of the month next to that subsequent month. For example, assuming Deemed Date of Allotment (tentative) as November 4, 2019, first interest payment will be from the Deemed Date of Allotment till December 31, 2019 and will be paid on January 1, 2020.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized Stock Exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However, in case of NCDs held in physical form pursuant to rematerialisation, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the N.I. Act, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the

provisions of this Tranche II Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Put / Call Option

NA

Application Size

Each application should be for a minimum of Ten NCDs and multiples of one NCD thereof. The minimum application size for each application would be ₹ 10,000 (for all kinds of Series I, II, III, IV, V, VI, VII, VIII and IX NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all Series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Tranche II Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund/redemption amounts in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account would be taken directly from the depositories. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, from time to time, consider, subject to applicable statutory and/or regulatory requirements including but not limited to SEBI Debt Regulation, buyback of NCDs, upon such terms and conditions as may be decided by our Company without consent from debenture trustee or debenture holders.

Procedure for Redemption by NCD Holders

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Pre-Issue Advertisement

Subject to section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with Regulation 8 (1) of SEBI Debt Regulations. Material updated, if any, between the date of filing of the Shelf Prospectus and this Tranche II Prospectus with ROC, and the date of release of this statutory advertisement, will be included in the statutory advertisement.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Tranche II Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the “*General Information – Tranche II Issue Programme*” on page 17 of this Tranche II Prospectus.

Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche II Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche II Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Tranche II Issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum Subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 750 million, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However,

where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Guarantee/ Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Utilisation of the Tranche II Application Amount

The sum received in respect of the Tranche II Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Tranche II Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) We shall utilize the Tranche II Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; and (ii) receipt of listing and trading approval from Stock Exchange.
- (e) The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (f) Details of all utilised and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indication the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested.

Filing of the Shelf Prospectus and Tranche II Prospectus with the RoC

A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Listing

The NCDs offered through this Tranche II Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE vide their letter no DCS/BM/PI-BOND/1/19-20 dated May 6, 2019. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 (six) Working Days of the Tranche II Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche II Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”) as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”).

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility as provided for in the Debt Application Circular have been sought from the Stock Exchange.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE II PROSPECTUS, THE TRANCHE II ISSUE OPENING DATE AND THE TRANCHE II ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH STOCK EXCHANGE.

For purposes of the Issue, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche II Prospectus.

PROCEDURE FOR APPLICATION

How to Apply?

Availability of this Tranche II Prospectus, the Shelf Prospectus, Abridged Prospectus, and Application Forms

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus, containing the salient features of the Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers;
3. Offices of the Lead Brokers;
4. Registrar to the Issue
5. Designated CRTA Locations for CRTAs;
6. Designated CDP Locations for CDPs; and
7. Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual Investors ("HNIs") and Retail Individual Investors	Retail Individual Investors
<ul style="list-style-type: none"> • Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are 	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ 	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lacs across all series of NCDs in Issue	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lacs across all series of NCDs in Issue

Category I Institutional Investors	Category II Non Institutional Investors	Category III High Net-worth Individual Investors (“HNIs”) and Retail Individual Investors	Category IV Retail Individual Investors
<p>authorized to invest in the NCDs;</p> <ul style="list-style-type: none"> • Mutual Funds registered with SEBI; • Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakh as per the last audited financial statements; and ▪ National Investment Fund set up by resolution no. F. No. 	<p>religious trusts which are authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and ▪ Any other incorporated and/or unincorporated body of persons. 		

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual Investors (“HNIs”) and Retail Individual Investors	Retail Individual Investors
2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.			

Please note that it is clarified that persons’ resident outside India shall not be entitled to participate in the Issue and any Application(s) from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- (a) Minors without a guardian name*;
- (b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Persons resident outside India;
- (d) FIIs;
- (e) FPIs;
- (f) Qualified foreign investors;
- (g) Overseas Corporate Bodies; and
- (h) Person ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to “*Rejection of Applications*” on page 250 of this Tranche II Prospectus for information on rejection of Applications.

Modes of Making Applications

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the CRTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by mutual fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial banks, co-operative banks and regional rural banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDAI Investment Regulations.

Application by Indian Alternative Investment Funds

Applications made by 'Alternative Investment Funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension funds, Superannuation Funds and Gratuity funds which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any Act/Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefore.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of certified copy of certificate of the Partnership Deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non- Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of ASBA Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the

Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- (b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Centre where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchange) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Tranche II Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
2. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Tranche II Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Tranche II Issue Closing Date, if the Applications have been uploaded. For further information on the Tranche II Issue programme, please refer to "**Issue Structure**" on page 212 of this Tranche II Prospectus.
3. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Tranche II Prospectus, the Prospectus the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of 10 NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the

requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a Member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the Series III NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant’s Beneficiary Account Details

Applicants must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant’s name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants’ sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue, SCSBs, Registrar to the Issue

nor the Stock Exchange will bear any responsibility or liability for the same. In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Tranche II Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches

of the SCSBs, as the case may be, before the closure of application hours on the Tranche II Issue Closing Date. For further information on the Tranche II Issue programme, please refer to “**Issue Structure**” on page 212 of this Tranche II Prospectus.

16. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
18. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
16. Do not make an application of the NCD on multiple copies taken of a single form;
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “*Rejection of Applications*” on page 250 of this Tranche II Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard

by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche II Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	<p>(i) <i>If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</i></p> <p>(ii) <i>If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</i></p>

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms.**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line

data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche II Issue Closing Date. On the Tranche II Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche II Issue Programme, please refer to “*Issue Structure*” on page 212 of this Tranche II Prospectus.

- (c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location
 - Application amount
- (e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant’s responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) Applications can be rejected on the technical grounds listed on page 250 of this Tranche II Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness

of any of the contents of this Tranche II Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

- (h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment.** The Lead Managers, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche II Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- (i) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (iii) Applications not being signed by the sole/joint Applicant(s);
- (iv) Investor Category in the Application Form not being ticked;
- (v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (vi) Applications where a registered address in India is not provided for the Applicant;
- (vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- (viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (ix) PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (x) DP ID and Client ID not mentioned in the Application Form;
- (xi) GIR number furnished instead of PAN;
- (xii) Applications by OCBs;
- (xiii) Applications for an amount below the minimum application size;
- (xiv) Submission of more than five ASBA Forms per ASBA Account;
- (xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

- (xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- (xvii) Applications accompanied by stockinvest/ cheque/ money order/ postal order/ cash;
- (xviii) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority;
- (xx) Date of birth for first/sole Applicant (in case of Category III and IV) not mentioned in the Application Form;
- (xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- (xxii) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- (xxiv) Applications not having details of the ASBA Account to be blocked;
- (xxv) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- (xxvi) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (xxvii) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- (xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (xxxi) Applications by any person outside India;
- (xxxii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (xxxiii) Applications not uploaded on the online platform of the Stock Exchange;
- (xxxiv) Applications uploaded after the expiry of the allocated time on the Tranche II Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- (xxxv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form, this Tranche II Prospectus and the Prospectus;

- (xxxvi) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- (xxxviii) Applications providing an inoperative demat account number;
- (xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (xl) Category not ticked;
- (xli) Forms not uploaded on the electronic software of the Stock Exchange; and/or
- (xlii) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “*Information for Applicants*” on page 252 of this Tranche II Prospectus.

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Allocation Ratio

For the purposes of the Basis of Allotment:

- A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together (“**QIB Portion**”);
- B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together (“**Corporate Portion**”)
- C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together (“**High Net Worth Individual Portion**”); and
- D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together (“**Retail Individual Investor Portion**”).

For removal of doubt, the terms “QIB Portion”, “Corporate Portion”, “High Net Worth Individual Portion” and “Retail Individual Investor Portion” are individually referred to as a “Portion” and collectively referred to as “Portions”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche II Issue up to the Tranche II Issue Limit i.e. aggregating up to 5,000 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche II Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “**Tranche II Issue Limit**”.

Allocation Ratio

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
20% of the Tranche II Issue Limit	20% of the Tranche II Issue Limit	30% of the Tranche II Issue Limit	30% of the Tranche II Issue Limit

Basis of Allotment for NCDs

- (a) Allotments in the first instance:
- (i) Applicants belonging to the QIB Portion, in the first instance, will be allocated NCDs up to 20% of Tranche II Issue Limit on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
 - (ii) Applicants belonging to the Corporate Portion, in the first instance, will be allocated NCDs up to 20% of Tranche II Issue Limit on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
 - (iii) Applicants belonging to the High Net Worth Individual Portion, in the first instance, will be allocated NCDs up to 30% of Tranche II Issue Limit on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
 - (iv) Applicants belonging to the Retail Individual Investor Portion, in the first instance, will be allocated NCDs up to 30% of Tranche II Issue Limit on first come first served basis which would be determined on the basis of upload of their Applications on daily basis in to the electronic book with Stock Exchange;
- (b) Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the allotments would be made to the applicants on proportionate basis.
- (c) Under Subscription
- (i) Retail Individual Investor Portion;
 - (ii) High Net worth Individual Portion;
 - (iii) Corporate Portion; and
 - (iv) QIB Portion.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

- (d) For each Portion, all Applications uploaded in to the Electronic Book with Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into

the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion respectively.

- (e) Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.
- (f) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application into the Electronic Book with Stock Exchange, in each Portion).
- (g) Proportionate Allotments: For each Portion, on the date of oversubscription:
 - (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
 - (ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche II Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference; and
 - (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalized by draw of lots in a fair and equitable manner.
- (h) Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the seven series and in case such Applicant cannot be allotted all the seven series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. allotment of NCDs with tenor of 24 months followed by allotment of NCDs with tenor of 39 months and so on.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche II Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche II Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche II Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Tranche II Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Tranche II Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche II Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche II Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediaries shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche II Issue at any time prior to the Closing Date of the Tranche II Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date of the Tranche II Prospectus, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediaries/the Designated branch of the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche II Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/or the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche II Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialized form.

In this context:

- (i) Agreement dated March 22, 2010 between us, the Registrar to the Issue and NSDL, and March 22, 2010 between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (viii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please also refer to "*Instructions for filling up the Application Form*" on page 242 of this Tranche II Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, quoting the full name of the sole or first Applicant, Application

Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Applicants may contact the Lead Managers, our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our financial statements indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our financial statements indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Tranche II Issue proceeds in accordance with the provisions of the Debenture Trust Deed, post receipt of the minimum subscription and receipt of listing and trading approval from Stock Exchange
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

1. Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
2. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

3. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Tranche II Issue Closing Date;
4. Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
5. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee;
6. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Tranche II Prospectus.
7. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. We shall utilize the Tranche II Issue proceeds only upon execution of the documents for creation of security as stated in this Tranche II Prospectus and on receipt of the minimum subscription.
5. The Tranche II Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Filing of the Shelf Prospectus and this Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche II Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the Tranche II Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Listing

The NCDs offered through this Tranche II Prospectus are proposed to be listed on BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* its letter no DCS/BM/PI-BOND/1/19-20 dated May 6, 2019. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Tranche II Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche II Issue

At the meeting of the Board of Directors of our Company, held on April 12, 2019, the Directors approved the Issue of NCDs to the public up to an amount not exceeding INR 20,000 million, in one or more tranches. Further, the proposed borrowing is within the borrowing limits of INR 45,0000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders in the EGM held on November 12, 2018.

Prohibition by SEBI/Eligibility of our Company to come out with the Issue

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, AXIS BANK LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED* HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT MUST BE NOTED THAT EDELWEISS FINANCIAL SERVICES LIMITED SHALL BE INVOLVED ONLY WITH RESPECT TO THE MARKETING ASPECTS OF THE ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS AXIS BANK LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED*, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 24, 2019 WHICH READS AS FOLLOWS:

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE II ISSUE OR RELATING TO THE**

TRANCHE II ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE II ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE II ISSUE WILL BE GIVEN.

3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

**In compliance with the proviso to Regulation 21A (1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations"), Edelweiss Financial Services Limited ("EFSL") will be involved only in marketing of the Issue.*

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER NO. DCS/BM/PI-BOND/1/19-20 DATED MAY 6, 2019 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER: -

- (i) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THE DRAFT OFFER DOCUMENT; OR
- (ii) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- (iii) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID 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. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF

DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER OF CRISIL RESEARCH FOR INDUSTRY REPORT

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. ECL Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

DISCLAIMER CLAUSE OF CRISIL

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL rating are under surveillance. CRISIL or its associates may have other commercial transactions with the company / entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL website, www.crisil.com.

DISCLAIMER CLAUSE OF CARE

CARE Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell, or hold any security. Care has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. Care does not however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by care have paid a credit rating fee, based on the amount and type of bank facilities/ instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by care is based on the capital deployed by the partners/ proprietor and the financial strength of the firm, at present. The rating/outlook may undergo change in case of withdrawal of capital or unsecured loans brought in by the partners/ proprietors in addition to the financial performance and other relevant factors.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Axis Bank Limited	www.axisbank.com
Edelweiss Financial Services Limited	www.edelweissfin.com

Listing

The NCDs proposed to be offered through this Tranche II Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE vide their letter no. DCS/BM/PI-BOND/1/19-20 dated May 6, 2019. For the purposes of the Issue, BSE is the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche II Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 (six) working days from the date of closure of the Tranche II Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series/Options, such NCDs with Series(s)/Option(s) shall not be listed.

Consents

The written consents of (a) the Directors; (b) our Company Secretary and Compliance Officer; (c) the Legal Advisor; (d) the Lead Managers; (e) the Registrar to the Issue; (f) Credit Rating Agencies; (g) the Bankers to our Company; (h) the Debenture Trustee; (i) CRISIL for "*CRISIL Research – NBFC Report 2018*"; (j) the Public Issue Account Bank; (k) the Lead Brokers, (l) the Chief Financial Officer to act in their respective capacities, have been obtained and the same have been filed along with a copy of the Shelf Prospectus and the Tranche II Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Shelf Prospectus and the Tranche II Prospectus with the RoC.

Our Company has received written consent dated October 24, 2019, from the Current Statutory Auditors namely, S.R. Batliboi & Co.LLP, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche II Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Current Statutory Auditor and in respect of their (i) audit report, dated May 13, 2019 on our Audited Standalone Financial Statements (under Ind AS) (ii) audit report, dated August 13, 2019 on our Audited Consolidated Financial Statements (under Ind AS) (iii) their report dated September 30, 2019 on the statement of tax benefits and (iv) Review Report on the Interim Condensed Standalone Ind AS Financial Statements June 2019 dated August 13, 2019, and such consent has not been withdrawn as on the date of this Tranche II Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

Common form for Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum Subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 750 million, prior to the Tranche II Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche II Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 6 (six) working days from the Tranche II Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the Stock Exchange on April 24, 2019 in terms of SEBI Debt Regulations for dissemination on their respective websites.

Filing of the Shelf Prospectus and Tranche II Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and this Tranche II Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve (“DRR”)

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche II Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs.

Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
- D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Issue Related Expenses

The expenses of this Tranche II Issue include, *inter alia*, lead management fees and selling commission to

the Lead Managers, lead brokers, fees payable to debenture trustees, underwriters (if any), the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche II Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the chapter “*Objects of the Tranche II Issue*” on page 26 of this Tranche II Prospectus.

Reservation

No portion of the Issue has been reserved.

Public/ Rights Issues of Equity Shares

Except as stated below, our Company has not made any public or rights issuances of Equity Shares in the last five years.

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
March 31, 2018	56,258,790	1	21.33	Cash	Rights Issue	1,948,107,252	1,948,107,252	8,459,409,413.75
August 01, 2018	162,030,004	1	21.33	Cash	Rights Issue	2,110,137,256	2,110,137,256	11,753,479,395.00
August 29, 2018	28,129,394	1	21.33	Cash	Rights Issue	2,138,266,650	2,138,266,650	12,325,349,975.00
May 7, 2019	1000	1	31.00	Cash	Preferential allotment	2,138,267,650	2,138,267,650	12,325,380,975.00

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

For details in relation to the debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding, please refer to the chapter titled “*Financial Indebtedness*” on page 84 of this Tranche II Prospectus.

Previous Public Issue

Our Company has utilized the proceeds of the previous public issues, inter alia, towards repayment of existing loans, as mentioned in the prospectus of the respective issue. Please see below details of past issuances:

Date of Opening	July 24, 2018
Date of Closing	July 26, 2018
Total Issue Size	₹ 20,000 million
Amount raised in the Issue	₹ 19,809.01 million
Date of Allotment	August 6, 2018
Net Utilisation of Issue Proceeds	For the purpose of repayment of interest and principal of existing loans and general corporate purposes.

Date of Opening	January 16, 2014
Date of Closing	January 20, 2014
Total Issue Size	₹ 5,000 million
Amount raised in the Issue	₹ 5,000 million
Date of Allotment	January 28, 2014

Net Utilisation of Issue Proceeds	For the purpose of financing activities including lending and investments, subject to applicable statutory and / or regulatory requirements, to repay existing loans and business operations including capital expenditure and working capital requirements.
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Date of Opening	June 17, 2014
Date of Closing	June 19, 2014
Total Issue Size	₹ 4,000 million (subordinate debt)
Amount raised in the Issue	₹ 4,000 million
Date of Allotment	June 26, 2014
Net Utilisation of Issue Proceeds	For the purpose of financing activities including lending and investments, subject to applicable statutory and / or regulatory requirements, to repay existing loans and business operations including for capital expenditure and working capital requirements.

Date of Opening	February 26, 2015
Date of Closing	March 2, 2015
Total Issue Size	₹ 8,000 million
Amount raised in the Issue	₹ 7,892.76 million
Date of Allotment	March 11, 2015
Net Utilisation of Issue Proceeds	For onward lending and for repayment of interest and principal of existing loans.

Date of Opening	December 13, 2018
Date of Closing	December 31, 2018
Total Issue Size	₹ 10,000 million
Amount raised in the Issue	₹ 9105.137 million
Date of Allotment	January 4, 2019
Net Utilisation of Issue Proceeds	For the purpose of repayment of interest and principal of existing loans and general corporate purposes.

Date of Opening	May 10, 2019
Date of Closing	May 17, 2019
Total Issue Size	₹ 3,000 million
Amount raised in the Issue	₹ 2,749,146,000
Date of Allotment	May 23, 2019
Net Utilisation of Issue Proceeds	For the purpose of repayment of interest and principal of existing loans and general corporate purposes.

Our Company has not made any public issue of Equity Shares in the past.

Further, we also raised funds by way of a 'Rupee denominated bond' offering (outside India) in October 2016.

Other than as specifically disclosed in the Shelf Prospectus and this Tranche II Prospectus, our Company has not issued any securities for consideration other than cash.

Dividend

The declaration and payment of dividend on our equity shares is subject to the recommendation of our Board of Directors and approval of our shareholders, at their discretion, and may depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial

condition.

Our Company has not declared any dividend since incorporation.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The agreement between the Registrar to the Issue and our Company dated April 12, 2019, provides for settling of investor grievances in a timely manner and provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Tranche II Issue may be addressed to the Registrar to the Issue or Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200;

Fax: +9122 4918 6195;

Email: eclnkd.july2019@linkintime.co.in

Investor Grievance mail: eclnkd.july2019@linkintime.co.in **Website:** www.linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this Agreement and continue to do so during the period it is required to maintain records under the RTA Regulations and the Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company and similar status reports will also be provided to our Company as and when required.

Mr. Jitendra Maheshwari has been appointed as the Company Secretary and Compliance Officer of our Company for this Issue.

The details of the Company Secretary and Compliance Officer for the purposes of this Tranche II Issue are set out below:

Mr. Jitendra Maheshwari

Edelweiss House,

Off. C.S.T Road,

Kalina, Mumbai,

Maharashtra – 400098,

Maharashtra, India

E-mail: eclfdetipo@edelweissfin.com

Tel.: +91 22 4009 4400

Fax: +91 22 4086 3759

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

Details of change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Tranche II Prospectus as follows.

Name	Address	Date of appointment / resignation	Auditor of our Company since (in case of resignation)	Remarks
B S R & Associates LLP, Chartered Accountants	Lodha Excelus, 5 th Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai – 400 011, Maharashtra, India.	September 22, 2006 (Appointment) August 30, 2017 (Resignation)	September 22, 2006	-
Price Waterhouse Chartered Accountants LLP	252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400 028, Maharashtra, India	August 30, 2017 (Appointment) May 22, 2018 (Resignation)	August 30, 2017	-
S. R. Batliboi & Co. LLP	12 th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India	May 23, 2018 (Appointment)*	-	-

*Approved by members on July 20, 2018

Details of overall lending as of March 31, 2019

Details of overall lending of the Company on standalone basis as of March 31, 2019

A. Type of loans:

The detailed break-up of the type of loans given by the Company as on March 31, 2019 is as follows:

Sl. No.	Type of Loans	Amount
1.	Secured Loan Book as per Ind AS	2,18,759.95
2.	Unsecured Loan Book as per Ind AS	25,325.48
Total		2,44,085.43

(₹ in million)

B. Sectoral Exposure as on March 31, 2019

Sl. No.	Segment wise break up of AUM	Amount
1.	Corporate Credit	
	Agriculture Sector	2,605.00
(a)	Real Estate Sector	1,01,483.68
(b)	Manufacturing	19,427.89
(c)	Financial Sector	10,747.87
(d)	Service Sector	14,921.71
(e)	Retail Loans	219.39
2.	Retail Credit	

(₹ in million)

Sl. No.	Segment wise break up of AUM	Amount
(a)	Agriculture Sector	2,684.77
(b)	Real Estate Sector	8,282.05
(c)	Manufacturing	232.64
(d)	Financial Sector	-
(e)	Service Sector	26.82
(f)	Retail Loans	83,453.61
	Total	2,44,085.43

C. Residual Maturity Profile of Assets and Liabilities as on March 31,2019

(₹ in million)

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Loans	11,842.19	5,204.51	4,481.72	8,182.28	19,800.63	115,658.80	56,322.95	22,592.35	244,085.43
Investments*	18,379.37	-	-	-	-	-	6,585.40	-	24,964.77
Borrowings**	9,914.21	1,539.32	7,755.78	11,847.03	52,988.35	87,976.23	26,983.5	29,149.47	228,153.89
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

*Investments include Securities held for trading

** Borrowings includes Debt securities, borrowing other than debt securities and Subordinated liabilities

Denomination of the loans outstanding by ticket size as on March 31, 2019*:

Sl. No.	Ticket size**	Percentage of AUM
1.	Up to ₹ 0.2 million	0.03%
2.	₹ 0.3 million to 0.5 million	0.54%
3.	₹ 0.6 million to 1 million	1.41%
4.	₹ 1.1 million to 2.5 million	3.74%
5.	₹ 2.6 million to 5 million	3.90%
6.	₹ 5.1 million to 10 million	3.66%
7.	₹ 10.1 million to 50 million	13.29%
8.	₹ 50.1 million to 250 million	23.95%
9.	₹ 250.1 million to 1,000 million	23.16%
10.	Above ₹ 1,000 million	26.32%
	Total	100.00

*The details provided are as per borrower and not as per loan account.

**Ticket size as at 31 March 2019

D. Denomination of loans outstanding by LTV as on March 31, 2019*

Sl. No.	LTV	Percentage of Total Book
1.	Upto 40%	20.25%
2.	41% - 50%	19.67%
3.	51% - 60%	13.87%
4.	61% - 70%	11.69%
5.	71% - 80%	5.34%

Sl. No.	LTV	Percentage of Total Book
6.	81% - 90%	4.17%
7.	More than 90%	13.50%
8.	Unsecured	11.53%
	Grand Total	100%

*LTV as at March 31, 2019

E. Geographical classification of our borrowers as on March 31, 2019:

Sl. No.	Top 5 States	Percentage of AUM
1.	Maharashtra	52.16
2.	Delhi	12.19
3.	Gujarat	7.25
4.	Karnataka	7.14
5.	Tamil Nadu	6.35
	Total	85.09

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2019:

(₹ in million)

Particulars	Amount
Total advances to twenty largest borrowers	55,099.91
Percentage of advances to twenty largest borrowers to total advances to our Company	22.57%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2019:

(₹ in million)

Particulars	Amount
Total exposure to twenty largest borrowers	57,695.20
Percentage of exposure to twenty largest borrowers to total exposure to our Company	23.64%

Details of loans and overdues classified as non-performing (Sector – wise) for the year ended March 31, 2019 (Sector-wise Stage 3 Assets):

Sl. No.	Particulars	In %
1.	Agriculture & allied activities	2.35
2.	MSME	0.53
3.	Corporate borrowers	7.53
4.	Services	0.07
5.	Unsecured personal loans	0.00
6.	Auto loans	0.00
7.	Other personal loans	0.29

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2019:

Movement of Stage 3 Assets	Amount (₹ in million)
Opening Stage 3 Assets	4,015.82
- Additions during the year	9,426.36
- Reductions during the year	8,872.71
Closing balance of Stage 3 Assets	4,569.47

Movement of Stage 3 Provision	Amount (₹ in million)
Opening balance	2,389.16
- Additions during the year	1,814.10
- Reductions during the year	(1,303.69)
Closing balance of Stage 3 Provision	2,900.01

H. Segment-wise gross NPA as on March 31, 2019

Sl. No.	Segment-wise gross NPA	Gross NPA* (%)
1.	Corporate Credit	
(a)	Agriculture Sector	-
(b)	Real Estate Sector	0.37
(c)	Manufacturing	0.34
(d)	Financial Sector	0.18
(e)	Service Sector	-
(f)	Retail Loans	0.00
2.	Retail Credit	
(a)	Agriculture Sector	0.02
(b)	Real Estate Sector	0.00
(c)	Manufacturing	0.05
(d)	Financial Sector	-
(e)	Service Sector	0.01
(f)	Retail Loans	0.02

*Gross NPA means percentage of NPAs to total advances in that sector.

- I. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in “Related Party Transactions” on page 83 of the Tranche II Prospectus.**

Onward lending to borrowers forming part of the “Group” as defined by RBI:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (₹ in million)	Percentage of exposure (C) = B/Total AUM
NIL	NIL	NIL

- J. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2019)**

(₹ in million)

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans	11,842.19	5,204.51	4481.72	8182.28	19800.63	115658.80	56322.95	22592.35	2,44,085.43
Reserves and surplus	-	-	-	-	-	-	-	36,356.25	36,356.25
Investments*	18,379.37	-	-	-	-	-	6,585.40	-	24,964.77
Borrowings**	9,914.21	1,539.32	7,755.78	11,847.03	52,988.35	87,976.23	26,983.5	29,149.47	2,28,153.89

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

*Investments includes Securities held for trading

**Borrowings includes Debt securities, borrowing other than debt securities and Subordinated liabilities

Others

A. Lending Policy

For details on lending policy please refer to “Our Business” on page 95 of the Shelf Prospectus.

B. Details regarding lending out of issue proceeds of Previous Issues

(i) Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous issues.

(ii) Utilisation of Issue Proceeds of the previous Issues by our Company and group companies

Our Company has utilized the proceeds of the previous public issues towards repayment of existing loans, as mentioned in the prospectus of the respective issue.

Our group company Edelweiss Housing Finance Limited undertook a public issue of non-convertible debentures in July 2016, the particulars of which have been set out as below:

Date of Opening	July 8, 2016
Date of Closing	July 11, 2016
Total Issue Size	₹ 5,000 million
Date of Allotment	July 19, 2016
Net Utilisation of Issue Proceeds	(i) For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of EHFL; and (ii) For general corporate purposes.

Our group company Edelweiss Retail Finance Limited undertook a public issue of non-convertible debentures in March 2018, the particulars of which have been set out as below:

Date of Opening	March 7, 2018
Date of Closing	March 22, 2018
Total Issue Size	₹ 5,000 million
Date of Allotment	April 5, 2018
Net Utilisation of Issue Proceeds	(i) For the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of ERFL; and (ii) For general corporate purposes.

(iii) Group Companies

Our Company has not provided any loans/advances to its group companies from the proceeds of previous issues.

Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Tranche II Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche II Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

There are no reservations or qualifications or adverse remarks in the Financial Statements of our Company in the last five financial years immediately preceding the Shelf Prospectus and this Tranche II Prospectus.

Summary of Reservations

Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks. – Nil.

Debt - equity ratio

The debt-equity ratio of our Company, prior to this Issue is based on a total borrowing of ₹ 2,44,710.69 million and shareholder Net worth amounting to ₹ 39,129.03 million as on June 30, 2019.

(In ₹ million)

Particulars	Pre Issue	Post Issue
Debt securities	1,04,113.91	1,09,113.91
Borrowings (other than debt securities)	1,20,816.04	1,20,816.04
Subordinated Liabilities	19,780.74	19,780.74
Total debt - A	2,44,710.69	2,49,710.69
Equity		
- Equity share capital	2,138.27	2,138.27
- Other Equity	36,990.76	36,990.76
Net worth - B	39,129.03	39,129.03
Total Debt to equity ratio (Number of times) - A/B	6.25	6.38

Notes:

1. Debt securities under "Post issue" column is computed on the basis that there is an inflow of Rs. 5,000 million from the proposed issue of secured redeemable non-convertible debentures.

Trading

Debt securities issued by our Company, which are listed on BSE and NSE's Wholesale Debt Market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”*

Disclaimer Statement from the Issuer

The Issuer accepts no responsibility for statements made other than in the Shelf Prospectus and this Tranche II Prospectus issued by our Company in connection with the Tranche II Issue of the Debentures and anyone placing reliance on any other source of information would be doing so at his / her own risk.

SECTION V - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Tranche II Prospectus) which are or may be deemed material have been entered or/are to be entered into by our Company. These Contracts which are or may be deemed material shall be attached to the copy of this Tranche II Prospectus to be delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of the Tranche II Prospectus with Stock Exchange until the Tranche II Issue Closing Date.

Material Contracts to the Issue

1. Issue Agreement dated April 24, 2019 between the Company and the Lead Managers.
2. Agreement dated April 18, 2019 between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated April 18, 2019 executed between the Company and the Debenture Trustee.
4. The Debenture Trust Deed dated May 23, 2019 executed between the Company and the Debenture Trustee.
5. Public Issue Account Agreement dated September 6, 2019 executed by the Company, the Public Issue Account Bank and Refund Bank.
6. Tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and CDSL.
7. Tripartite agreement dated March 22, 2010 between the Company, Registrar to the Issue and NSDL.
8. Lead Broker Agreement dated September 6, 2019 between the Company and the Lead Brokers.

Material Documents

1. Certificate of Incorporation of the Company dated July 18, 2005, issued by Registrar of Companies, Maharashtra, Mumbai.
2. Certificate of commencement of business dated August 4, 2005, issued by Registrar of Companies, Maharashtra, Mumbai.
3. Memorandum and Articles of Association of the Company.
4. The certificate of registration No. N- 13.01831 dated April 24, 2006 by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934.
5. Credit rating letter dated April 10, 2019, revalidated vide letters dated July 31, 2019 and September 10, 2019 and October 18, 2019 and its rationale dated July 29, 2019 from CARE Ratings Limited.
6. Credit rating letter and its rationale dated April 18, 2019, revalidated vide letters dated July 20, 2019, August 20, 2019 and October 07, 2019 and its rationale dated October 4, 2019 from CRISIL Limited.
7. Copy of the Board Resolution dated April 12, 2019 approving the Issue.
8. Copy of the Debentures Committee Resolution dated October 24, 2019 approving the Tranche II Prospectus.

9. Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on November 12, 2018 approving the overall borrowing limit of Company.
10. Consents of the Directors, Lead Managers, Debenture Trustee, Credit Rating Agencies for the Issue, Lead Brokers, Public Issue Account Bank, Refund Bank, Company Secretary and Compliance Officer, Legal Advisor to the Issue, Bankers to the Company, the Registrar to the Issue, CRISIL for “*CRISIL Research – NBFC Report 2018*” and the Chief Financial Officer to include their names in this Tranche II Prospectus.
11. Our Company has received written consent dated October 24, 2019, from the Current Statutory Auditors namely, S.R. Batliboi & Co.LLP, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche II Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Current Statutory Auditor and in respect of their (i) audit report, dated May 13, 2019 on our Audited Standalone Financial Statements (under Ind AS) (ii) audit report, dated August 13, 2019 on our Audited Consolidated Financial Statements (under Ind AS) (iii) their report dated September 30, 2019 on the statement of tax benefits and (iv) Review Report on the Interim Condensed Standalone Ind AS Financial Statements June 2019 dated August 13, 2019, and such consent has not been withdrawn as on the date of this Tranche II Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.
12. Due Diligence certificate dated October 24, 2019 filed by the Lead Managers with SEBI.
13. Statement of tax benefits dated September 30, 2019 issued by our Current Statutory Auditors.
14. Annual Reports of the Company for the last five Financial Years.
15. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/1/19-20 dated May 6, 2019.
16. The audit report, dated May 13, 2019 on our Audited Standalone Financial Statements (under Ind AS)
17. The audit report, dated August 13, 2019 on our Audited Consolidated Financial Statements (under Ind AS)
18. Interim Condensed Standalone Ind AS Financial Statements June 2019 of our Company for the three months ended June 30, 2019.
19. Shareholders’ Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte. Ltd.
20. Amendment Agreement dated March 22, 2019 to the Shareholders’ Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte. Ltd.
21. Amendment Agreement dated May 6, 2019 to the Shareholders’ Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte. Ltd.
22. Securities Subscription Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited and CDPQ Private Equity Asia Pte. Ltd.
23. Amendment Agreement dated March 22, 2019 to the Securities Subscription Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited and CDPQ Private Equity Asia Pte. Ltd.

24. Amendment Agreement dated May 6, 2019 to the Securities Subscription Agreement dated March 5, 2019 executed among our Company with Edelweiss Financial Services Limited and CDPQ Private Equity Asia Pte. Ltd.

Any of the contracts or documents mentioned in this Tranche II Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Debenture Holders subject to compliance of the provisions contained in the Companies Act, 1956, Companies Act, 2013, and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue have been complied with and no statement made in the Tranche II Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche II Prospectus.

We further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

Signed by the Directors of our Company



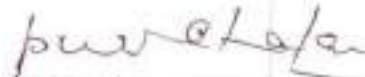
Rashesh Shah
(Chairman and Managing Director)



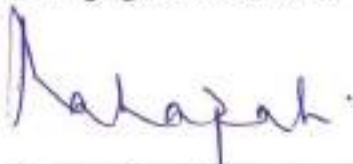
Venkatchalam Ramaswamy
(Vice Chairman and Non-Executive Director)



Deepak Mittal
(Managing Director & CEO)



P.N. Venkatachalam
(Independent Director)



Biswamohan Mahapatra
(Independent Director)



Vidya Shah
(Non-Executive Director)



Kunnasagar Chinniah
(Independent Director)

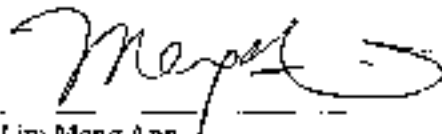
Date: October 24, 2019
Place: Mumbai

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the issue have been complied with and no statement made in the Tranche II Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche II Prospectus.

We further certify that all the disclosures and statements in this Tranche II Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche II Prospectus does not contain any misstatements.

Signed by the Directors of our Company



Lim Meng Ann
(Non-Executive Director)
(Nominée of CD, IQ Private Equity Asia
Pte. Ltd.)

Date: 12.01.2016, 2016
Place: Mumbai

ANNEXURE A

For the annexure, please see the page below.

No. CARE/HO/RL/2019-20/1024

Mr. Raviprakash Bubna

CEO & MD,

ECL Finance Ltd,

Edelweiss House, Off CST Road,

Kalina, Mumbai – 400 098

April 10, 2019

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On a review of recent developments including operational and financial performance of your company for FY18 (audited) and 9MFY19 (audited), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture issue	2000 (Rupees Two Thousand crore only)	CARE AA; Positive (Double A; Outlook: Positive)	Re-affirmed

2. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

3. The rationale for the rating will be communicated to you separately

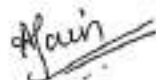
¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

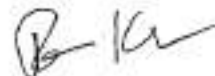
Yours faithfully,



[Akansha Jain]

Analyst

akansha.jain@careratings.com



[Ravi Kumar]

Associate Director

ravi.kumar@careratings.com

Encl.: As above

Page 2 of 3

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE/HO/RL/2019-20/2201
 Mr. Raviprakash Bubna
 CEO & MD,
 ECL Finance Ltd,
 Edelweiss House, Off CST Road,
 Kalina, Mumbai – 400 098

July 31, 2019

Confidential

Dear Sir,

Credit rating for various debt instruments

Please refer to our letter dated June 29, 2019 and your request for revalidation of the rating assigned to the various debt instruments of your company.

2. Our Rating Committee has reviewed the following rating(s):

Instrument	Rated Amount (Rs. crore)	Amount Utilised* (Rs. crore)	Rating ¹	Rating Action
Non-convertible debentures	1,711	1685	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Subordinate Debt	1,400	1,150	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Retail Bonds	151.97	140.84	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Non-Convertible debentures (Public Issue)	2000	300	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Total	5,262.97 (Rs. Five Thousand Two Hundred Sixty Two crore and Ninety seven lakh only)	3275.84 (Rs. Three Thousand Two hundred Seventy Five crore and Eighty Four lakh only)		

*as on July 24, 2019

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size	Coupon Rate	Coupon Payment	Terms of Redemption	Redemption date	Name and contact	Details of top 10
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publication.

		(Rs cr)		Dates			details of Debenture Trustee	investors
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



[Prit Patel]
Analyst

prit.patel@careratings.com



[Ramadasu Bandaru]
Associate Director

ramadasu.bandaru@careratings.com

Encl: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE/HO/RL/2019-20/2563
 Mr. Raviprakash Bubna
 CEO & MD,
 ECL Finance Ltd,
 Edelweiss House, Off CST Road,
 Kalina, Mumbai – 400 098

September 10, 2019

Confidential

Dear Sir,

Credit rating for various debt instruments

Please refer to our letter dated June 29, 2019 and your request for revalidation of the rating assigned to the various debt instruments of your company.

2. Our Rating Committee has reviewed the following rating(s):

Instrument	Rated Amount (Rs. crore)	Amount Utilised* (Rs. crore)	Rating ¹	Rating Action
Non-convertible debentures	1,711	1685	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Subordinate Debt	1,400	1,150	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Retail Bonds	151.97	140.84	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Non-Convertible debentures (Public Issue)	2000	300	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Total	5,262.97 (Rs. Five Thousand Two Hundred Sixty Two crore and Ninety seven lakh only)	3275.84 (Rs. Three Thousand Two hundred Seventy Five crore and Eighty Four lakh only)		

*as on August 21, 2019

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publication.

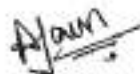
								Debt Trustee	
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

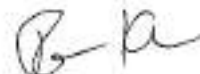
Thanking you,

Yours faithfully,



Akansha Jain
[Analyst]

akansha.jain@careratings.com



Ravi Kumar Dasari
[Associate Director]

ravi.kumar@careratings.com

Encl: As above

Page 2 of 3

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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CARE/HO/RL/2019-20/3188
Mr. Deepak Mittal
CEO & MD,
ECL Finance Ltd,
Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098

October 18, 2019

Confidential

Dear Sir,

Credit rating for various debt instruments

Please refer to our letter dated June 29, 2019 and your request for revalidation of the rating assigned to the various debt instruments of your company.

2. Our Rating Committee has reviewed the following rating(s):

Instrument	Rated Amount (Rs. crore)	Amount Utilised* (Rs. crore)	Rating ¹	Rating Action
Non-convertible debentures	1,711	1685	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Subordinate Debt	1,400	1,150	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Retail Bonds	151.97	140.84	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Non-Convertible debentures (Public Issue)	2000	300	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
Total	5,262.97 (Rs. Five Thousand Two Hundred Sixty Two crore and Ninety seven lakh only)	3275.84 (Rs. Three Thousand Two hundred Seventy Five crore and Eighty Four lakh only)		

*as on October 18, 2019

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publication.

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

CARE/HO/RR/2019-20/1494

Mr. Raviprakash Bubna
CEO & MD,
ECL Finance Ltd,
Edelweiss House, Off CST Road,
Kalina, Mumbai - 400 098

July 29, 2019

Dear Sir,

Credit rating of long term debt instruments/ bank facilities/commercial paper

Please refer to our letters dated June 29, 2019 on the above subject.

2. The rationale for the ratings is attached as an Annexure - I.
3. A write-up (Press Release) on the above ratings is issued to the press. A draft of this is enclosed for your perusal as Annexure - I.

If you have any further clarifications, you are welcome to approach us.

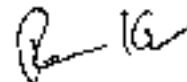
Thanking you,

Yours faithfully,



[Akansha Jain]
Analyst

akansha.jain@careratings.com



[Ravi Kumar]
Associate Director

ravi.kumar@careratings.com

END: As above

Annexure I
Rating Rationale
ECL Finance Limited

Ratings			
Instrument	Rated Amount (Rs. crore)	Rating¹	Rating Action
Long term Bank Facilities	12,686.66	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non-Convertible Debentures	1,7115 (reduced from Rs. 1,965.70 crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Subordinate Debt	1,400	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	203.28 ^a (reduced from Rs. 228.63 crore)	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Retail Bonds	151.57 ^a (reduced from Rs. 294.16 crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	300	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non Convertible Debentures	2000	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Commercial Paper	5000	CARE A1+ (A One Plus)	Reaffirmed
Total	23,452.51 (Rupees Twenty Three Thousand Four Hundred Fifty Two Crore and Fifty One Lakh only)		

Details of instruments/facilities in Annexure-1

NCD's of Rs 26 crore have matured and hence rating has been withdrawn

SPP-MLD of Rs. 254.7 crore have matured and hence rating has been withdrawn

^a Retail Bonds of Rs. 142.59 crore have matured and hence rating has been withdrawn

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Rating Rationale

The rating revision takes into account increasing risk averseness in the market towards NBFC sector in general and wholesale lending focussed NBFCs in particular which pose challenges in resource mobilisation. CARE takes note of resource mobilisation of Rs.7800 crore from various sources done by Edelweiss Financial Services Limited (EFSL) and its subsidiaries during H2FY19. However, in line with trend observed for the NBFC/HFC sector, EFSL group has also witnessed increased cost of borrowings which reflects the increased risk perception of the lenders towards entities operating in the NBFC/HFC segment. Therefore, continuous mobilisation of resources for EFSL group and maintaining adequate liquidity during this tough operating environment is a key rating monitorable.

The revision also takes into account exposure of EFSL Group to real estate sector which is witnessing slowdown and experiencing heightened refinancing risk. The asset quality in this segment for EFSL Group needs to be monitored as it is yet to span out fully on account of larger part of the portfolio under moratorium even-though currently the asset quality is comfortable. Further the collateral cover taken on the real estate exposures and control over project cash flows through Escrow mechanism also provide comfort to an extent but continuation of slowdown in the real estate market might put some pressure on the liquidity in the short to medium term.

The ratings also continues to factor in the diversified business profile of the group (on consolidated basis), experienced management team, adequate capitalization, good asset quality and comfortable liquidity profile. The ratings are, however, constrained by dependence on revenue from the capital market related activities which has inherent volatility and is declining due to diversification of revenue streams, client concentration and credit risk in its wholesale credit book, and risk associated with relatively new businesses. The performance of EFSL group's new businesses, asset quality, profitability, are the key rating sensitivities.

Detailed description of the key rating drivers

Diversified business profile

EFSL (on a consolidated basis) is a diversified financial services company with presence in various business segments related to credit in retail credit including mortgage finance (housing loans, loans against property) and SME credit, corporate credit and distressed assets credit including asset reconstruction. Its Advisory businesses include wealth management, asset management, and capital market businesses which include equity and commodities broking (both institutional and retail) and investment banking. Its insurance business includes both life and general insurance businesses. The share of the group's total interest income accounted for 60% of the total income in FY19 on consolidated basis. [FY18: 56.5%]. The share of broking and fee based income has reduced to 22% of total income in FY19 from 27% of total income in FY18. This was mainly due to the slowdown in the

advisory and broking business due to the volatility in the capital market in FY19 though the fees from distressed credit business were higher. The share of the insurance premium increased marginally.

Experienced management team

EFSL has a strong management team with a rich experience in the financial sector. Mr. Rashesh Shah, founder of EFSL, has more than 25 years of experience after graduating from IIM – Ahmedabad. Mr. Venkat Ramaswamy, co-founder of EFSL, heads the alternative asset management businesses, and has an MBA degree from the University of Pittsburgh, USA. They are also supported by a strong second line of management, who has rich experience in their respective fields. The senior management team of Edelweiss has been quite stable over the last few years and most of the senior management has been with Edelweiss for a long period.

Adequate capitalisation levels

On a consolidated basis, the tangible net worth (excluding minority interest) stood at Rs. 6919 crore as on March 31, 2019 compared to Rs. 6027 crore as on March 31, 2018. In March 2019, the company has signed an agreement with CDPQ (Canadian Pension Fund) for investment in the NBFC arm ECI Finance Limited of ~Rs. 1800 crore in a span of 2 years. Out of the said investment, Rs. 1040 crore was received in May 2019 in the form of compulsorily convertible debentures. The group maintained the Capital Adequacy levels (as per company) at 18.00% as on March 31, 2019, (17.04% as on March 31, 2018).

In FY19, EFSL group has raised Rs. 15050 crore of fresh long term borrowings of which Rs. 7250 crore was raised in H1FY19 and Rs. 7800 crore in H2FY19. The groups' debt levels have decreased from Rs.48031 crore as on March 31, 2018 to Rs.45217 crore as on March 31, 2019. Subsequently, gearing levels (excluding minority interest) decreased from 7.97 times as on March 31, 2018 to 6.53 times as on March 31, 2019. The gearing (excluding MI) post the capital infusion in May 2019 stood at 5.60 times (based on March 2019 debt figures). The group's gearing excluding the liquid treasury assets maintained for liquidity management as on March 31, 2019 as per the management is 4.4 times based on reported net worth.

Edelweiss group has three active Non Banking Finance Companies (NBFCs) and one Housing Finance Company (HFC) to carry out its lending business viz., ECI Finance Ltd (NBFC – 100.0% shareholding and loan portfolio of Rs. 25411 crore as on March 31, 2019), Edelweiss Finvest Pvt Ltd (NBFC-100% shareholding and loan portfolio of Rs.2,411crore as on March 31, 2019), Edelweiss Housing Finance Ltd (HFC – 100% shareholding and loan portfolio of Rs. 5396 crore as on March 31, 2019) and Edelweiss Retail Finance Limited(NBFC-100% and loan portfolio of Rs 1908 crore as on March 31,

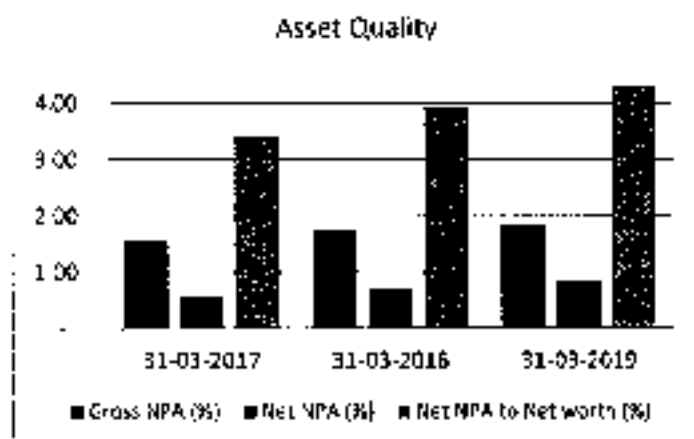
2019). ECL Finance Ltd reported CAR of 19.27% (Tier-I – 14.27%), Edelweiss Housing Finance Ltd reported CAR of 17.57% as on March 31, 2019, Edelweiss Retail Finance Ltd reported CAR of 31.95% (Tier-I - 24.67%) and Edelweiss Finvest Private Limited reported CAR of 28.44% (Tier-I - 26.64%). Regulatory approvals have been sought to merge ERFL with ECLF and make EHF1 a 100% owned subsidiary of ECLF.

The Group has demonstrated a track record of raising funds at regular intervals to take care of the average at the group level. Further, the Group has a strong track record of raising and deploying managed funds, which supports its overall business capabilities.

Good asset quality

The group's asset quality remains comfortable. Edelweiss focuses on the credit business across wholesale and retail products. EFSL has been able to maintain comfortable asset quality on the book including the wholesale book over the years. As on March 31, 2019, Gross NPA ratio was 1.87% (1.75% as on March 31, 2018). Net NPA ratio was 0.83% (0.70% as on March 31, 2018) while Net NPA to Net-worth ratio was 4.32% (3.43% as on March 31, 2018). Including the written off amounts, Adjusted GNPA ratios stood at 2.5% as on March 31, 2019 as compared to 2.91 % as on March 31, 2018. Edelweiss group has outstanding exposure to real estate with financing to developers accounting for 27% of the total credit book. The current environment prevailing in the real estate sector with funding constraints on account of crisis in the NBFC sector coupled with higher inventory is expected to put pressure on the asset quality of the NBFCs including Edelweiss. Thus, the ability of the group in maintaining the asset quality across the business cycles is a key rating sensitivity.

Figure 1: Consolidated Asset Quality

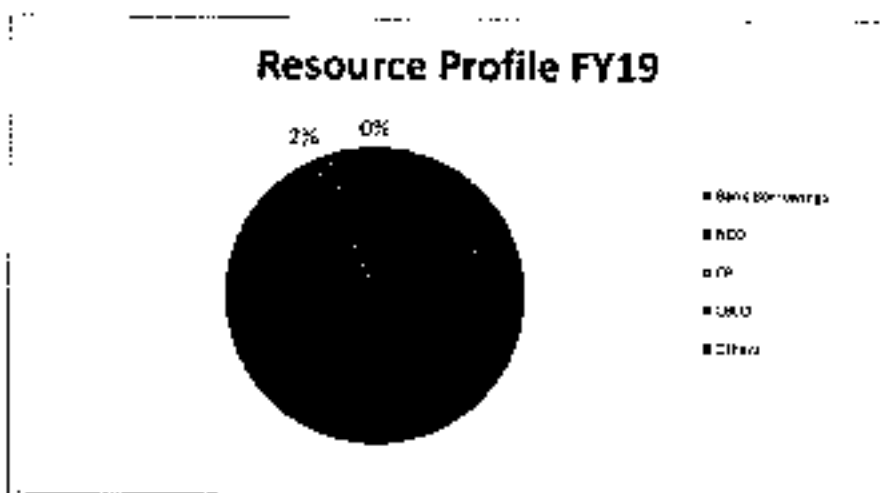


Comfortable liquidity profile and diversified resource profile

EFSL on a consolidated basis maintained a cumulative positive asset-liability mismatch across the time buckets as on March 31, 2019. The company has a cumulative repayments of Rs. 17240 crore upto March 2020 and cumulative advances inflows of Rs. 16124 crore upto March 2020. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines.

The group has a diversified resource profile with longer-term borrowings by way of NCDs, subordinated debt, retail bonds and term loan facilities from banks. As on March 31, 2011, 63% of total borrowings were short-term borrowings (CP and CBLO) which have gone down to 7% by March 31, 2019. At the same time, as on March 31, 2011, 34% of total borrowings were from the banks and in the form of NCDs and subordinate debt, which have gone up to 93% by March 31, 2019.

Figure 2: Resource Profile



Advances Profile

As on March 31, 2019, wholesale loan book (including structured credit, wholesale real estate financing) and distressed assets accounted for 58.46% of the on book loan portfolio (61.5% as on March 31, 2018). As on March 31, 2019, wholesale structured credit book accounted for 14.8 % of the loan book (22.3% as on March 31, 2018), wholesale real estate financing – 26.7% (24.2% as on March 31, 2018) and Distressed Assets–16.98% (15.0% as on March 31, 2018). The share of retail book has been steadily increasing from 28% as on March 2015 to 41.54% as on March 2019. Retail mortgage loans (housing loans, loan against property (LAP), Construction Finance(CF)) comprised of –21% of the total loan book (15.9% as on March 31, 2018), SME finance –10.55% (8.75% as on March 31, 2018), Agriculture and rural finance – 0.9% (2.8% as on March 31, 2018) and Retail loan against

shares - 0.4% (11.0% as on March 31, 2018). The share of retail book is expected to further increase given the group's objective of diversifying the credit book.

Key Rating Weaknesses

Substantial proportion of revenue from the capital markets related activities

A significant proportion of ESFL group's revenue is related to the capital markets led activities, which include equity broking, investment banking, capital market related loan portfolio, asset management. However with increase in size of the credit and distressed credit business, dependency on capital markets has been declining over past few years.

Client concentration and credit risk in its wholesale credit book

As on March 31, 2019, the total loan portfolio comprised of retail book of 47% (March 2018: 41%), wholesale book of 41% (March 2018: 45%) and distressed asset book of 17% (March 2018: 15%). Wholesale credit book of ESFL comprises of the real estate financing and the structured collateralised credit book. The real estate financing accounted for 27% of the total credit book as on March 31, 2019 as compared to 24% of the total credit book as on March 31, 2018. Even though the company has demonstrated a reduction on the concentration in the wholesale book as compared to the last year, the real estate segment continues to dominate the credit book. As on March 31, 2019, top 50 exposures (of which 32 accounts were from real estate segment) shared by the company which gives information on loan outstanding, reported security cover, moratorium period, name of developer and project, and these accounted for 1.37 times of Tangible Net-worth. The top 10 accounts accounted for 45% of the tangible net-worth. (March 2018: 46% of tangible net worth).

The real estate book which has high ticket concentration and higher proportion of the book (based on analysis of information provided for 32 top exposures in RE book) under principal moratorium is expected to impact the liquidity in the short to medium term given the prolonged slowdown in the real estate sector. However, the company tries to mitigate the risk associated with the real estate exposures by the adequate collateral cover of 2-3x maintained on each exposure and control over the cash flows of the projects through Escrow mechanism. The company undertakes regular monitoring of each projects by an in-house team of 70+ employees which is engaged in fortnightly physical verification of the projects, marketing and controlling the construction if required.

Risk associated with distressed assets and new businesses

The Edelweiss group has recently forayed into new businesses, including expanding insurance (both life and general), distressed assets. The insurance business is characterized by high competition and

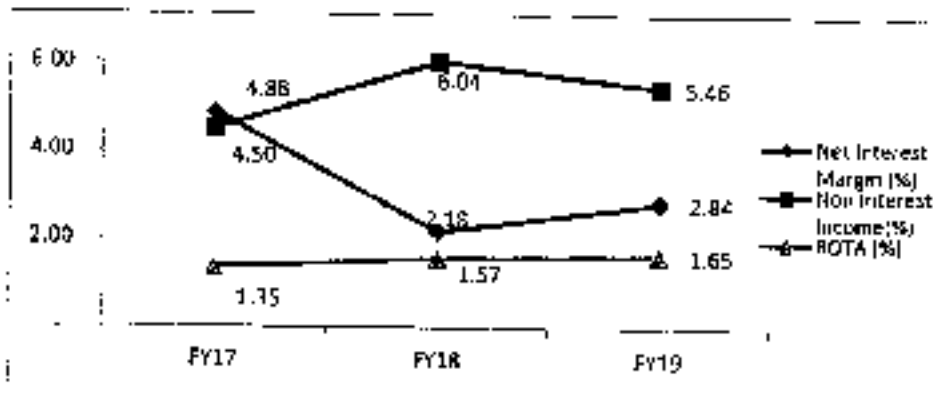
the group's ability to successfully establish a position in these segments is yet to be seen. Furthermore, the group has acquired a large portfolio of distressed assets in the past few years and the resolution in such cases needs to be seen.

As on March 31, 2019, the distressed assets (DA) accounted for 17% of credit book stood as on March 31, 2019 compared to 15% as on March 31, 2018. Till date the ARC has redeemed Rs.7553 crore of security receipts which account of approximately 13.99% of the issued security receipts. The ARC has made recoveries of Rs. 7019 crore during FY19. (FY18: Rs.2574 crore). Edelweiss ARC reported a Profit after tax (PAT) of Rs.435.02 crore in FY19 (Rs.180.02 crore in FY18). Even though the ARC business has demonstrated growth in the past year with steady recoveries and growth in profitability, the inherent high riskiness of business leads to uncertainty and credit risk. At the same time, the implementation of IBC has improved the pace of resolution. The company's ability to demonstrate adequate and timely resolution performance is a key rating sensitivity.

Profitability

Moderation in the growth in profitability is on account of moderate growth in the advisory income due to capital market volatility in FY19 and increase in the loss in the life insurance business coupled with the rise in the cost of borrowings of the group post H2FY19 on account of liquidity crunch in the market and also the lower dependence on the commercial paper borrowings. The operating expense as a % of average assets increased from 5.73% in FY18 to 6.24% in FY19 on account of creation of capacity to build the retail book. Credit cost has declined from 1.17% in FY18 to 0.77% in FY19 on account of reduction in the provisions in FY19. As the result of the above, the Return on total assets continued to be maintained at 1.66% in FY19.

Figure 3: Profitability



Liquidity: EFSL on a consolidated basis maintained a cumulative positive asset-liability mismatch across the time buckets as on March 31, 2019 considering cash and liquid investments of Rs.5000 crore. The company has a cumulative repayments of Rs. 17240 crore upto March 2020 and cumulative advances inflows of Rs. 16124 crore upto March 2020. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines to take care of the mismatches.

Analytical approach:

Edelweiss Financial Services Ltd (EFSL – rated 'CARE AA-; Stable and 'CARE A1+'), the flagship company of the Edelweiss group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view of EFSL for arriving at the rating. The list of the subsidiaries considered for consolidation are as per Annexure 4.

Applicable Criteria

Criteria on assigning outlook to Credit Ratings

CARE's policy on default recognition

Rating Methodology- Non Banking Finance Companies

Financial Ratios-Financial Sector

Factor Linkages In Ratings

Rating of Short term instruments

About EFSL

Previously known as Edelweiss Capital Limited, Edelweiss Financial Services Limited (EFSL) was incorporated in 1995 by Mr. Rashesh Shah and Mr. Venkat Ramaswamy. EFSL is registered as a Category I Merchant Banker with SEBI and is the parent company of the Edelweiss Group. The company on a standalone basis is primarily engaged in investment banking services and provides development, managerial and financial support to the businesses of the Edelweiss group entities. The Edelweiss Group offers a range of products and services, spanning varied asset classes and diversified consumer segments. The businesses of Edelweiss are organized around three broad lines – credit including housing finance, SME loans, Loans against Property, Loans against Securities, Rural finance, Agri credit, Structured collateralised credit to corporates and real estate developer finance, Franchise & advisory businesses including wealth management, asset management and capital markets and insurance including life and general insurance. In addition, the Balance-sheet Management Unit (BMU) attends to the balance sheet and liquidity management. The group conducts its business from 476 offices (including 8 International offices in 6 locations) in around 200

cities as on March 31, 2019. EFSL now caters to the total client base of 12 lakh served by 11,410 employees pan India.

About ECL Finance Limited

ECLF is the primary NBFC arm of Edelweiss Financial Services Limited (EFSL) with 100% shareholding.

The credit business of EFSL, which includes wholesale lending like corporate loans, sponsor funding, real estate loans, collateralized loans against liquid securities and capital market related loans.

Financials: ECL Finance (Standalone)

Particulars	(Rs. Cr)			
	FY16	FY17	FY18 ^A	FY19 ^A
	A	A	A	A
Total Income	1,887	2,495	3,272	4,018
Operating expenses	223	430	137.1	296
Depreciation & amortization	4	4	5.3	10.7
Interest Expense & Financial Charges	1,165	1,369	1,885.9	2,439
Provisions / Write-offs	116	99	208.3	149
Total operating expenses	377	600	464.8	645
PBT	379	593	713.5	783
PAT	250	390	470.6	565
Balance Sheet				
Tangible Net Worth	1,889	2,267	2,741	3,686
Total Borrowings	14,017	17,841	22,962	22,815
Investments	849	673	573	659
Stock-in-trade (includes credit substitutes)	5,875	5,898	2,495	1,837
Loan & Advances	9,189	12,318	22,002	29,797
Total Assets	17,025	21,073	26,210	27,303
Solvency Ratios				
CAR	16.56	16.14	17.09	19.27
Tier-I CAR	11.35	11.35	11.82	14.27
Overall Gearing (times)	7.42	7.87	8.38	6.19
Interest coverage (times)	2.3	1.39	1.56	1.43
Profitability & Operating Efficiency Ratios (%)				
Interest Income/ Avg. Interest earning assets (A)	15.69	14.43	13.52	14.05
Interest / Avg. Borrowed Funds (B)	8.25	7.35	8.94	10.66
Interest spread (A-B)	7.43	7.09	4.58	3.39
Net Interest Margin	5.74	4.95	4.34	4.93
Operating Expenses/Average Total Assets	1.52	2.28	1.39	2.05
ROTA (PAT / Average Total Assets)	1.68	2.05	1.99	2.12
RONW	14.04	18.78	16.07	17.51
Asset quality (%)				
Gross NPA	1.88	1.85	1.82	1.87
Net NPA	0.49	0.64	0.75	0.69

Net NPA to Net-worth	3.10	4.75	5.03	4.53
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A: Audited

*Note: Ratios have been computed based on average of annual opening and closing balances

^FY18 and FY19 financials are as per IND AS.

Financials: EFSL (Consolidated)

Particulars	FY16	FY17	FY18^	FY19^
	(A)	(A)	(A)	(A)
P&L A/c				
Total Income	5,268	6,619	8,920	10,881
Employee Cost	882	1,102	1,374	1,650
Operating and Other Expenditure	921	1,277	1,591	2,155
Provisions	183	381	625	483
Depreciation	90	106	104	132
Interest Expenditure	2,620	2,810	3,876	4,722
PBT	571	943	1,350	1,740
PAT	336	548	838	1,040
Minority Interest	(31)	(46)	(26)	49
PAT After Minority Interest	414	609	863	995
Balance Sheet				
Tangible Net-worth	3,453	4,002	6,027	6,919
Minority interest	697	958	943	1,038
Total Borrowings	27,930	33,640	48,031	45,217
Investments	2,696	6,878		
Loan Portfolio (Credit)	14,056	17,769	42,010	43,510
Stock in Trade	11,512	10,652		
Cash and Bank Balance	3,051	3,150		
Total Assets	36,767	44,496	62,554	63,630
Key Ratios				
Overall Gearing (total borrowings / tangible net-worth)	8.09	8.41	7.97	6.53
Overall Gearing (total borrowings / tangible net-worth including minority interest)	6.73	6.78	6.89	5.68
Interest Coverage (times)	1.22	1.34	1.35	1.37
Net Interest margin (Net Interest Income / Average Total Assets) (%)	4.67	4.88	2.18	2.84
Non - interest income / Average Total Assets (%)	3.27	4.50	6.04	5.46
Operating Expenses/Average Total Assets (%)	5.64	6.12	5.73	6.24
Provisions and expenses / Average Total Assets (%)	0.55	0.94	1.17	0.77
ROTA (%)*	1.14	1.39	1.57	1.65
RONW (%)*	11.84	15.11	16.69	16.13
Gross NPA Ratio (%)	1.40	1.59	1.75	1.87
Net NPA Ratio (%)	0.47	0.61	0.7	0.83
Provision Coverage (%)	66.67	62.15	60.11	55.6
Net NPA to Net worth (%)	2.71	3.43	4.15	4.37

A: Audited

*Note: Ratios have been computed based on average of annual opening and closing balances

[^]FY18 and FY19 financials are as per IND AS.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-7

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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(This follows our brief rationale published on July 05, 2019)

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such

information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure I- Instrument Details

ISIN	Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
-	Fund Based- LT Bank Facilities	-	-	Jun-2023	12,686.66	CARE AA-, Stable
-	Commercial Paper	-	-	-	-	CARE A1+
INE804I072M1	Debt-Retail Bonds	11-Mar-15	10.15%	11-Mar-20	41.98	CARE AA-, Stable
INE804I072M9	Debt-Retail Bonds	11-Mar-15	10.60%	11-Mar-20	75.4	CARE AA-, Stable
INE804I072N7	Debt-Retail Bonds	11-Mar-15	Zero Coupon	11-Mar-20	23.46	CARE AA-, Stable
-	Debt-Retail Bonds (Proposed)	-	-	-	10.73	CARE AA-, Stable
INE804K9601	Debt-Subordinate Debt	26-Jun-14	12.00%	26-Apr-20	334.05	CARE AA-, Stable
INE804K9619	Debt-Subordinate Debt	26-Jun-14	12.00%	26-Apr-20	18.27	CARE AA-, Stable
INE804I08627	Debt-Subordinate Debt	26-Jun-14	Zero Coupon	26-Apr-20	47.68	CARE AA-, Stable
INE804I08650	Debt-Subordinate Debt	19-Mar-15	11.25%	18-Sep-20	50	CARE AA-, Stable
INE804I08593	Debt-Subordinate Debt	30-Dec-13	12.00%	30-Dec-20	20	CARE AA-, Stable
INE804I08635	Debt-Subordinate Debt	30-Dec-14	12.25%	30-Jun-22	50	CARE AA-, Stable
INE804I08643	Debt-Subordinate Debt	4-Feb-15	11.25%	3-May-25	300	CARE AA-, Stable
INE804I08767	Debt-Subordinate Debt	14-Jun-17	9.60%	13-Jun-25	5	CARE AA-, Stable
INE804I08666	Debt-Subordinate Debt	3-Sep-15	10.62%	3-Sep-25	10	CARE AA-, Stable
INE804I08676	Debt-Subordinate Debt	30-Sep-15	10.60%	30-Sep-25	10	CARE AA-, Stable
INE804I08692	Debt-Subordinate Debt	16-Jun-16	10.15%	16-Jun-20	250	CARE AA-, Stable
INE804I08726	Debt-Subordinate Debt	5-May-17	9.75%	30-Apr-27	45	CARE AA-, Stable
INE804I08759	Debt-Subordinate Debt	13-Jun-17	9.65%	8-Jun-27	10	CARE AA-, Stable
-	Debt Subordinate	-	-	-	250	CARE AA-, Stable

Debt (Proposed)						
INE804107VQ9	Debentures-Non Convertible Debentures	3-Jul-14	11.00%	3-Jul-19	12.50	CARE AA-; Stable
INE804107I30	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	165.00	CARE AA-; Stable
INE804107IAB	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	170.00	CARE AA-; Stable
INE804107XM4	Debentures-Non Convertible Debentures	16-Oct-14	10.35%	16-Oct-20	400.00	CARE AA-; Stable
INE8041077P6	Debentures-Non Convertible Debentures	9-Jan-17	9.00%	9-Jan-24	5.00	CARE AA-; Stable
INE804107YF6	Debentures-Non Convertible Debentures	1-Dec-24	10.50%	1-Dec-24	10.00	CARE AA-; Stable
INE804107YPS	Debentures-Non Convertible Debentures	24-Dec-14	10.40%	24-Dec-24	10.00	CARE AA-; Stable
INE804107ZE6	Debentures-Non Convertible Debentures	16-Feb-15	10.10%	14-Feb-25	5.00	CARE AA-; Stable
INE804107ZT4	Debentures-Non Convertible Debentures	28-Mar-15	10.20%	28-Mar-25	10.00	CARE AA-; Stable
INE804107ZY4	Debentures-Non Convertible Debentures	21-Apr-15	10.00%	21-Apr-25	10.00	CARE AA-; Stable
INE804107F34	Debentures-Non Convertible Debentures	5-Oct-15	9.80%	3-Oct-25	20.00	CARE AA-; Stable
INE804107C42	Debentures-Non Convertible Debentures	6-Oct-15	9.81%	6-Oct-25	12.50	CARE AA-; Stable
INE804107H49	Debentures-Non Convertible Debentures	22-Dec-15	9.80%	22-Dec-25	25.00	CARE AA-; Stable
INE804107X2	Debentures-Non Convertible Debentures	23-Mar-18	-	23-Sep-22	650.00	CARE AA-; Stable
INE804107OY5	Debentures-Non Convertible Debentures	25-Jun-18	9.25%	25-Jun-21	180.00	CARE AA-; Stable
-	Debentures-Non Convertible Debentures	-	-	-	26.0	CARE AA-; Stable
INE804107YS3	Debentures-Market Linked Debentures	2-Jan-15	-	1-Jan-20	1.3	CARE PP-MLD AA-; Stable
INE8041074W1	Debentures-Market Linked Debentures	1-Jan-14	-	30-Oct-20	5.4	CARE PP-MLD AA-; Stable
INE804107ZU7	Debentures-Market Linked Debentures	31-Mar-15	-	29-Mar-22	2.0	CARE PP-MLD AA-; Stable

	Debentures-Market Linked Debentures/Proposed				194.54	CARE PP-MLD AA - ; Stable
INE804IA7139	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-29	35	CARE PP-MLD AA - ; Stable
INE804IA7147	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-29	7	CARE PP-MLD AA - ; Stable
INE804IA7121	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-24	15	CARE PP-MLD AA - ; Stable
INE804IA7113	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-21	30	CARE PP-MLD AA - ; Stable
INE804IA7105	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-24	67	CARE PP-MLD AA - ; Stable
INE804IA7097	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	19	CARE PP-MLD AA - ; Stable
INE804IA7089	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	65	CARE PP-MLD AA - ; Stable
INE804IA7071	Debentures-Non Convertible Debentures	23-May-19	9.7	23-May-21	16	CARE PP-MLD AA - ; Stable
INE804IA70E3	Debentures-Non Convertible Debentures	23-May-19	9.9	23-May-21	17	CARE PP-MLD AA - ; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings		Rating history				
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debt-Subordinate Debt	LT	100.00	CARE AA- ; Stable		1) CARE AA- ; Positive (06-Jul-18)	1) CARE AA- ; Stable (12-Sep-17)	1) CARE AA- ; Stable (22-Mar-17) 2) CARE AA- (02-Nov-16)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA- ; Stable (22-Mar-17) 2) CARE AA- (02-Nov-16)
3.	Debentures Non Convertible Debentures	LT	-	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA- ; Stable (22-Mar-17) 2) CARE AA-

4.	Debentures-Market Linked Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
5.	Fund-based - LT-Term Loan	LT					1)Withdrawn (12-Sep-17)	1)CARE AA, Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
6.	Debentures-Market Linked Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
7.	Bonds	LT				2) CARE AA; Positive (06-Jul-18)	2) CARE AA, Stable (22-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
8.	Debentures-Market Linked Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE PP-MLD AA; Stable (12-Sep-17) 2)CARE PP-MLD AA; Stable (22-Mar-17) 2)CARE PP-MLD AA (02-Nov-16)
9.	Fund-based - LT-Term Loan	LT	4686.66	CARE AA; Stable		1)CARE AA; Positive (05-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16) 3)CARE AA (12-Jul-15)
10.	Debt-Subordinate Debt	LT	460.00	CARE AA; Stable		1)CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA, Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
11.	Debentures-Non Convertible Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)

12.	Debentures-Market Linked Debentures	LT	-	CARE PP-MLD AA-; Stable	1) CARE AA: Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE PP-MLD AA; Stable (22-Mar-17) 2) CARE PP-MLD AA (02-Nov-16)
13.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17); 2) CARE AA (02-Nov-16)
14.	Debt-Subordinate Debt	LT	400.00	CARE AA-; Stable	1) CARE AA: Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
15.	Bonds	LT	294.16	CARE AA-; Stable	1) CARE AA: Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
16.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
17.	Commercial Paper	ST	5000.00	CARE A1+	1) CARE A1+ (06-Jul-18)	1) CARE A1+ (12-Sep-17)	1) CARE A1+ (22-Mar-17) 2) CARE A1+ (02-Nov-16)
18.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
19.	Debentures-Non Convertible Debentures	LT	1965.70	CARE AA-; Stable	1) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
20.	Debentures-Market Linked Debentures	LT	228.63	CARE PP-MLD AA-; Stable	1) CARE AA; Positive (06-Jul-18)	1) CARE PP-MLD AA; Stable (12-Sep-17)	1) CARE PP-MLD AA; Stable (22-Mar-17) 2) CARE PP-MLD AA (02-Nov-16) 3) CARE PP-MLD AA (12-Jul-16)

21.	Debt-Subordinate Debt	LT	500.00	CARE AA-, Stable		1) CARE AA, Positive (05-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (03-Nov-16) 3) CARE AA (12-Jul-16)
22.	Fund-based - LT-Term Loan	LT	8000.00	CARE AA-, Stable		1) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	
23.	Commercial Paper (Commercial Paper (IPO Financing))	ST	5000.00	CARE A1+		1) CARE A1+ (20-Mar-19) 2) Temp With: Fawn (19-Mar-19) 3) CARE A1+ (14-Feb-19)		
24.	Debentures-Market Linked Debentures	LT	300.00	CARE PP MLD AA; Stable		1) CARE PP MLD AA, Positive (13-Mar-19)		
25.	Debentures-Non Convertible Debentures	LT	2000.00	CARE AA-, Stable	1) CARE AA; Positive (16-Apr-19)	1) CARE AA; Positive (28-Mar-19)		

Annexure-3: Details of the rated facilities

1. Long-term facilities

1. A. Secured rupee term loans (as on June 29, 2019)

Sr. No	Name of Lender	Total O/S
1	Andhra Bank	357.5
2	Bank of Baroda	1700
3	Bank of India	257.5
4	Bank of Maharashtra	145
5	Canara Bank	901.84
6	Catholic Syrian Bank	40
7	Central Bank of India	45
8	Corporation Bank	75
9	DCB Bank Limited	40
10	Dena Bank	295
11	Federal Bank	58.33
12	HDFC Bank	164.58
13	Indian Bank	630
14	Karnataka Bank	260.78
15	Oriental Bank of Commerce	303.5

16	Punjab & Sind Bank	169
17	RBL Bank Ltd	150
18	State Bank of India (erstwhile State Bank of Patiala)	55
19	SIDBI	504.97
20	State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	115.63
21	State Bank of India (erstwhile State Bank of Hyderabad)	103.06
22	State Bank of India	1018.75
23	State Bank of India (erstwhile State Bank Travancore)	20
24	Syndicate Bank	827.5
26	Union Bank of India	340
27	United Bank of India	0
28	Vijaya Bank	514.38
29	Allahabad bank	95
30	Axis Bank	100
31	South India Bank	90
	Total	9474.22

1.B. Fund Based limits (as on June 29, 2019)

S. No.	Name of Bank	INR. crore/		
		CC*	Others (please specify)	Total fund-based limits
1	Allahabad Bank	50	-	50
2	Bank of Baroda	1100	-	1100
3	Bank of India	135	-	135
4	Bank of Maharashtra	50	-	50
5	Canara Bank	150	-	150
6	Central Bank of India	25	-	25
7	Dena Bank	50	-	50
8	Oriental Bank of Commerce	50	-	50
9	Punjab & Sind Bank	20	-	20
10	Punjab National Bank	100	-	100
11	RBL Bank Ltd	25	-	25
12	State Bank of India (erstwhile State Bank of Bikaner & Jaipur)	50	-	50
13	State Bank of India (erstwhile State Bank of Hyderabad)	50	-	50
14	Syndicate Bank	50	-	50
15	Union Bank of India	385	-	385
16	United Bank of India	50	-	50
17	Vijaya Bank	40	-	40
18	Axis Bank	50	-	50

19	Lakshmi Vilas Bank	-	150*	150
	Total	2,430.00	150.00	2,580.00

*CC=Cash credit; LC=Letter of credit; BG=Bank guarantee; #WCDL

Total long-term facilities as at June 29, 2019 (1.A.+1.B.)-Rs. 12,054.22 crore

2. Proposed Long-term Facilities

Sr. No.	Name of Bank	Nature of Facility	Amount (Rs. Crore)
1	Proposed	Long-term Term Bank Facilities	632.44
	Total		632.44

Total long-term & proposed bank facilities (A+B) as on June 29, 2019: Rs. 12,686.66 crore.

The above columns can change as per information provided by the client and acceptable to CARE.

Annexure-4: List of subsidiaries taken for consolidation

	Subsidiaries of Edelweiss Financial Services Limited	Shareholding by EFSL (directly/indirectly)
1	Edelweiss Securities Limited (ESL)	100%
2	Edelweiss Contracts Ltd	100%
3	Edelweiss Securities (Hong Kong) Private Limited	100%
4	Edelweiss Financial Services Inc.	100%
5	Edelweiss Custodial Services Limited	100%
6	Edelweiss Asset Reconstruction Company Limited	74.8%
7	Edelweiss Financial Services (UK) Limited	100%
8	Edelweiss Finance & Investments Limited	100%
9	EC Global Limited, Mauritius	100%
10	Edelweiss Rural & Corporate Services Limited (ERCSL) (Formerly Edelweiss Commodities Services Ltd. (ECSL))	100%
11	Edelweiss Housing Finance Limited (EHFL)	100%
12	Edelweiss Broking Limited (EHL)	100%
13	Edel Finance Company Ltd.	100%
14	Edelweiss Capital (Singapore) Pte. Limited (ECSPL)	100%
15	Edelweiss Alternative Asset Advisors Pte. Limited	100%
16	Edelweiss International (Singapore) Pte. Limited	100%
17	Edelweiss Investment Advisors Private Limited, Singapore	100%
18	EC International Limited, Mauritius (ECL)	100%
19	Aster Commodities DMCC, Dubai	100%
20	EAMA LLC, Mauritius	100%
21	EFSL International Limited	100%
22	EW Special Opportunities Advisors LLC, Mauritius	67%
23	EW India Special Assets Advisors LLC, Mauritius	100%
24	ECap Equities Limited	100%
25	Edelcap Securities Limited	100%
26	Edelweiss Finvest Private Limited (formerly ArLm - Investments Private Limited)	100%
27	Edelweiss Retail Finance Limited	100%
28	ECL Finance Limited	100%
29	Edelweiss Alternative Asset Advisors Limited	95%

Annexure II

Press Release

ECL Finance Limited

Ratings

Instrument	Rated Amount (Rs. crore)	Rating¹	Rating Action
Long term Bank Facilities	12,686.66	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non-Convertible Debentures	1,711\$ (reduced from Rs. 1,965.70 crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Subordinate Debt	1,400	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	209.28 ² (reduced from Rs. 228.63 crore)	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Retail Bonds	151.57 ³ (reduced from Rs. 294.16 crore)	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Principal protected Market-linked Debenture	300	CARE PP-MLD AA-; Stable (PP-MLD Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Non-Convertible Debentures	2000	CARE AA-; Stable (Double A Minus ; Outlook: Stable)	Revised from CARE AA; Positive (Double A; Outlook: Positive)
Commercial Paper	5000	CARE A1+ (A One Plus)	Reaffirmed
Total	23,452.51 (Rupees Twenty Three Thousand Four Hundred Fifty Two Crore and Fifty One Lakh only)		

Details of instruments/facilities in Annexure-I

¹ NCD's of Rs 26 crore have matured and hence rating has been withdrawn

² SPP-MLD of Rs. 254.7 crore have matured and hence rating has been withdrawn

³ Retail Bonds of Rs. 142.59 crore have matured and hence rating has been withdrawn

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Detailed Rationale & Key Rating Drivers

The rating revision takes into account increasing risk averseness in the market towards NBFC sector in general and wholesale lending focussed NBFCs in particular which pose challenges in resource mobilisation. CARE takes note of resource mobilisation of Rs.7800 crore from various sources done by Edelweiss Financial Services Limited (EFSL) during H2FY19. However, in line with trend observed for the NBFC/HFC sector, EFSL has also witnessed increased cost of borrowings which reflects the increased risk perception of the lenders towards entities operating in the NBFC/HFC segment. Therefore, continuous mobilisation of resources for EFSL and maintaining adequate liquidity during this tough operating environment is a key rating monitorable.

The revision also takes into account exposure of EFSL Group to real estate sector which is witnessing slowdown and experiencing heightened refinancing risk. The asset quality in this segment for EFSL needs to be monitored as it is yet to span out fully on account of larger part of the portfolio under moratorium even though currently the asset quality is comfortable. Further the collateral cover taken on the real estate exposures also provide comfort to an extent but continuation of slowdown in the real estate market might put some pressure on the liquidity in the short to medium term.

The ratings also continues to factor in the diversified business profile of the group (on consolidated basis), experienced management team, adequate capitalization, good asset quality and comfortable liquidity profile. The ratings are, however, constrained by dependence on revenue from the capital market related activities which has inherent volatility and is declining due to diversification of revenue streams, client concentration and credit risk in its wholesale credit book, and risk associated with relatively new businesses. The performance of EFSL's new businesses, asset quality, profitability, are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Diversified business profile of the group

EFSL is a diversified financial services company with presence in various business segments related to credit in retail credit including mortgage finance (housing loans, loans against property) and SME credit, corporate credit and distressed assets credit including asset reconstruction. Its Franchise & Advisory businesses include wealth management, asset management, and capital market businesses which include equity and commodities broking (both institutional and retail) and investment banking. Its insurance business includes both life and general insurance businesses. The share of the group's total interest income accounted for 60% of the total income in FY19 on consolidated basis. (FY18: 56.5%). The share of broking and fee based income has reduced to 22% of total income in

FY19 from 27% of total income in FY18. This was mainly due to the slowdown in the advisory and broking business due to the volatility in the capital market in FY19. The share of the insurance premium increased marginally.

Established institutional equity broking business and good retail distribution network

EFSL on group basis has established institutional equity business comprising institutional equity sales and research. It provides services to a large and diversified base of Foreign Institutional Investors (FIIs) and domestic institutional investors. Its clients include large pension funds, long only funds, Exchange Traded Funds (ETFs) and hedge funds. It is one of the largest domestic institutional broking houses in India with around 300 foreign and domestic institutional investors. The institutional equity business is supported by a strong equity sales team and relevant and timely research. EFSL manages an AUM of Rs. 2,00,900 crore of customer assets which comprises of Assets under advice (Wealth Management), Distressed Credit (ARC Assets) (excluding Edelweiss contribution), Funds under Management (Asset Management) (excluding Edelweiss contribution) and Assets under custody and clearing.

Experienced management team

EFSL has a strong management team with a rich experience in the financial sector. The senior management team of Edelweiss has been quite stable over the last few years and most of the senior management has been with Edelweiss for a long period.

Adequate capitalization levels

On a consolidated basis, the tangible net worth (excluding minority interest) stood at Rs. 6919 crore as on March 31, 2019 compared to Rs. 6027 crore as on March 31, 2018. In March 2019, the company has signed an agreement with CDPQ (Canadian Pension Fund) for investment in the NBFC arm ECL Finance Limited of ~Rs. 1800 crore in a span of 2 years. Out of the said investment, Rs. 1040 crore was received in May 2019 in the form of compulsorily convertible debenture. The company is also looking for a strategic investor in its Wealth & Asset Management business. The group maintained the Capital Adequacy levels (as per company) at 18.01% as on March 31, 2019. (17.4% as on March 31, 2018).

The group's debt levels have decreased from Rs.48031 crore as on March 31, 2018 to Rs.45217 crore as on March 31, 2019. Subsequently, gearing levels (excluding minority interest) decreased from 7.97 times as on March 31, 2018 to 6.53 times as on March 31, 2019. The gearing (excluding MI) post the capital infusion in May 2019 stood at 5.60 times (based on March 2019 debt figures)

The Group has demonstrated a track record of raising funds at regular intervals to take care of the leverage at the group level. Further, the Group has a strong track record of raising and deploying managed funds, which supports its overall business capabilities.

Comfortable asset quality

EFSL has been able to maintain comfortable asset quality on the book including the wholesale book over the years. As on March 31, 2019, Gross NPA ratio was 1.87% (1.75% as on March 31, 2018). Net NPA ratio was 0.83% (0.70% as on March 31, 2018) while Net NPA to Net-worth ratio was 4.32% (3.43% as on March 31, 2018). Including the written off amounts, Adjusted GNPA ratios stood at 2.5% as on March 31, 2019 as compared to 2.91 % as on March 31, 2018. Edelweiss group has outstanding exposure to real estate with financing to developers accounting for 29% of the total credit book. The current environment prevailing in the real estate sector with funding constraints on account of crisis in the NBFC sector coupled with higher inventory is expected to put pressure on the asset quality of the NBFCs including Edelweiss which has relatively higher exposure to real estate developers in the NBFC segment. Thus, the ability of the group in maintaining the asset quality across the business cycles is a key rating sensitivity.

Comfortable liquidity profile and diversified resource profile

EFSL on a consolidated basis maintained a cumulative positive asset-liability mismatch across the time buckets as on March 31, 2019. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines.

As on March 31, 2019, resource profile is well diversified with NCDs / Sub debt / MLD - 54% (FY18: 41%), Bank borrowings- 39% (FY18: 34%), CP - 2% (FY18: 14%), CBLO - 5% (FY17: 7%) and others - 0 (FY17: 1%) of total borrowings as respectively. EFSL has reduced its dependence on the commercial paper in FY19 and has mainly relied on the long term borrowings.

Key Rating Weakness

Substantial proportion of revenue from the capital markets related activities

A significant proportion of EFSL's revenue is related to the capital markets led activities, which include equity broking, investment banking, capital market related loan portfolio, asset management. However with increase in size of the credit business, dependency on capital markets has been declining over past few years.

Client concentration and credit risk in its wholesale credit book

As on March 31, 2019, the total loan portfolio comprised of retail book of 42% (March 2018: 41%), wholesale book of 41% (March 2018: 45%) and distressed asset book of 17% (March 2018: 14%). Wholesale credit book of EFSL comprises of the real estate financing and the structured collateralised credit book. The real estate financing accounted for 27% of the total credit book as on March 31, 2019 as compared to 24% of the total credit book as on March 31, 2018. Even though the company has demonstrated a reduction on the concentration in the wholesale book as compared to the last year, the real estate segment continues to dominate the credit book. As on March 31, 2019, top 50 exposures (of which 32 accounts were from real estate segment) shared by the company which gives information on loan outstanding, reported security cover, moratorium period, name of developer and project. As on March 31, 2019, top 50 exposures (of which 32 accounts were from real estate segment) shared by the company accounted for 1.37 times of Tangible Net-worth. The top 10 accounts accounted for 45% of the tangible net-worth. (March 2018: 46% of tangible net worth).

The real estate book which has high ticket concentration and higher proportion of the book (based on analysis of information provided for 32 top exposures in RE book) under principal moratorium is expected to impact the liquidity in the short to medium term given the prolonged slowdown in the real estate sector. However, the company tries to mitigate the risk associated with the real estate exposures by the adequate collateral cover of 2-3x maintained on each exposure. The company undertakes regular monitoring of each projects by an in-house team of 70+ employees which is engaged in fortnightly physical verification of the projects, marketing and controlling the construction if required.

Risk associated with distressed assets and new businesses

The Edelweiss group has recently forayed into new businesses, including expanding insurance (both life and general), distress assets. The insurance business is characterized by high competition and the group's ability to successfully establish a position in these segments is yet to be seen. Furthermore, the group has acquired a large portfolio of distressed assets in the past few years and the resolution in such cases needs to be seen.

As on March 31, 2019, the distressed assets (DA) accounted for 17% of credit book stood as on March 31, 2019 compared to 14% as on March 31, 2018. Till date the ARC has redeemed Rs.7553 crore of security receipts which account of approximately 13.99% of the issued security receipts. The ARC has made recoveries of Rs. 7019 crore during FY19. (FY18: Rs.2574 crore). Edelweiss ARC reported a Profit after tax (PAT) of Rs.435.02 crore in FY19 (Rs.180.07 crore in FY18). Even though the ARC business has demonstrated growth in the past year with steady recoveries and growth in

profitability, the inherent high riskiness of business leads to uncertainty and credit risk. The company's ability to demonstrate adequate and timely resolution performance is a key rating sensitivity.

Moderation in profitability growth

Moderation in the growth in profitability is on account of moderate growth in the advisory income due to capital market volatility in FY19 and increase in the loss in the life insurance business coupled with the rise in the cost of borrowings of the group post H2FY19 on account of liquidity crunch in the market and also the lower dependence on the commercial paper borrowings. The operating expense as a % of average assets increased from 5.73% in FY18 to 6.24% in FY19 on account of creation of capacity to build the retail book. Credit cost has declined from 1.17% in FY18 to 0.77% in FY19 on account of reduction in the provisions in FY19. As the result of the above, the Return on total assets remained maintained at 1.66% in FY19.

Liquidity: EFSL on a consolidated basis maintained a cumulative positive asset liability mismatch across the time buckets as on March 31, 2019 considering cash and liquid investments of Rs.5000 crore. The company has a cumulative repayments of Rs. 17240 crore upto March 2020 and cumulative advances inflows of Rs. 16124 crore upto March 2020. At the group level, the company maintained liquidity to the tune of Rs. 5300 crore as on March 31, 2019 which comprised of Rs. 900 crore of cash/bank balance & fixed deposit, Rs. 2100 crore of investment in mutual funds & government securities and Rs. 2300 crore of undrawn bank lines to take care of the mismatches.

Analytical approach:

Edelweiss Financial Services Ltd (EFSL – rated 'CARE AA-; Stable and 'CARE A1+', the flagship company of the Edelweiss group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view of EFSL for arriving at the rating. The list of the subsidiaries considered for consolidation are as per Annexure 3.

Applicable Criteria

Criteria on assigning outlook to Credit Ratings

CARE's policy on default recognition

Rating Methodology- Non Banking Finance Companies

Financial Ratios- Financial Sector

Factor Linkages in Ratings

Rating of Short term Instruments

About the Company

Previously known as Edelweiss Capital Limited, Edelweiss Financial Services Limited (EFSL) was incorporated in 1995 by Mr. Ramesh Shah and Mr. Venkat Ramaswamy. EFSL is registered as a Category I Merchant Banker with SEBI and is the parent company of the Edelweiss Group. The company on a standalone basis is primarily engaged in investment banking services and provides development, managerial and financial support to the businesses of the Edelweiss group entities. The Edelweiss Group offers a range of products and services, spanning varied asset classes and diversified consumer segments. The businesses of Edelweiss are organized around three broad lines – credit including housing finance, SME loans, Loans against Property, Loans against Securities, Rural finance, Agri credit, Structured collateralised credit to corporates and real estate developer finance, Franchise & advisory businesses including wealth management, asset management and capital markets and insurance including life and general insurance. In addition, the Balance-sheet Management Unit (BMU) attends to the balance sheet and liquidity management. The group conducts its business from 476 offices (including 8 international offices in 6 locations) in around 200 cities as on March 31, 2019. EFSL now caters to the total client base of 12 Lakh served by 11,410 employees pan India.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total income	8,920	10,886
PAT (after share of profit and minority interest)	863	995
Overall Gearing (excluding minority interest) (times)	7.97	6.53
Total Assets	62,554	63,630
Gross NPA (%)	1.75	1.87
ROTA (%)	1.57	1.65

A: Audited

About ECL Finance Limited

ECLF is the primary NBFC arm of Edelweiss Financial Services Limited (EFSL) with 100% shareholding. The credit business of EFSL, which includes wholesale lending like corporate loans, sponsor funding, real estate loans, collateralized loans against liquid securities and capital market related loans.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total income	3,272	4,018
PAT	470.6	565.9
Interest coverage (times)	1.56	1.43
Total Assets	26,210	27,303
Net NPA (%)	0.75	0.69
ROTA (%)	1.99	2.12

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure I- Instrument Details

ISIN	Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
	Fund Based- LT Bank Facilities	-	-	Jun 2023	12,686.66	CARE AA- Stable
	Commercial Paper	-	-	-	-	CARE A1+
INE8041072L1	Debt-Retail Bonds	11-Mar-15	10.15%	11-Mar-20	41.98	CARE AA- Stable
INE8041072M9	Debt-Retail Bonds	11-Mar-15	10.60%	11-Mar-20	75.4	CARE AA- Stable
INE8041072N7	Debt-Retail Bonds	11-Mar-15	Zero Coupon	11-Mar-20	23.46	CARE AA- Stable
	Debt-Retail Bonds (Proposed)	-	-	-	10.73	CARE AA- Stable
INE8041086C1	Debt-Subordinate Debt	26-Jul-14	12.00%	26-Apr-20	334.05	CARE AA- Stable
INE804108615	Debt-Subordinate Debt	26-Jun-14	12.00%	26-Apr-20	18.27	CARE AA- Stable
INE804108627	Debt-Subordinate Debt	26-Jul-14	Zero Coupon	26-Apr-20	47.66	CARE AA- Stable
INE804108650	Debt-Subordinate Debt	19-Mar-15	11.25%	18-Sep-20	50	CARE AA- Stable
INE804108659	Debt-Subordinate Debt	30-Dec-15	12.00%	30-Dec-20	20	CARE AA- Stable
INE804108635	Debt-Subordinate Debt	30-Dec-14	11.25%	30-Jun-22	50	CARE AA- Stable
INE804108643	Debt-Subordinate Debt	4-Feb-15	11.25%	3-May-25	100	CARE AA- Stable
INE804108757	Debt-Subordinate Debt	14-Jun-17	9.60%	13-Jun-25	5	CARE AA- Stable
INE804108668	Debt-Subordinate Debt	3-Sep-15	10.62%	3-Sep-25	10	CARE AA- Stable
INE804108676	Debt-Subordinate Debt	30-Sep-15	10.60%	30-Sep-25	10	CARE AA- Stable
INE804108692	Debt-Subordinate Debt	16-Jun-26	10.15%	16-Jun-26	250	CARE AA- Stable
INE804108726	Debt-Subordinate Debt	5-May-17	9.75%	30-Apr-27	45	CARE AA- Stable
INE804108759	Debt-Subordinate Debt	13-Jun-17	9.65%	8-Jun-27	10	CARE AA- Stable
	Debt-Subordinate Debt (Proposed)	-	-	-	250	CARE AA- Stable
INE804107VQ9	Debentures-Non Convertible Debentures	3-Jul-14	11.00%	3-Jul-19	12.50	CARE AA- Stable

INF80410713C	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	155.00	CARE AA-; Stable
INE80410714B	Debentures-Non Convertible Debentures	31-Dec-15	9.80%	31-Dec-19	170.00	CARE AA-; Stable
NEB041072X4	Debentures-Non Convertible Debentures	16-Oct-14	10.35%	16-Oct-20	400.00	CARE AA-; Stable
INC80410779B	Debentures-Non Convertible Debentures	9-Jan-17	9.00%	9-Jan-24	5.00	CARE AA-; Stable
INE804107YF6	Debentures-Non Convertible Debentures	1-Dec-14	10.50%	1-Dec-24	10.00	CARE AA-; Stable
INE804107YPS	Debentures-Non Convertible Debentures	24-Dec-14	10.40%	24-Dec-24	10.00	CARE AA-; Stable
INE8041072F6	Debentures-Non Convertible Debentures	16-Feb-15	10.10%	14-Feb-25	5.00	CARE AA-; Stable
INF804107714	Debentures-Non Convertible Debentures	28-Mar-15	10.20%	28-Mar-25	10.00	CARE AA-; Stable
INE8041077Y4	Debentures-Non Convertible Debentures	21-Apr-15	10.00%	21-Apr-25	10.00	CARE AA-; Stable
INE804107E31	Debentures-Non Convertible Debentures	5-Oct-15	9.80%	3-Oct-25	20.00	CARE AA-; Stable
INE804107E42	Debentures-Non Convertible Debentures	6-Oct-15	9.81%	6-Oct-25	12.50	CARE AA-; Stable
INE804107H49	Debentures-Non Convertible Debentures	22-Dec-15	9.80%	22-Dec-25	25.00	CARE AA-; Stable
INE8041077X2	Debentures-Non Convertible Debentures	23-Mar-18		23-Sep-22	650.00	CARE AA-; Stable
INE8041070Y5	Debentures-Non Convertible Debentures	25-Jun-18	9.25%	25-Jun-21	180.00	CARE AA-; Stable
	Debentures-Non Convertible Debentures	-	-	-	26.0	CARE AA-; Stable
INF804107Y99	Debentures-Market Linked Debentures	2-Jan-15	-	1-Jan-20	1.3	CARE PP-MLD AA-; Stable
IFEB041074W3	Debentures-Market Linked Debentures	1-Jan-14	-	30-Oct-20	5.4	CARE PP-MLD AA-; Stable
INE8041072U2	Debentures-Market Linked Debentures	31-Mar-15	-	29-Mar-22	2.0	CARE PP-MLD AA-; Stable
	Debentures-Market Linked Debentures(Proposed)	-	-	-	194.54	CARE PP-MLD AA-; Stable
INE8041A7139	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-29	35	CARE PP-MLD AA-; Stable
INE8041A7147	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-29	7	CARE PP-MLD AA-; Stable
INE8041A7121	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-24	15	CARE PP-MLD AA-; Stable
INE8041A7113	Debentures-Non Convertible Debentures	23-May-19	10.4	23-May-24	30	CARE PP-MLD AA-; Stable
INE8041A7105	Debentures-Non Convertible Debentures	23-May-19	9.95	23-May-24	67	CARE PP-MLD AA-; Stable
INE8041A7097	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	29	CARE PP-MLD AA-; Stable
INE8041A7089	Debentures-Non Convertible Debentures	23-May-19	10.2	23-Aug-22	65	CARE PP-MLD AA-; Stable
INE8041A7071	Debentures-Non Convertible Debentures	23-May-19	9.9	23-May-21	15	CARE PP-MLD AA-; Stable

INF804IA7063	Debentures-Non Convertible Debentures	23-May-20	9.9	23-May-21	17	CARE PP-MID AA - ; Stable
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Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings		Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2019
1.	Debt-Subordinate Debt	LT	100.00	CARE AA-; Stable	1) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
4.	Debentures-Market Linked Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE PP-MID AA; Stable (22-Mar-17) 2) CARE PP-MID AA (02-Nov-16)
5.	Fund-based -LT-Term Loan	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)
6.	Debentures-Market Linked Debentures	LT	-	-	-	1) Withdrawn (12-Sep-17)	1) CARE PP-MID AA; Stable (22-Mar-17) 2) CARE PP-MID AA (02-Nov-16)
7.	Bonds	LT	-	-	2) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	1) CARE AA; Stable (22-Mar-17) 2) CARE AA (02-Nov-16)

8.	Debentures-Market Linked Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE PP- MLD AA; Stable (12-Sep-17) 2)CARE PP- MLD AA; Stable (22-Mar-17) 2)CARE PP- MLD AA (02-Nov-16)
9.	Fund-based - LT Term loan	LT	4686.66	CARE AA; Stable			1)CARE AA, Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17) 1)CARE AA, Stable (22-Mar-17) 2)CARE AA (02-Nov-16) 3)CARE AA (12-Jul-16)
10.	Debt-Subordinate Debt	LT	400.00	CARE AA-; Stable			1)CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17) 1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
11.	Debentures-Non Convertible Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
12.	Debentures-Market Linked Debentures	LT		CARE PP MLD AA- Stable			1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17) 1)CARE PP- MLD AA; Stable (22-Mar-17) 2)CARE PP- MLD AA (02-Nov-16)
13.	Debentures-Non Convertible Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
14.	Debt-Subordinate Debt	LT	400.00	CARE AA-; Stable			1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17) 1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
15.	Bonds	LT	294.16	CARE AA-; Stable			1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17) 1)CARE AA; Stable (22-Mar-17)

								2)CARE AA (02-Nov-16)
16.	Debentures-Non Convertible Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
17.	Commercial Paper	SI	5000.00	CARE A1+		1)CARE A1+ (06 Jul-18)	1)CARE A1+ (12-Sep-17)	1)CARE A1+ (22-Mar-17) 2)CARE A1+ (02-Nov-16)
18.	Debentures-Non Convertible Debentures	LT					1)Withdrawn (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
19.	Debentures-Non Convertible Debentures	LT	1965.70	CARE AA; Stable		1) CARE AA; Positive (06-Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16)
20.	Debentures-Market Linked Debentures	LT	228.63	CARE PP- MLD AA; Stable		1) CARE AA; Positive (06 Jul-18)	1)CARE PP- MLD AA; Stable (12-Sep-17)	1)CARE PP- MLD AA; Stable (22-Mar-17) 2)CARE PP- MLD AA (02-Nov-16) 3)CARE PP- MLD AA (12-Jul-16)
21.	Debt-Subordinate Debt	LT	500.00	CARE AA; Stable		1) CARE AA; Positive (06 Jul-18)	1)CARE AA; Stable (12-Sep-17)	1)CARE AA; Stable (22-Mar-17) 2)CARE AA (02-Nov-16) 3)CARE AA (17-Jul-16)
22.	Fund-based - LT-Term Loan	LT	8000.00	CARE AA; Stable		1) CARE AA; Positive (06-Jul-18)	1) CARE AA; Stable (12-Sep-17)	
23.	Commercial Paper- Commercial Paper(IPO financing)	ST	5000.00	CARE A1+		1)CARE A1+ (20-Mar-19) 2)Temp Withdrawn (19-Mar-19) 3)CARE A1+ (14 Feb-19)		
24.	Debentures-Market Linked Debentures	LT	300.00	CARE PP MLD AA;		1)CARE PP MLD AA; Positive		

25	Debtures-Non Convertible Debtures	LT	2000-00	Stable CARE AA+; Stable	1) CARE AA, Positive {16 Apr 19}	1) CARE AA; Positive {28 Mar 19}		
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Annexure-3: List of subsidiaries taken for consolidation

	Subsidiaries of Edelweiss Financial Services Limited	Shareholding by EFSL (Directly/Indirectly)
1	Edelweiss Securities Limited (ESL)	100%
2	Edelweiss Comtrade Ltd.	100%
3	Edelweiss Securities (Hong Kong) Private Limited	100%
4	Edelweiss Financial Services Inc.	100%
5	Edelweiss Custodial Services Limited	100%
6	Edelweiss Asset Reconstruction Company Limited	74.6%
7	Edelweiss Financial Services (UK) Limited	100%
8	Edelweiss Finance & Investments Limited	100%
9	EC Global Limited, Mauritius	100%
10	Edelweiss Rural & Corporate Services Limited (ERCSL) (Formerly Edelweiss Commodities Services Ltd. (ECSL))	100%
11	Edelweiss Housing Finance Limited (EHFL)	100%
12	Edelweiss Broking Limited (EBL)	100%
13	Edel Finance Company Ltd.	100%
	Edelweiss Capital (Singapore) Pte. Limited (ECSP)	100%
14		
15	Edelweiss Alternative Asset Advisors Pte. Limited	100%
16	Edelweiss International (Singapore) Pte. Limited	100%
17	Edelweiss Investment Advisors Private Limited, Singapore	100%
18	EC International Limited, Mauritius (ECIL)	100%
19	Aster Commodities DMCC, Dubai	100%
20	FAAA LLC, Mauritius	100%
21	EFSL International Limited	100%
22	EW Special Opportunities Advisors LLC, Mauritius	67%
23	EW India Special Assets Advisors LLC, Mauritius	100%
24	ECap Equities Limited	100%
25	Edelcap Securities Limited	100%
26	Edelweiss Finvest Private Limited (formerly Arum Investments Private Limited)	100%
27	Edelweiss Retail Finance Limited	100%
28	FCL Finance Limited	100%
29	Edelweiss Alternative Asset Advisors Limited	95%
30	Edelweiss Global Wealth Management Limited	100%
31	Edelweiss Insurance Brokers Limited	100%
32	EC Commodity Limited	100%
33	Edelweiss Investment Adviser Limited	100%
34	Edelweiss Tokio Life Insurance Company Limited	51%
35	Edelweiss Trustee Services Limited	100%
36	Edel Investments Limited	100%
37	Edel Land Limited	100%
38	Edelweiss Trusteeship Company Limited	100%
39	Edelgive Foundation	100%
40	Edelweiss Asset Management Limited	100%
41	Edelweiss Holdings Limited	100%

42	Edelweiss General Insurance Company Limited	100%
43	Edelweiss Securities (IFSC) Limited	100%
44	Alternative Investment Market Advisors Private Limited	100%
45	Allium Finance Private Limited	55.48%
46	Lichen Metals Private Limited	50.32%

ANNEXURE B

For the annexure, please see the page below.

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ECLFL/221330/RBOND/04162019
 April 18, 2019

Mr. Nilesh Sampat
 ECL Finance Limited
 Edelweiss House, 11th Floor,
 Off C.S.T. Road, Kalina, Mumbai 400 098
 Board: 22 4342 8000 / Fax: 22 4342 8500

Dear Mr. Nilesh Sampat,

Re: CRISIL Rating on the Rs 2000 Crore Retail Bond® of ECL Finance Limited

We refer to your request for a rating for the captioned debt instrument.

CRISIL has, after due consideration, assigned its "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Rama Patel
 Director - CRISIL Ratings



Nivedita Shibu
 Associate Director - CRISIL Ratings



@proposed public issue of retail NCDs

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument, please contact CRISIL at 1800-267-1301 or CRISIL Customer Service Helpdesk at 1800-267-1301.

**Details of the Rs 2000 Crore Retail Bond of
ECL Finance Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument, please contact CRISIL Ratings at 1800-267-1361 or CRISIL Customer Service Helpdesk at 1800-267-1361.

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ECLFL/226613/Retail Bond/071956773
 July 20, 2019

Mr. Nilesh Sampat
 ECL Finance Limited
 Edelweiss House, 11th Floor,
 Off C.S.T. Road, Kalina,
 Mumbai 400 098
 Board: 22 4342 8000 / Fax: 22 4342 8500

Dear Mr. Nilesh Sampat,

Re: Review of CRISIL Rating on the Rs.2000 Crore Retail Bond@ of ECL Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its "CRISIL AA" (pronounced as CRISIL double A rating) rating for the captioned debt instrument, and revised the outlook to **Negative** from Stable. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subha Sri Narayanan
 Director - CRISIL Ratings



Nivedita Shibu
 Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are kept under surveillance. CRISIL or its associates may have other commercial transactions with the company or its affiliates. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076, Phone: +91 22 3342 3000, Fax: +91 22 4060 5800

CONFIDENTIAL

ECLFL/228060/RBond/08162019
August 20, 2019

Mr. Nilesh Sampat
ECL Finance Limited
Edelweiss House, 11th Floor,
Off C.S.T. Road, Kalina,
Mumbai 400 098
Board: 22 4342 8000 / Fax: 22 4342 8500

Dear Mr. Nilesh Sampat,

Re: Review of CRISIL Rating on the Rs.2000 Crore Retail Bond of ECL Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Retail Bond	2000	CRISIL AA/Negative

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN) along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subha Sri Narayanan
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



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Rating Rationale

October 04, 2019 | Mumbai

ECL Finance Limited

Long term ratings downgraded to 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.15000 Crore
Long Term Rating	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Rs.2000 Crore Retail Bond@	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Rs.2000 Crore Retail Bond	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Rs.1500 Crore Non Convertible Debentures	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Rs.2000 Crore Non Convertible Debentures@	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Non Convertible Debentures Aggregating Rs.3980 Crore	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Subordinated Debt Aggregating Rs.400 Crore	CRISIL AA-/Stable (Downgraded from 'CRISIL AA/Negative')
Long Term Principal Protected Market Linked Debentures Rs.300 Crore	CRISIL PP-MLD AA-r/Stable (Downgraded from 'CRISIL PP-MLD AAr/Negative')
Long Term Principal Protected Market Linked Debentures Rs.969.15 Crore	CRISIL PP-MLD AA-r/Stable (Downgraded from 'CRISIL PP-MLD AAr/Negative')
Principal-Protected Equity-Linked Debentures Aggregating Rs.1190 Crore	CRISIL PP-MLD AA-r/Stable (Downgraded from 'CRISIL PP-MLD AAr/Negative')
Principal-Protected Commodity-Linked Debentures Aggregating Rs.35 Crore	CRISIL PP-MLD AA-r/Stable (Downgraded from 'CRISIL PP-MLD AAr/Negative')
Short-Term Principal-Protected Market-Linked Debentures Aggregating Rs.1200 Crore	CRISIL PP-MLD A1+r (Reaffirmed)
Rs.5000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Rs.6000 Crore Commercial Paper Programme(IPO Financing)	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

@proposed public issue of retail NCDs

Detailed Rationale

CRISIL has downgraded its ratings on the long-term debt instruments and bank facilities of ECL Finance Ltd (ECL Finance; a part of the Edelweiss group) to '**CRISIL AA-/CRISIL PP-MLD AA-r/Stable**' from '**CRISIL AA/CRISIL PP-MLD AAr/Negative**'. The rating on the commercial paper issue and short-term debt programme has been reaffirmed at '**CRISIL A1+/CRISIL PP-MLD A1+r**'.

CRISIL has also withdrawn its rating on Long-Term Principal-Protected Market-Linked Debentures of Rs 3.6 crore and Non Convertible debentures of Rs 50 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy.

The rating revision factors in the current challenging operating environment for non-banking financial companies (NBFCs), especially those with a wholesale lending book. Interest from debt investors in the sector has reduced in the recent past, leading to issues in funding access for non-banks, including the Edelweiss group. Although the group has been raising resources on an ongoing basis since September 2018, the overall fund raising remains significantly below pre-September 2018 levels. Further, the ease of raising resources and the associated cost have been impacted. Nevertheless, bank borrowing and funds raised via securitisation were higher in the second quarter of fiscal 2020, as compared to the first quarter. Furthermore, with rising borrowing cost and slowdown in disbursements by non-banks - mainly to wholesale borrowers, refinancing risks for real estate players has increased. This could strain the asset quality of the wholesale lending portfolio in the near to medium term.

The 'Stable' outlook reflects the group's diversified presence across financial services, ability to raise capital even during challenging times, expected decline in share of wholesale book and adequate liquidity. From a funding perspective, budgetary announcement of the Government to support public sector banks through a partial credit enhancement mechanism for buying asset pools from non-banks should bring some respite for the sector. The Edelweiss group has recently received sanctions of around Rs 900 crore under this mechanism with a few other sanctions in pipeline as well.

Given the current environment, with lenders exercising caution, the Edelweiss group has witnessed a reduction in incremental funds raised post September 2018, and an increase in the borrowing cost. The group has raised around Rs 3,000 crore (excluding commercial paper) during the first six months of the current fiscal as compared to around Rs 7600 crore for the corresponding period of the previous fiscal. Within this, market borrowing fell sharply. Nevertheless, going forward, incremental fund raising is expected to improve with fresh bank sanctions in pipeline, increase in securitisation/assignment volumes and the group's plan to start tapping capital markets (including raising of retail NCDs). However, the group's ability to raise fresh funds from diverse sources over the near term will be a key monitorable.

Reported asset quality metrics witnessed an uptick with overall gross non-performing assets (GNPA) ratio at 2.3% as on June 30, 2019, compared to 1.9% as on March 31, 2019. The loan book remain chunky with around 50% of the overall portfolio towards wholesale lending (of which 67% is towards real estate). Further, a sizeable proportion of the wholesale book is currently under moratorium with bullet or staggered repayments. While the group follows sound credit appraisal and risk management practices, has adequate collateral cover for its wholesale loans, and has also built strong recovery capabilities, asset quality in the past was also supported by an active

refinance market, particularly for the real estate loans. The group also benefits from its diversified business ecosystem, and as part of its account specific recovery/resolution strategy, it has sold some of the stressed exposures in the lending business to the Edelweiss Asset Reconstruction Co Ltd (EARC; on an arm's length basis) to benefit from the latter's better resolution capability and strong legal team.

The group is planning reduce its wholesale book through sell down over the next few months. With the slowdown in the real estate sector and incipient stress for developers coupled with exposure to few stressed corporates, the Edelweiss group's ability to get timely refinance/exits, recover from some of these exposures, maintain asset quality metrics and scale down the wholesale book will remain key monitorables.

Nevertheless, CRISIL has factored in the group's ability to raise capital as demonstrated even in the current market environment. In August 2019, the Edelweiss group announced that Kora Management (Kora; a US-based investment firm) will be investing around Rs 525 crore (USD 75 million) in the advisory business, Edelweiss Global Investment Advisors (EGIA). EGIA includes the businesses of asset reconstruction, wealth and asset management and the institutional client group. In addition to this investment, Kora also plans to invest an additional Rs 350 crore (USD 50 million) into the group, the timing and structuring of which is being finalised. The group also announced that it plans to raise additional capital in EGIA of up to Rs 525 crore (USD 75 million) excluding the investment by Kora and is in talks with investors for the same. Earlier, the group had entered into an agreement to raise Rs 1,800 crore from Caisse de depot et placement du Quebec (CDPQ) in the form of compulsory convertible debentures (CCDs) in ECL Finance (of which Rs 1,040 crore has been already infused in the June 2019 quarter). These investments shall further bolster the group's network (Rs 9,844 crore as on June 30, 2019, treating CDPQ investment as part of network), and reduce the consolidated gearing which stood at 4.5 times as June 30, 2019.

The group also has adequate liquidity. The overnight on-balance sheet liquidity (including cash, liquid investments and treasury assets) stood at around Rs 4,200 crore as on September 26, 2019. This excludes other liquid assets (investments, securities-based lending book), which can be accessed if necessary- this stood at around Rs 4,600 crore as on same date.

The ratings continue to reflect the group's diversified business and earnings profile with presence across credit, capital market, and insurance segments, and demonstrated ability to build significant presence in multiple lines of business. The ratings also factor in an established market position in capital market-related segments resulting in a regular stream of fee-based income.

These strengths are partially offset by vulnerability of asset quality to concentration in the wholesale lending segment, particularly in the current challenging environment. Furthermore, the profitability ratios and gearing (while declining) are relatively weaker than many other large predominantly wholesale players.

CRISIL will continue to monitor the group's ability to raise fresh funding, progress of additional capital raising in the wealth business, any increase in build-up of stress in the wholesale book, as well as proposed scale down of wholesale lending book.

Analytical Approach

For arriving at the ratings, CRISIL has combined the business and financial risk profiles of Edelweiss Financial Services Ltd (EFSL; the parent and holding company for all group companies) and its subsidiaries, including ECL Finance. That is because all these entities, collectively referred to as the Edelweiss group, have significant operational, financial, and managerial integration and also operate under the common brand, Edelweiss.

Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

*** Diversified business profile**

The group has been diversifying within each of its key businesses, as well as entering new businesses, over the past few years. It is now present in the retail and wholesale lending segments, securities broking, wealth management, asset management, insurance, stressed-asset management, and alternate assets. Many of these have now attained sizeable scale, and likely to lend greater stability to earnings. Within the capital market, retail broking volume now constitutes around half of the overall broking volume. In terms of new business lines, the life insurance business has grown significantly and may break even over the next 3-4 years. In the lending business (book size of Rs 33,968 crore as on June 30, 2019, excluding capital deployed in distressed assets credit), the group will continue to focus on increasing the granularity of the loan book. As a part of this strategy, it will focus on growing the retail book (comprising mortgage, small and medium enterprise [SME], agriculture loans and retail loans against shares) from around 50% as on June 30, 2019 (45% as on March 31, 2018) to about 70% by March 2021. Within wholesale lending, focus will be on a new segment of mid-market corporate lending, with lower ticket size of Rs 50-100 crore as against large ticket size in the existing structured collateralised credit. Growth in the wholesale credit book will be through funds structure. However, given the current evolving liquidity situation for non-banks since September 2018, and the slowdown seen in the sector, the group has reduced its disbursements in the wholesale segment.

*** Demonstrated ability to build significant competitive positions across businesses**

While the group remains a large player in the traditional broking business, it also has one of the largest wholesale lending book among non-banks; this portfolio stood at Rs 16,987 crore as on June 30, 2019 (Rs 18,055 crore as on March 31, 2019; excluding capital deployed in distressed assets credit). In the distressed assets segment, EARC remains the largest asset reconstruction company in India with total securities receipts managed at around Rs 47,400 crore as on June 30, 2019 (Rs 46,600 crore as on March 31, 2019). In the commodities business, the group has exited its agricultural commodities and precious metals trading businesses and is focusing on the agricultural credit and value chain services business.

*** Established position in capital market businesses**

Earnings and accretion to capital should provide a regular stream of fee-based income over the medium term, given the established market position in capital market-related businesses. Profit from the fee-based capital markets and asset management has increased in the past few years, and may record healthy growth over the medium term. The group has an established franchise in institutional broking and investment banking, and an expanding presence in retail broking, wealth management, and asset management segments. It is also one of the largest Indian institutional brokerage houses, with over 700 foreign and domestic institutional clients. The retail broking franchise is also expanding, with more than 5.55 lakh unique clients as on March 31, 2019. The group operates across the corporate finance and advisory domains-equity markets, private equity, mergers and acquisitions, advisory structured financial syndication, and debt issues. The wealth business and alternate assets business have also witnessed significant growth. Assets under advice in the global wealth management business were Rs 106,000 crore, and the assets under management in the asset management business stood at Rs 36,300 crore, as on June 30, 2019.

Weaknesses:

*** Asset quality exposed to risks related to concentration in wholesale lending**

Asset quality will remain vulnerable to concentration risks inherent in the wholesale loan book, despite the strong focus on collateral. As on June 30, 2019, wholesale lending constituted almost 50% of the total loan portfolio (excluding distressed assets credit), with the 10 largest loans constituting 18% of the wholesale portfolio. A sizeable proportion of this book is currently under moratorium with bullet or staggered repayments. The group has also sold a few stressed exposures to the ARC to leverage on the latter's better resolution capability and strong legal team.

Also, around 67% of the wholesale portfolio comprises real estate loans; this segment is vulnerable to cyclical downturns. Further, given the current evolving liquidity situation for non-banks since September 2018, asset quality on the group's exposures to loans against property (LAP) and loans to micro, SME (around 20% of the loan book as on June 30, 2019; excluding capital deployed in distressed assets credit), would also be a key monitorable. This stems from sensitivity of borrowers of such loans to an environment of prolonged liquidity tightness.

Any sharp deterioration in asset quality, specifically in the wholesale lending book, will also impact profitability and capital, and remains a key rating monitorable.

The group is also planning to reduce its wholesale through sell-down over the next few months. Its ability to refinance/exit and recover from some of the exposures as well as scale down the book will remain key a monitorable, considering the current challenging environment.

* Lower profitability than peers

Profitability has been lower than those of other large financial sector groups; return on assets (annualised) and return on equity (annualised) stood at 0.8% and 5.8%, respectively, for the first quarter of fiscal 2020 (1.6% and 12.6% for fiscal 2019).

Profitability in the first quarter of fiscal 2019 was also impacted by higher provisioning costs, which more than doubled to Rs 248 crore (Rs 110 crore during the quarter ended June 30, 2018).

The group's profitability, while on an improving trend over the past few fiscals, remains relatively lower as over 25%, of the capital (equity plus borrowings) is employed in businesses or investments that are either low yielding or loss making at this point. The group has a large investment portfolio under its balance sheet management unit (BMU), used for managing liquidity. This largely comprises government securities, fixed deposits, liquid mutual fund units and corporate bonds, which have a low return on capital employed. Furthermore, the life and general insurance businesses continue to be loss-making. The general insurance business started in February 2018, after requisite approvals were received from the Insurance Regulatory and Development Authority of India. This business is also expected to affect consolidated profitability in the initial years of operations, given its long gestation period. Expected improvement in profitability of the insurance business and reduction in the share of funds allocated to BMU will benefit profitability only in the long term. In the near term, profitability could be constrained by increase in credit costs, and higher borrowing costs coupled with limited ability to pass these on to borrowers.

* Relatively high gearing, though lower than earlier levels

Gearing is relatively high, though declining, in the context of the share of the wholesale portfolio in the Edelweiss group, which is around 50%. Other large, predominantly wholesale lenders operate at significantly lower levels. As on June 30, 2019, gearing was 5.1 times, while the net gearing (excluding the liquid assets of BMU) stood at 3.7 times. However, after factoring in the Rs 1,040 crore received from CDPQ in the June quarter and treating it as equity, the group's gearing stood at 4.5 times. With additional capital raising of Rs 525 crore from Kora coupled with plans of raising further capital in EGIA, the group's leverage ratio is expected to reduce further. Gearing, thereafter, is expected to gradually increase to 5-5.5 times over the medium term.

Liquidity: Adequate

Liquidity is adequate. As a policy, the group maintains a cushion of 9-10% of the balance sheet. Even in current market conditions, there was a liquidity cushion (including cash, liquid investments and treasury assets) of around Rs 2,900 crore and unutilised bank lines of around Rs 1,300 crore as on September 26, 2019. Collections of around Rs 2,400 crore, expected till December 31, 2019, also supports liquidity. The group also has other liquid assets (investments, securities-based lending book) which can be accessed if necessary- this stood at around Rs 4,600 crore as on same date. As on September 30, 2019, the overall liquidity was adequate to meet debt repayment of around Rs 4,500 crore due over the next three months ended December 31, 2019. The group has also reduced its dependence on commercial paper borrowing, which has dropped to less than 1% of overall borrowings as compared to 18% as on September 30, 2018. The assets and liabilities continue to be well-matched.

Outlook: Stable

CRISIL believes the Edelweiss group will continue to benefit from the diversified business profile. The outlook may be revised to 'Negative', if access to fresh funds remains challenging, thereby impacting liquidity and/or there is an increase in risks/stress in the group's lending portfolio, particularly the wholesale loan portfolio. Conversely, the outlook may be revised to 'Positive' in case of sustained improvement in funding access and reduced asset quality challenges in the lending business.

Rating sensitivity factors

Upward factors

- * Significant improvement in asset quality with GNPA less than 1% on a sustained basis and an improving earnings profile
- * Increase in fund mobilisation to pre-September 2018 levels on a steady-state basis

Downside factors

- * Deterioration in asset quality with GNPA increasing to above 4%, over an extended period, thereby also impacting profitability
- * Continued funding access challenges for non-banks sector with limited fund-raising by the Edelweiss group
- * Lack of progress on planned scale down of wholesale portfolio

About the company and group

ECL Finance is a non-deposit-taking, systematically important, non-banking financial company, registered with the Reserve Bank of India, and is currently a wholly owned subsidiary of EFSL. The company is the flagship lending arm of the Edelweiss group.

The group comprises 46 subsidiaries as on March 31, 2019. It has plans to bring down the number of entities to around 35 in fiscal 2020, (subject to requisite approvals). The group had 476 offices (including 8 international offices in 6 locations) in around 200 cities as on March 31, 2019. Its main business lines are credit, franchise businesses, and insurance. These businesses entail loans to corporates and individuals, mortgage finance, including LAPs and small-ticket housing loans, SME finance, agricultural credit including commodity sourcing and distribution, institutional and retail equity broking, corporate finance and advisory, wealth management, third-party financial

products distribution, alternative and domestic asset management, and life and general insurance. In addition, the BMU focuses on liquidity and asset-liability management.

For fiscal 2019, profit after tax (PAT) of the group was Rs 995 crore on total income of Rs 10,881 crore against Rs 863 crore and Rs 8,920 crore, respectively, in fiscal 2018.

For the first quarter of fiscal 2020, PAT (after minority interest) of the group was Rs 132 crore on total income of Rs 2,546 crore, against Rs 264 crore and Rs 2,476 crore, respectively, in fiscal 2019. Networth of the group increased to Rs 9,844 crore (after factoring CDPQ investment of Rs 1,040 crore in May 2019) as on June 30, 2019, from Rs 8,226 crore as on June 30, 2018.

Key Financial Indicators: EFSL (consolidated)

As on/For the quarter ended June 30		2019	2018
Total assets	Rs crore	63,978	71,347
Total income	Rs crore	2,546	2,476
PAT (after minority interest)	Rs crore	132	264
GNPA	%	2.33	1.75
Adjusted gearing*	Times	4.5	6.2
Return on assets	%	0.8	1.6

*indicates gross gearing treating CDPQ CCDs investment as a part of networth; the net gearing excluding the liquid assets of BMU, gearing stood at 3.7 times as on June 30, 2019

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (INR Crs)	Rating Assigned
INE804IA7154	Long-Term Principal-Protected Market-Linked Debentures	29-Jul-19	NA	28-Jul-23	2.25	CRISIL PP-MLD AA-r/Stable
INE804IA7162	Long-Term Principal-Protected Market-Linked Debentures	30-Aug-19	NA	29-Aug-23	0.4	CRISIL PP-MLD AA-r/Stable
NA	Cash Credit**	NA	NA	NA	2430	CRISIL AA-/Stable
NA	Long Term Bank Facility	NA	NA	NA	12355	CRISIL AA-/Stable
NA	Proposed Long Term Bank Loan Facility*	NA	NA	NA	215	CRISIL AA-/Stable
NA	Commercial Paper programme	NA	NA	7-365 days	5000	CRISIL A1+
NA	Commercial Paper programme (IPO financing)	NA	NA	7-30 days	6000	CRISIL A1+
INE804I076Q8	Debentures	14-Feb-17	9	14-Feb-20	25	CRISIL AA-/Stable
INE804I077Q6	Debentures	03-Mar-17	-	1'July- 20	2.8	CRISIL AA-/Stable
INE804I079Q2	Debentures	21-Mar-17	-	06-May-20	21.5	CRISIL AA-/Stable
INE804I072X3	Debentures	19-Sep-17	8.5	17-Sep-27	125	CRISIL AA-/Stable
INE804I076X4	Debentures	09-Mar-18	9	09-Sep-21	500	CRISIL AA-/Stable
INE804I075X6	Debentures	21-Feb-18	9	21-Feb-20	50	CRISIL AA-/Stable
INE804I077X2	Debentures	23-Mar-18	9.1	23-Sep-22	650	CRISIL AA-/Stable
INE804I078X0	Debentures	28-Mar-18	9	27-Mar-20	200	CRISIL AA-/Stable
INE804I079X8	Debentures	21-May-18	9.18	13-Mar-20	50	CRISIL AA-/Stable
INE804I070Y5	Debentures	25-Jun-18	-	25-Jun-21	180	CRISIL AA-/Stable
INE804I073Y9	Debentures	06-Aug-18	-	06-Aug-21	46.51	CRISIL AA-/Stable
INE804I074Y7	Debentures	06-Aug-18	9.45	06-Aug-21	1,209.79	CRISIL AA-/Stable
INE804I075Y4	Debentures	06-Aug-18	9.25	06-Aug-23	82.2	CRISIL AA-/Stable
INE804I076Y2	Debentures	06-Aug-18	-	06-Aug-23	44.33	CRISIL AA-/Stable
INE804I077Y0	Debentures	06-Aug-18	9.65	06-Aug-23	266.11	CRISIL AA-/Stable
INE804I078Y8	Debentures	06-Aug-18	9.43	06-Aug-28	59.13	CRISIL AA-/Stable
INE804I079Y6	Debentures	06-Aug-18	9.85	06-Aug-28	272.13	CRISIL AA-/Stable
INE804I070Z2	Debentures	06-Aug-18	-	06-Aug-21	0.71	CRISIL AA-/Stable
INE804I071Y3	Debentures	31-Aug-18	9.85	31-Aug-28	180	CRISIL AA-/Stable
INE804I073Z6	Debentures	19-Nov-18	10.75% p.a.	19-Nov-25	36	CRISIL AA-/Stable
INE804I074Z4	Debentures	11-Dec-18	-	11-Dec-20	1,500.00	CRISIL AA-/Stable
INE804I075Z1	Debentures	04-Jan-19	10.20%	04-Apr-22	167.13	CRISIL AA-/Stable
INE804I076Z9	Debentures	04-Jan-19	-	04-Apr-22	76.98	CRISIL AA-/Stable
INE804I077Z7	Debentures	04-Jan-19	9.95%	04-Jan-24	122.09	CRISIL AA-/Stable
INE804I078Z5	Debentures	04-Jan-19	10.40%	04-Jan-24	179.11	CRISIL AA-/Stable
INE804I079Z3	Debentures	04-Jan-19	NA	04-Jan-24	58.84	CRISIL AA-/Stable
INE804IA7014	Debentures	04-Jan-19	10.15% p.a.	04-Jan-29	111.1	CRISIL AA-/Stable
INE804IA7022	Debentures	04-Jan-19	10.60% p.a.	04-Jan-29	195.26	CRISIL AA-/Stable

INE804108841	Debentures\$	06-Oct-17	9.25%	06-Oct-27	100	CRISIL AA-/Stable
INE8041073X1	Debentures\$	11-Dec-17	8.30%	11-Dec-20	50	CRISIL AA-/Stable
INE8041074X9	Debentures\$	12-Dec-17	8.25%	12-Mar-21	120	CRISIL AA-/Stable
INE804IA7055	Debentures\$	30-Apr-19	NIFTY 50 INDEX	02-Mar-22	117	CRISIL AA-/Stable
INE804IA7071	Debentures\$	23-May-19	Zero Interest	23-May-21	16.22	CRISIL AA-/Stable
INE804IA7097	Debentures\$	23-May-19	Zero Interest	23-Aug-22	19.04	CRISIL AA-/Stable
INE804IA7105	Debentures\$	23-May-19	9.95	23-May-24	67.41	CRISIL AA-/Stable
INE804IA7113	Debentures	23-May-19	10.4	23-May-24	29.9	CRISIL AA-/Stable
INE804IA7121	Debentures	23-May-19	Zero Interest	23-May-24	14.84	CRISIL AA-/Stable
INE804IA7139	Debentures	23-May-19	9.95	23-May-29	35.48	CRISIL AA-/Stable
INE804IA7147	Debentures	23-May-19	10.4	23-May-29	6.57	CRISIL AA-/Stable
INE804IA7063	Debentures	23-May-19	NA	13-Jun-21	16.97	CRISIL AA-/Stable
INE804IA7089	Debentures	23-May-19	10.20%	23-Aug-22	65.48	CRISIL AA-/Stable
NA	Debentures#	NA	NA	NA	299.37	CRISIL AA-/Stable
INE804IA7055	Long-Term Principal-Protected Market-Linked Debentures	30-Apr-19	NA	02-Mar-22	16.5	CRISIL PP-MLD AA-r/Stable
INE804IA7048	Long-Term Principal-Protected Market-Linked Debentures	30-Apr-19	NA	04-Oct-22	9.38	CRISIL PP-MLD AA-r/Stable
INE804IA7055	Long-Term Principal-Protected Market-Linked Debentures	24-May-19	NA	02-Mar-22	4	CRISIL PP-MLD AA-r/Stable
INE804IA7055	Long-Term Principal-Protected Market-Linked Debentures	22-May-19	NA	02-Mar-22	1.09	CRISIL PP-MLD AA-r/Stable
INE804IA7048	Long-Term Principal-Protected Market-Linked Debentures	30-May-19	NA	04-Oct-22	3.42	CRISIL PP-MLD AA-r/Stable
INE804IA7055	Long-Term Principal-Protected Market-Linked Debentures	09-May-19	NA	02-Mar-22	1	CRISIL PP-MLD AA-r/Stable
INE804IA7055	Long-Term Principal-Protected Market-Linked Debentures	20-Jun-19	NA	02-Mar-22	1	CRISIL PP-MLD AA-r/Stable
INE804I079W0	Long-Term Principal-Protected Market-Linked Debentures	16-Jun-17	NA	15-Dec-20	1	CRISIL PP-MLD AA-r/Stable
INE804I08775	Long-Term Principal-Protected Market-Linked Debentures	22-Jun-17	NA	03-Jul-23	8.3	CRISIL PP-MLD AA-r/Stable
INE804I08791	Long-Term Principal-Protected Market-Linked Debentures	29-Jun-17	NA	10-Jul-23	15	CRISIL PP-MLD AA-r/Stable
INE804I08817	Long-Term Principal-Protected Market-Linked Debentures	30-Jun-17	NA	30-Jun-23	35	CRISIL PP-MLD AA-r/Stable
INE804I08783	Long-Term Principal-Protected Market-Linked Debentures	22-Jun-17	NA	03-Jul-23	1	CRISIL PP-MLD AA-r/Stable
INE804I08809	Long-Term Principal-Protected Market-Linked Debentures	29-Jun-17	NA	10-Jul-23	1	CRISIL PP-MLD AA-r/Stable
INE804I08825	Long-Term Principal-Protected Market-Linked Debentures	10-Aug-17	NA	18-Aug-23	62.82	CRISIL PP-MLD AA-r/Stable
INE804I08817	Long-Term Principal-Protected Market-Linked Debentures	04-Aug-17	NA	30-Jun-23	99.16	CRISIL PP-MLD AA-r/Stable
INE804I08825	Long-Term Principal-Protected Market-Linked Debentures	11-Aug-17	NA	18-Aug-23	53.2	CRISIL PP-MLD AA-r/Stable
INE804I08817	Long-Term Principal-Protected Market-Linked Debentures	18-Aug-17	NA	30-Jun-23	40	CRISIL PP-MLD AA-r/Stable
INE804I08825	Long-Term Principal-Protected Market-Linked Debentures	24-Oct-17	NA	18-Aug-23	2.16	CRISIL PP-MLD AA-r/Stable
INE804I08825	Long-Term Principal-Protected Market-Linked Debentures	06-Nov-17	NA	18-Aug-23	1.93	CRISIL PP-MLD AA-r/Stable
INE804I08817	Long-Term Principal-Protected Market-Linked Debentures	21-Nov-17	NA	30-Jun-23	1	CRISIL PP-MLD AA-r/Stable
NA	Short-Term Principal-Protected Market-Linked Debentures@	NA	NA	NA	1200	CRISIL PP-MLD A1+r
INE804I08759	NON CONVERTIBLE DEBENTURE	13-Jun-17	NA	08-Jun-27	10	CRISIL AA/Stable
INE804I08767	NON CONVERTIBLE DEBENTURE	14-Jun-17	NA	13-Jun-25	5	CRISIL AA/Stable
INE804I08726	NON CONVERTIBLE DEBENTURE	05-May-17	NA	30-Apr-27	45	CRISIL AA/Stable
NA	Retail Bonds#	NA	NA	NA	4000	CRISIL AA-/Stable
INE804I08833	Subordinated Debt	12-Sep-17	9.25% pa	15-Sep-27	20	CRISIL AA-/Stable
INE804I08759	Subordinated Debt	13-Jun-17	NA	08-Jun-27	10	CRISIL AA-/Stable
INE804I08767	Subordinated Debt	14-Jun-17	NA	13-Jun-25	5	CRISIL AA-/Stable
INE804I08726	Subordinated Debt	05-May-17	NA	30-Apr-27	45	CRISIL AA-/Stable
NA	Subordinated Debt#	NA	NA	NA	320	CRISIL AA-/Stable
NA	Long-Term Principal-Protected Market-Linked Debentures#	NA	NA	NA	890.89	CRISIL PP-MLD AA-r/Stable
NA	Principal-Protected Commodity-Linked Debentures@	NA	NA	NA	35	CRISIL PP-MLD AA-r/Stable
NA	Principal-Protected Equity-Linked Debentures@	NA	NA	NA	1190	CRISIL PP-MLD AA-r/Stable

Yet to be issued/unutilized

@ Details for PPMLD instrument awaited from client

*interchangeable with short term bank facilities
 \$public issue of retail NCDs
 ** including working capital demand loan

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (INR Crs)
INE804I076R6	Long-Term Principal-Protected Market-Linked Debentures	28-Apr-17	S&P CNX Nifty Index	29-Jul-19	1
INE804I076S4	Long-Term Principal-Protected Market-Linked Debentures	23-May-17	S&P CNX Nifty Index	22-Aug-19	0.1
INE804I071S5	Long-Term Principal-Protected Market-Linked Debentures	23-May-17	S&P CNX Nifty Index	22-Aug-19	0.1
INE804I071W7	Long-Term Principal-Protected Market-Linked Debentures	2-Jun-17	S&P CNX Nifty Index	2-Sep-19	2
INE804I076V8	Long-Term Principal-Protected Market-Linked Debentures	26-May-17	S&P CNX Nifty Index	25-Sep-19	0.1
INE804I073V5	Long-Term Principal-Protected Market-Linked Debentures	26-May-17	S&P CNX Nifty Index	25-Sep-19	0.1
INE804I074V3	Long-Term Principal-Protected Market-Linked Debentures	26-May-17	S&P CNX Nifty Index	25-Sep-19	0.1
INE804I075V0	Long-Term Principal-Protected Market-Linked Debentures	26-May-17	S&P CNX Nifty Index	25-Sep-19	0.1
INE804I071X5	Debentures	15-Sep-17	8.4	16-Sep-19	50

Annexure - List of entities consolidated

Entity consolidated (As on March 31, 2019 as per IndAS)	Extent of consolidation	Rational for consolidation
Edelweiss Securities Limited	Full	Subsidiary
Edelweiss Finance & Investments Limited	Full	Subsidiary
ECL Finance Limited	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
Edelweiss Insurance Brokers Limited	Full	Subsidiary
Edelweiss Trustee Services Limited	Full	Subsidiary
Edelcap Securities Limited	Full	Subsidiary
Edelweiss Asset Management Limited	Full	Subsidiary
Ecap Equities Limited	Full	Subsidiary
Edelweiss Broking Limited	Full	Subsidiary
Edelweiss Trusteeship Company Limited	Full	Subsidiary
Edelweiss Housing Finance Limited	Full	Subsidiary
Edelweiss Investment Adviser Limited	Full	Subsidiary
EC Commodity Limited	Full	Subsidiary
Edel Land Limited	Full	Subsidiary
Edelweiss Custodial Services Limited	Full	Subsidiary
Edel Investments Limited	Full	Subsidiary
Edelweiss Rural and Corporate Services Limited (Formerly: Edelweiss Commodities Services Limited (ECSL))	Full	Subsidiary
Edel Commodities Limited	Full	Subsidiary
Edel Finance Company Limited	Full	Subsidiary
Edelweiss Retail Finance Limited	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary
Edelweiss Resolution Advisors LLP (formerly known as Edelweiss Wealth Advisors LLP)	Full	Subsidiary
Edelweiss Holdings Limited	Full	Subsidiary
Edelweiss General Insurance Company Limited	Full	Subsidiary
Edelweiss Finvest Private Limited	Full	Subsidiary
Edelweiss Securities (IFSC) Limited	Full	Subsidiary
Alternative Investment Market Advisors Private Limited	Full	Subsidiary
Edelweiss Securities Trading and Management Private Limited (Formerly Known as Dhalia Commodities Services Private Limited)	Full	Subsidiary
Edelweiss Securities and Investment Private Limited (Formerly Known as Magnolia	Full	Subsidiary

commodities Services Private Limited)		
Edelweiss Securities (Hong Kong) Private Limited	Full	Subsidiary
EC Global Limited	Full	Subsidiary
EC International Limited	Full	Subsidiary
EAAA LLC	Full	Subsidiary
EFSL International Limited	Full	Subsidiary
Edelweiss Capital (Singapore) Pte. Limited	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Limited	Full	Subsidiary
Edelweiss International (Singapore) Pte. Limited	Full	Subsidiary
Edelweiss Investment Advisors Private Limited	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
Edelweiss Financial Services (UK) Limited	Full	Subsidiary
Edelweiss Financial Services Inc	Full	Subsidiary
Edelweiss Alternative Asset Advisors Limited	Full	Subsidiary
EW Clover Scheme - 1	Full	Subsidiary
Edelvalue Foundation	Full	Subsidiary
Edelgive Foundation	Full	Subsidiary
Lichen Metal Private Limited	Full	Subsidiary
EW India Special Assets Advisors LLC	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
Edelweiss Asset Reconstruction Company Limited	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Limited	Full	Subsidiary
Allium Finance Private Limited	Full	Subsidiary
Retra Ventures Private Limited	Full	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2019 (History)		2018		2017		2016		Start of 2016
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	5000.00	CRISIL A1+	01-08-19	CRISIL A1+	28-11-18	CRISIL A1+		--		--	--
				18-04-19	CRISIL A1+	06-11-18	CRISIL A1+					
						25-07-18	CRISIL A1+					
						10-07-18	CRISIL A1+					
						03-05-18	CRISIL A1+					
						20-03-18	CRISIL A1+					
						15-03-18	CRISIL A1+					
Commercial Paper Programme(IPO Financing)	ST	6000.00	CRISIL A1+	01-08-19	CRISIL A1+	28-11-18	CRISIL A1+		--		--	--
				18-04-19	CRISIL A1+	06-11-18	CRISIL A1+					
						25-07-18	CRISIL A1+					
						10-07-18	CRISIL A1+					
						03-05-18	CRISIL A1+					
						20-03-18	CRISIL A1+					
Long Term Principal Protected Market Linked Debentures	LT	360.61 04-10-19	CRISIL PP-MLD AA-r/Stable	01-08-19	CRISIL PP-MLD AAr/Negative	28-11-18	CRISIL PP-MLD AAr/Stable	20-12-17	CRISIL PP-MLD AAr/Stable		--	--
				18-04-19	CRISIL PP-MLD AAr/Stable	06-11-18	CRISIL PP-MLD AAr/Stable	07-12-17	CRISIL PP-MLD AAr/Stable			
						25-07-18	CRISIL PP-MLD AAr/Stable	01-12-17	CRISIL PP-MLD AAr/Stable			
						10-07-18	CRISIL PP-MLD AAr/Stable	28-11-17	CRISIL PP-MLD AAr/Stable			
						03-05-18	CRISIL PP-MLD AAr/Stable	16-11-17	CRISIL PP-MLD AAr/Stable			
						20-03-18	CRISIL PP-MLD AAr/Stable	10-11-17	CRISIL PP-MLD AAr/Stable			
						15-03-18	CRISIL PP-MLD	03-11-17	CRISIL PP-MLD			

Rating Rationale

							AAr/Stable		AAr/Stable			
						31-01-18	CRISIL PP-MLD AAr/Stable		27-10-17	CRISIL PP-MLD AAr/Stable		
						19-01-18	CRISIL PP-MLD AAr CRISIL PP-MLD AAr/Stable		17-10-17	CRISIL PP-MLD AAr/Stable		
						12-01-18	CRISIL PP-MLD AAr/Stable		09-10-17	CRISIL PP-MLD AAr/Stable		
						08-01-18	CRISIL PP-MLD AAr/Stable		06-10-17	CRISIL PP-MLD AAr/Stable		
									26-09-17	CRISIL PP-MLD AAr/Stable		
									18-09-17	CRISIL PP-MLD AAr/Stable		
									14-09-17	CRISIL PP-MLD AAr/Stable		
									07-09-17	CRISIL PP-MLD AAr/Stable		
									24-08-17	CRISIL PP-MLD AAr/Stable		
									02-08-17	CRISIL PP-MLD AAr/Stable		
									18-07-17	CRISIL PP-MLD AAr/Stable		
									28-06-17	CRISIL PP-MLD AAr/Stable		
									23-06-17	CRISIL PP-MLD AAr/Stable		
									14-06-17	CRISIL PP-MLD AAr/Stable		
									13-06-17	CRISIL PP-MLD AAr/Stable		
									18-05-17	CRISIL PP-MLD AAr/Stable		
									08-05-17	CRISIL PP-MLD AAr/Stable		
									02-05-17	CRISIL PP-MLD AAr/Stable		
									26-04-17	CRISIL PP-MLD AAr/Stable		
									23-03-17	CRISIL PP-MLD AAr/Stable		
									22-03-17	CRISIL PP-MLD AAr/Stable		
									15-03-17	CRISIL PP-MLD AAr/Stable		
									06-03-17	CRISIL PP-MLD AAr/Stable		
									23-01-17	CRISIL PP-MLD AAr/Stable		
									13-01-17	CRISIL PP-MLD AAr/Stable		
Non Convertible Debentures	LT	7070.63 04-10-19	CRISIL AA-/Stable	01-08-19	CRISIL AA/Negative	28-11-18	CRISIL AA/Stable	20-12-17	CRISIL AA/Stable	26-12-16	CRISIL AA/Stable	CRISIL AA-/Positive
				18-04-19	CRISIL AA/Stable	06-11-18	CRISIL AA/Stable	07-12-17	CRISIL AA/Stable	08-12-16	CRISIL AA-/Positive	
						25-07-18	CRISIL AA/Stable	01-12-17	CRISIL AA/Stable	25-10-16	CRISIL AA-/Positive	
						10-07-18	CRISIL AA/Stable	28-11-17	CRISIL AA/Stable	07-10-16	CRISIL AA-/Positive	
						03-05-18	CRISIL AA/Stable	16-11-17	CRISIL AA/Stable	20-09-16	CRISIL AA-/Positive	
						20-03-18	CRISIL	10-11-17	CRISIL	16-09-16	CRISIL	

Rating Rationale

							AA/Stable		AA/Stable		AA-/Positive	
						15-03-18	CRISIL AA/Stable	03-11-17	CRISIL AA/Stable	01-09-16	CRISIL AA-/Positive	
						31-01-18	CRISIL AA/Stable	27-10-17	CRISIL AA/Stable	23-08-16	CRISIL AA-/Positive	
						19-01-18	CRISIL AA/Stable	17-10-17	CRISIL AA/Stable	19-08-16	CRISIL AA-/Positive	
						12-01-18	CRISIL AA/Stable	09-10-17	CRISIL AA/Stable	05-08-16	CRISIL AA-/Positive	
						08-01-18	CRISIL AA/Stable	06-10-17	CRISIL AA/Stable	03-08-16	CRISIL AA-/Positive	
								26-09-17	CRISIL AA/Stable	20-07-16	CRISIL AA-/Positive	
								18-09-17	CRISIL AA/Stable	13-07-16	CRISIL AA-/Positive	
								14-09-17	CRISIL AA/Stable	30-06-16	CRISIL AA-/Positive	
								07-09-17	CRISIL AA/Stable	22-06-16	CRISIL AA-/Positive	
								24-08-17	CRISIL AA/Stable	17-06-16	CRISIL AA-/Positive	
								02-08-17	CRISIL AA/Stable	28-04-16	CRISIL AA-/Positive	
								18-07-17	CRISIL AA/Stable	11-04-16	CRISIL AA-/Positive	
								28-06-17	CRISIL AA/Stable	21-03-16	CRISIL AA-/Positive	
								23-06-17	CRISIL AA/Stable	11-03-16	CRISIL AA-/Positive	
								14-06-17	CRISIL AA/Stable	05-02-16	CRISIL AA-/Positive	
								13-06-17	CRISIL AA/Stable			
								18-05-17	CRISIL AA/Stable			
								08-05-17	CRISIL AA/Stable			
								02-05-17	CRISIL AA/Stable			
								26-04-17	CRISIL AA/Stable			
								23-03-17	CRISIL AA/Stable			
								22-03-17	CRISIL AA/Stable			
								15-03-17	CRISIL AA/Stable			
								06-03-17	CRISIL AA/Stable			
								23-01-17	CRISIL AA/Stable			
								13-01-17	CRISIL AA/Stable			
Principal Protected Equity Linked Debentures	LT	0.00 04-10-19	CRISIL PP-MLD AA-/Stable	01-08-19	CRISIL PP-MLD AAr/Negative	28-11-18	CRISIL PP-MLD AAr/Stable	20-12-17	CRISIL PP-MLD AAr/Stable	26-12-16	CRISIL PP-MLD AAr/Stable	CRISIL PP-MLD AAr/Positive
				18-04-19	CRISIL PP-MLD AAr/Stable	06-11-18	CRISIL PP-MLD AAr/Stable	07-12-17	CRISIL PP-MLD AAr/Stable	08-12-16	CRISIL PP-MLD AAr/Positive	
						25-07-18	CRISIL PP-MLD AAr/Stable	01-12-17	CRISIL PP-MLD AAr/Stable	25-10-16	CRISIL PP-MLD AAr/Positive	
						10-07-18	CRISIL PP-MLD AAr/Stable	28-11-17	CRISIL PP-MLD AAr/Stable	07-10-16	CRISIL PP-MLD AAr/Positive	
						03-05-18	CRISIL PP-MLD AAr/Stable	16-11-17	CRISIL PP-MLD AAr/Stable	20-09-16	CRISIL PP-MLD AAr/Positive	
						20-03-18	CRISIL PP-MLD AAr/Stable	10-11-17	CRISIL PP-MLD AAr/Stable	16-09-16	CRISIL PP-MLD AAr/Positive	
						15-03-18	CRISIL PP-MLD AAr/Stable	03-11-17	CRISIL PP-MLD AAr/Stable	01-09-16	CRISIL PP-MLD AAr/Positive	
						31-01-18	CRISIL PP-MLD AAr/Stable	27-10-17	CRISIL PP-MLD AAr/Stable	23-08-16	CRISIL PP-MLD AAr/Positive	
						19-01-18	CRISIL PP-MLD AAr/Stable	17-10-17	CRISIL PP-MLD AAr/Stable	19-08-16	CRISIL PP-MLD AAr/Positive	
						12-01-18	CRISIL PP-MLD AAr/Stable	09-10-17	CRISIL PP-MLD AAr/Stable	05-08-16	CRISIL PP-MLD AAr/Positive	
						08-01-18	CRISIL PP-MLD	06-10-17	CRISIL PP-MLD	03-08-16	CRISIL PP-MLD AA-	

							AAr/Stable		AAr/Stable		r/Positive	
								26-09-17	CRISIL PP-MLD AAr/Stable	20-07-16	CRISIL PP-MLD AAr/Positive	
								18-09-17	CRISIL PP-MLD AAr/Stable	13-07-16	CRISIL AA-/Positive CRISIL PP-MLD AAr/Positive	
								14-09-17	CRISIL PP-MLD AAr/Stable	30-06-16	CRISIL PP-MLD AAr/Positive	
								07-09-17	CRISIL PP-MLD AAr/Stable	22-06-16	CRISIL PP-MLD AAr/Positive	
								24-08-17	CRISIL PP-MLD AAr/Stable	17-06-16	CRISIL PP-MLD AAr/Positive	
								02-08-17	CRISIL PP-MLD AAr/Stable	28-04-16	CRISIL PP-MLD AAr/Positive	
								18-07-17	CRISIL PP-MLD AAr/Stable	11-04-16	CRISIL PP-MLD AAr/Positive	
								28-06-17	CRISIL PP-MLD AAr/Stable	21-03-16	CRISIL PP-MLD AAr/Positive	
								23-06-17	CRISIL PP-MLD AAr/Stable	11-03-16	CRISIL PP-MLD AAr/Positive	
								14-06-17	CRISIL PP-MLD AAr/Stable	05-02-16	CRISIL PP-MLD AAr/Positive	
								13-06-17	CRISIL PP-MLD AAr/Stable			
								18-05-17	CRISIL PP-MLD AAr/Stable			
								08-05-17	CRISIL PP-MLD AAr/Stable			
								02-05-17	CRISIL PP-MLD AAr/Stable			
								26-04-17	CRISIL PP-MLD AAr/Stable			
								23-03-17	CRISIL PP-MLD AAr/Stable			
								22-03-17	CRISIL PP-MLD AAr/Stable			
								15-03-17	CRISIL PP-MLD AAr/Stable			
								06-03-17	CRISIL PP-MLD AAr/Stable			
								23-01-17	CRISIL PP-MLD AAr/Stable			
								13-01-17	CRISIL PP-MLD AAr/Stable			
Principal-Protected Commodity-Linked Debentures	LT	0.00 04-10-19	CRISIL PP-MLD AAr/Stable	01-08-19	CRISIL PP-MLD AAr/Negative	28-11-18	CRISIL PP-MLD AAr/Stable	20-12-17	CRISIL PP-MLD AAr/Stable	26-12-16	CRISIL PP-MLD AAr/Stable	CRISIL PP-MLD AAr/Positive
				18-04-19	CRISIL PP-MLD AAr/Stable	06-11-18	CRISIL PP-MLD AAr/Stable	07-12-17	CRISIL AA/Stable	08-12-16	CRISIL PP-MLD AAr/Positive	
						25-07-18	CRISIL PP-MLD AAr/Stable	01-12-17	CRISIL PP-MLD AAr/Stable	25-10-16	CRISIL PP-MLD AAr/Positive	
						10-07-18	CRISIL PP-MLD AAr/Stable	28-11-17	CRISIL PP-MLD AAr/Stable	07-10-16	CRISIL PP-MLD AAr/Positive	
						03-05-18	CRISIL PP-MLD AAr/Stable	16-11-17	CRISIL PP-MLD AAr/Stable	20-09-16	CRISIL PP-MLD AAr/Positive	
						20-03-18	CRISIL PP-MLD AAr/Stable	10-11-17	CRISIL PP-MLD AAr/Stable	16-09-16	CRISIL PP-MLD AAr/Positive	
						15-03-18	CRISIL PP-MLD AAr/Stable	03-11-17	CRISIL PP-MLD AAr/Stable	01-09-16	CRISIL PP-MLD AAr/Positive	
						31-01-18	CRISIL PP-MLD	27-10-17	CRISIL PP-MLD	23-08-16	CRISIL PP-MLD AA-	

Rating Rationale

							AAr/Stable		AAr/Stable		r/Positive	
						19-01-18	CRISIL PP-MLD AAr/Stable	17-10-17	CRISIL PP-MLD AAr/Stable	19-08-16	CRISIL PP-MLD AAr/Positive	
						12-01-18	CRISIL PP-MLD AAr/Stable	09-10-17	CRISIL PP-MLD AAr/Stable	05-08-16	CRISIL PP-MLD AAr/Positive	
						08-01-18	CRISIL PP-MLD AAr/Stable	06-10-17	CRISIL PP-MLD AAr/Stable	03-08-16	CRISIL PP-MLD AAr/Positive	
								26-09-17	CRISIL PP-MLD AAr/Stable	20-07-16	CRISIL PP-MLD AAr/Positive	
								18-09-17	CRISIL PP-MLD AAr/Stable	13-07-16	CRISIL PP-MLD AAr/Positive	
								14-09-17	CRISIL PP-MLD AAr/Stable	30-06-16	CRISIL PP-MLD AAr/Positive	
								07-09-17	CRISIL PP-MLD AAr/Stable	22-06-16	CRISIL PP-MLD AAr/Positive	
								24-08-17	CRISIL PP-MLD AAr/Stable	17-06-16	CRISIL PP-MLD AAr/Positive	
								02-08-17	CRISIL PP-MLD AAr/Stable	28-04-16	CRISIL PP-MLD AAr/Positive	
								18-07-17	CRISIL PP-MLD AAr/Stable	11-04-16	CRISIL PP-MLD AAr/Positive	
								28-06-17	CRISIL PP-MLD AAr/Stable	21-03-16	CRISIL PP-MLD AAr/Positive	
								23-06-17	CRISIL PP-MLD AAr/Stable	11-03-16	CRISIL AA-/Positive CRISIL PP-MLD AAr/Positive	
								14-06-17	CRISIL PP-MLD AAr/Stable	05-02-16	CRISIL PP-MLD AAr/Positive	
								13-06-17	CRISIL PP-MLD AAr/Stable			
								18-05-17	CRISIL PP-MLD AAr/Stable			
								08-05-17	CRISIL PP-MLD AAr/Stable			
								02-05-17	CRISIL PP-MLD AAr/Stable			
								26-04-17	CRISIL PP-MLD AAr/Stable			
								23-03-17	CRISIL PP-MLD AAr/Stable			
								22-03-17	CRISIL PP-MLD AAr/Stable			
								15-03-17	CRISIL PP-MLD AAr/Stable			
								06-03-17	CRISIL PP-MLD AAr/Stable			
								23-01-17	CRISIL PP-MLD AAr/Stable			
								13-01-17	CRISIL PP-MLD AAr/Stable			
Retail Bond	LT	0.00 04-10-19	CRISIL AA-/Stable	01-08-19	CRISIL AA/Negative	28-11-18	CRISIL AA/Stable		--		--	--
				18-04-19	CRISIL AA/Stable	06-11-18	CRISIL AA/Stable					
Short Term Debt	ST							13-06-17	CRISIL A1+	26-12-16	CRISIL A1+	CRISIL A1+
								18-05-17	CRISIL A1+	08-12-16	CRISIL A1+	
								08-05-17	CRISIL A1+	25-10-16	CRISIL A1+	
								02-05-17	CRISIL A1+	07-10-16	CRISIL A1+	
								26-04-17	CRISIL A1+	20-09-16	CRISIL A1+	

								23-03-17	CRISIL A1+	16-09-16	CRISIL A1+	
								22-03-17	CRISIL A1+	01-09-16	CRISIL A1+	
								15-03-17	CRISIL A1+	23-08-16	CRISIL A1+	
								06-03-17	CRISIL A1+	19-08-16	CRISIL A1+	
								23-01-17	CRISIL A1+	05-08-16	CRISIL A1+	
								13-01-17	CRISIL A1+	03-08-16	CRISIL A1+	
										20-07-16	CRISIL A1+	
										13-07-16	CRISIL A1+	
										30-06-16	CRISIL A1+	
										22-06-16	CRISIL A1+	
										17-06-16	CRISIL A1+	
										28-04-16	CRISIL A1+	
										11-04-16	CRISIL A1+	
										21-03-16	CRISIL A1+	
										11-03-16	CRISIL A1+	
										05-02-16	CRISIL A1+	
Short Term Debt Issue	ST		--		--	20-03-18	Withdrawal	20-12-17	CRISIL A1+	26-12-16	CRISIL A1+	CRISIL A1+
						15-03-18	CRISIL A1+	07-12-17	CRISIL A1+	08-12-16	CRISIL A1+	
						31-01-18	CRISIL A1+	01-12-17	CRISIL A1+	25-10-16	CRISIL A1+	
						19-01-18	CRISIL A1+	28-11-17	CRISIL A1+	07-10-16	CRISIL A1+	
						12-01-18	CRISIL A1+	16-11-17	CRISIL A1+	20-09-16	CRISIL A1+	
						08-01-18	CRISIL A1+	10-11-17	CRISIL A1+	16-09-16	CRISIL A1+	
								03-11-17	CRISIL A1+	01-09-16	CRISIL A1+	
								27-10-17	CRISIL A1+	23-08-16	CRISIL A1+	
								17-10-17	CRISIL A1+	19-08-16	CRISIL A1+	
								09-10-17	CRISIL A1+	05-08-16	CRISIL A1+	
								06-10-17	CRISIL A1+	03-08-16	CRISIL A1+	
								26-09-17	CRISIL A1+	20-07-16	CRISIL A1+	
								18-09-17	CRISIL A1+	13-07-16	CRISIL A1+	
								14-09-17	CRISIL A1+	30-06-16	CRISIL A1+	
								07-09-17	CRISIL A1+	22-06-16	CRISIL A1+	
								24-08-17	CRISIL A1+	17-06-16	CRISIL A1+	
								02-08-17	CRISIL A1+	28-04-16	CRISIL A1+	
								18-07-17	CRISIL A1+	11-04-16	CRISIL A1+	
								28-06-17	CRISIL A1+	21-03-16	CRISIL A1+	
								23-06-17	CRISIL A1+	11-03-16	CRISIL A1+	
								14-06-17	CRISIL A1+	05-02-16	CRISIL A1+	
								13-06-17	CRISIL A1+			
								18-05-17	CRISIL A1+			
								08-05-17	CRISIL A1+			
								02-05-17	CRISIL A1+			
								26-04-17	CRISIL A1+			
								23-03-17	CRISIL A1+			
								22-03-17	CRISIL A1+			
								15-03-17	CRISIL A1+			
								06-03-17	CRISIL			

									A1+			
								23-01-17	CRISIL A1+			
								13-01-17	CRISIL A1+			
Short Term Debt(including Short Term NCD)	ST					31-01-18	CRISIL A1+	20-12-17	CRISIL A1+		--	--
						19-01-18	CRISIL A1+	07-12-17	CRISIL A1+			
						12-01-18	CRISIL A1+	01-12-17	CRISIL A1+			
						08-01-18	CRISIL A1+	28-11-17	CRISIL A1+			
								16-11-17	CRISIL A1+			
								10-11-17	CRISIL A1+			
								03-11-17	CRISIL A1+			
								27-10-17	CRISIL A1+			
								17-10-17	CRISIL A1+			
								09-10-17	CRISIL A1+			
								06-10-17	CRISIL A1+			
								26-09-17	CRISIL A1+			
								18-09-17	CRISIL A1+			
								14-09-17	CRISIL A1+			
								07-09-17	CRISIL A1+			
								24-08-17	CRISIL A1+			
								02-08-17	CRISIL A1+			
								18-07-17	CRISIL A1+			
								28-06-17	CRISIL A1+			
								23-06-17	CRISIL A1+			
								14-06-17	CRISIL A1+			
Short Term Principal Protected Market Linked Debentures	ST	0.00 04-10-19	CRISIL PP-MLD A1+r	01-08-19	CRISIL PP-MLD A1+r	28-11-18	CRISIL PP-MLD A1+r	20-12-17	CRISIL PP-MLD A1+r	26-12-16	CRISIL PP-MLD A1+r	CRISIL PP-MLD A1+r
				18-04-19	CRISIL PP-MLD A1+r	06-11-18	CRISIL PP-MLD A1+r	07-12-17	CRISIL PP-MLD A1+r	08-12-16	CRISIL PP-MLD A1+r	
						25-07-18	CRISIL PP-MLD A1+r	01-12-17	CRISIL PP-MLD A1+r	25-10-16	CRISIL PP-MLD A1+r	
						10-07-18	CRISIL PP-MLD A1+r	28-11-17	CRISIL PP-MLD A1+r	07-10-16	CRISIL PP-MLD A1+r	
						03-05-18	CRISIL PP-MLD A1+r	16-11-17	CRISIL PP-MLD A1+r	20-09-16	CRISIL PP-MLD A1+r	
						20-03-18	CRISIL PP-MLD A1+r	10-11-17	CRISIL PP-MLD A1+r	16-09-16	CRISIL PP-MLD A1+r	
						15-03-18	CRISIL PP-MLD A1+r	03-11-17	CRISIL PP-MLD A1+r	01-09-16	CRISIL PP-MLD A1+r	
						31-01-18	CRISIL PP-MLD A1+r	27-10-17	CRISIL PP-MLD A1+r	23-08-16	CRISIL PP-MLD A1+r	
						19-01-18	CRISIL PP-MLD A1+r	17-10-17	CRISIL PP-MLD A1+r	19-08-16	CRISIL PP-MLD A1+r	
						12-01-18	CRISIL PP-MLD A1+r	09-10-17	CRISIL PP-MLD A1+r	05-08-16	CRISIL PP-MLD A1+r	
						08-01-18	CRISIL PP-MLD A1+r	06-10-17	CRISIL PP-MLD A1+r	03-08-16	CRISIL PP-MLD A1+r	
								26-09-17	CRISIL PP-MLD A1+r	20-07-16	CRISIL PP-MLD A1+r	

								18-09-17	CRISIL PP-MLD A1+r	13-07-16	CRISIL PP-MLD A1+r		
								14-09-17	CRISIL PP-MLD A1+r	30-06-16	CRISIL PP-MLD A1+r		
								07-09-17	CRISIL PP-MLD A1+r	22-06-16	CRISIL PP-MLD A1+r		
								24-08-17	CRISIL PP-MLD A1+r	17-06-16	CRISIL PP-MLD A1+r		
								02-08-17	CRISIL PP-MLD A1+r	28-04-16	CRISIL PP-MLD A1+r		
								18-07-17	CRISIL PP-MLD A1+r	11-04-16	CRISIL PP-MLD A1+r		
								28-06-17	CRISIL PP-MLD A1+r	21-03-16	CRISIL PP-MLD A1+r		
								23-06-17	CRISIL PP-MLD A1+r	11-03-16	CRISIL PP-MLD A1+r		
								14-06-17	CRISIL PP-MLD A1+r	05-02-16	CRISIL PP-MLD A1+r		
								13-06-17	CRISIL PP-MLD A1+r				
								18-05-17	CRISIL PP-MLD A1+r				
								08-05-17	CRISIL PP-MLD A1+r				
								02-05-17	CRISIL PP-MLD A1+r				
								26-04-17	CRISIL PP-MLD A1+r				
								23-03-17	CRISIL PP-MLD A1+r				
								22-03-17	CRISIL PP-MLD A1+r				
								15-03-17	CRISIL PP-MLD A1+r				
								06-03-17	CRISIL PP-MLD A1+r				
								23-01-17	CRISIL PP-MLD A1+r				
								13-01-17	CRISIL PP-MLD A1+r				
Subordinated Debt	LT	80.00 04-10-19	CRISIL AA/Stable	01-08-19	CRISIL AA/Negative	28-11-18	CRISIL AA/Stable	20-12-17	CRISIL AA/Stable		--	--	
				18-04-19	CRISIL AA/Stable	06-11-18	CRISIL AA/Stable	07-12-17	CRISIL AA/Stable				
						25-07-18	CRISIL AA/Stable	01-12-17	CRISIL AA/Stable				
						10-07-18	CRISIL AA/Stable	28-11-17	CRISIL AA/Stable				
						03-05-18	CRISIL AA/Stable	16-11-17	CRISIL AA/Stable				
						20-03-18	CRISIL AA/Stable	10-11-17	CRISIL AA/Stable				
						15-03-18	CRISIL AA/Stable	03-11-17	CRISIL AA/Stable				
						31-01-18	CRISIL AA/Stable	27-10-17	CRISIL AA/Stable				
						19-01-18	CRISIL AA/Stable	17-10-17	CRISIL AA/Stable				
						12-01-18	CRISIL AA/Stable	09-10-17	CRISIL AA/Stable				
						08-01-18	CRISIL AA/Stable	06-10-17	CRISIL AA/Stable				
								26-09-17	CRISIL AA/Stable				
								18-09-17	CRISIL AA/Stable				
								14-09-17	CRISIL AA/Stable				

								07-09-17	CRISIL AA/Stable			
								24-08-17	CRISIL AA/Stable			
								02-08-17	CRISIL AA/Stable			
								18-07-17	CRISIL AA/Stable			
								28-06-17	CRISIL AA/Stable			
								23-06-17	CRISIL AA/Stable			
								14-06-17	CRISIL AA/Stable			
								13-06-17	CRISIL AA/Stable			
								18-05-17	CRISIL AA/Stable			
								08-05-17	CRISIL AA/Stable			
								02-05-17	CRISIL AA/Stable			
Fund-based Bank Facilities	LT/ST	15000.00	CRISIL AA-/Stable	01-08-19	CRISIL AA/Negative	28-11-18	CRISIL AA/Stable	20-12-17	CRISIL AA/Stable	26-12-16	CRISIL AA-/Positive	CRISIL AA-/Positive
				18-04-19	CRISIL AA/Stable	06-11-18	CRISIL AA/Stable	07-12-17	CRISIL AA/Stable	08-12-16	CRISIL AA-/Positive	
						25-07-18	CRISIL AA/Stable	01-12-17	CRISIL AA/Stable	25-10-16	CRISIL AA-/Positive	
						10-07-18	CRISIL AA/Stable	28-11-17	CRISIL AA/Stable	07-10-16	CRISIL AA-/Positive	
						03-05-18	CRISIL AA/Stable	16-11-17	CRISIL AA/Stable	20-09-16	CRISIL AA-/Positive	
						20-03-18	CRISIL AA/Stable	10-11-17	CRISIL AA/Stable	16-09-16	CRISIL AA-/Positive	
						15-03-18	CRISIL AA/Stable	03-11-17	CRISIL AA/Stable	01-09-16	CRISIL AA-/Positive	
						31-01-18	CRISIL AA/Stable	27-10-17	CRISIL AA/Stable	23-08-16	CRISIL AA-/Positive	
						19-01-18	CRISIL AA/Stable	17-10-17	CRISIL AA/Stable	19-08-16	CRISIL AA-/Positive	
						12-01-18	CRISIL AA/Stable	09-10-17	CRISIL AA/Stable	05-08-16	CRISIL AA-/Positive	
						08-01-18	CRISIL AA/Stable	06-10-17	CRISIL AA/Stable	03-08-16	CRISIL AA-/Positive	
								26-09-17	CRISIL AA/Stable	20-07-16	CRISIL AA-/Positive	
								18-09-17	CRISIL AA/Stable	13-07-16	CRISIL AA-/Positive	
								14-09-17	CRISIL AA/Stable	30-06-16	CRISIL AA-/Positive	
								07-09-17	CRISIL AA/Stable	22-06-16	CRISIL AA-/Positive	
								24-08-17	CRISIL AA/Stable	17-06-16	CRISIL AA-/Positive	
								02-08-17	CRISIL AA/Stable	28-04-16	CRISIL AA-/Positive	
								18-07-17	CRISIL AA/Stable	11-04-16	CRISIL AA-/Positive	
								28-06-17	CRISIL AA/Stable	21-03-16	CRISIL AA-/Positive	
								23-06-17	CRISIL AA/Stable	11-03-16	CRISIL AA-/Positive	
								14-06-17	CRISIL AA/Stable	05-02-16	CRISIL AA-/Positive	
								13-06-17	CRISIL AA/Stable			
								18-05-17	CRISIL AA/Stable			
								08-05-17	CRISIL AA/Stable			
								02-05-17	CRISIL AA/Stable			
								26-04-17	CRISIL AA/Stable			
								23-03-17	CRISIL AA/Stable			
								22-03-17	CRISIL AA/Stable			
								15-03-17	CRISIL AA/Stable			
								06-03-17	CRISIL AA/Stable			
								23-01-17	CRISIL			

									AA/Stable				
								13-01-17	CRISIL AA/Stable				

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit**	2430	CRISIL AA-/Stable	Cash Credit**	2580	CRISIL AA/Negative
Long Term Bank Facility	12355	CRISIL AA-/Stable	Long Term Bank Facility	12355	CRISIL AA/Negative
Proposed Long Term Bank Loan Facility*	215	CRISIL AA-/Stable	Proposed Long Term Bank Loan Facility*	65	CRISIL AA/Negative
Total	15000	--	Total	15000	--

*interchangeable with short term bank facilities

**including working capital demand loan

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Bank Loan Ratings](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Criteria for rating short term debt](#)

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ANNEXURE C

For the annexure, please see the page below.

5339/BTL/19-20/DEB1/12
Date: April 12, 2019

ECL Finance Limited
Edelweiss House, Off CST Road, Kalina,
Mumbai - 400 098,
Maharashtra, India

Dear Sir/ Madam,

Sub: Proposed public offering ("Issue") of secured, redeemable, non-convertible debentures (the "NCDs") by ECL Finance Limited aggregating up to Rs 2000,00,00,000 (Rupees two thousand crores) ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus/ Tranche Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and to be forwarded to Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus and/or the Tranche Prospectus to be filed with the Registrar of Companies, Maharashtra, Mumbai ("RoC"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The following details with respect to us may be disclosed:

Name: Beacon Trusteeship Limited
Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai - 400 051
Tel: 022-26558759
Fax: --
Email: compliance@beacontrustee.co.in
Website: www.beacontrustee.co.in
Contact Person: Mr. Vitthal Nawandhar
Investor Grievance e-mail: investorcompliances@beacontrustee.co.in
SEBI Registration No: IND000000569

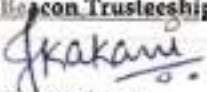
We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format [As enclosed in Annexure A]. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Issue of any changes in the aforesaid details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchanges.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) Our knowledge of the proposed transaction of the Company.

Sincerely,

For, Beacon Trusteeship Limited


Jayshree Kakani
Company Secretary



BEACON TRUSTEESHIP LTD.

Corporate Office : 4 C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club Bandra (E), Mumbai - 400 051.
Regd Off : F/801, Jai Balaji CHS Ltd., Plot No. 23, Sector 6, Nerul, Thane, Maharashtra - 400 706. | CIN : U74999MH2015PLC271288
Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

Annexure A

Date: April 12, 2019

ECL Finance Limited
Edelweiss House, Off CST Road, Kalina,
Mumbai - 400 098,
Maharashtra, India

Dear Sir/ Madam,

Sub: Proposed public offering ("Issue") of secured, redeemable, non-convertible debentures (the "NCDs") by ECL Finance Limited aggregating up to Rs 2000,00,00,000 (Rupees two thousand crores) ("Company")

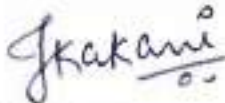
We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000569
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	April 11, 2016
3.	Date of expiry of registration	April 10, 2021
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the Stock Exchanges.

Sincerely,

For Beacon Trusteeship Limited



Jayshree Kakani
Company Secretary

**BEACON TRUSTEESHIP LTD.**

डिबेंचर न्यासी

फॉर्म ३
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000257 (विनियम ४)
(Regulation 4)

रजिस्ट्रीकरण प्रमाणपत्र INITIAL REGISTRATION
CERTIFICATE OF REGISTRATION

- 1) बॉर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ जॉइंट उस अधिनियम की भाग-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
- 1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

BEACON TRUSTEESHIP LIMITED
3, PRABHAT KUNJ,
PRABHAT COLONY,
SANTACRUZ EAST
Mumbai 400055
Maharashtra India

को नियमों में शर्तों के अधीन करते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान किया है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड IND000000689 है।
2) Registration Code for the debenture trustee is

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र 11/04/2016 से 10/04/2021 तक विधिवत है।
3) Unless renewed, the certificate of registration is valid from 11/04/2016 to 10/04/2021, unless suspended or cancelled by the Board

स्थान Place : MUMBAI
तारीख Date : APRIL 11, 2016



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसके ओर से
By order
For and on behalf of
Securities and Exchange Board of India

M. J. Sonparote
MEDHA SONPAROTE

प्रतिभूति हस्ताक्षरकर्ता Authorized Signatory

J. Kakani



ANNEXURE D

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Series I

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1,000
Number of NCDs held (assumed)	100
Date of allotment	Thursday, November 28, 2019
Tenor	2 Years
Coupon	9.90%
Redemption Date/Maturity Date	Sunday, November 28, 2021
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual
Effective Yield	9.89%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors (Rs.)
1st Coupon/Interest Payment Date	Saturday, November 28, 2020	Monday, November 30, 2020	366	9,900.00
2nd Coupon/Interest Payment Date	Sunday, November 28, 2021	Friday, November 26, 2021	365	9,900.00
Redemption of Principal	Sunday, November 28, 2021	Friday, November 26, 2021		100,000.00
Total Cash Flows				119,800.00

Series II

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Coupon	NA
Tenor	2 Years
Redemption Date/Maturity Date	Sunday, November 28, 2021
Day Count Convention	Actual/Actual
Effective Yield	9.90%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Redemption Premium	Sunday, November 28, 2021	Friday, November 26, 2021	731	20,811.00
Redemption of Principal	Sunday, November 28, 2021	Friday, November 26, 2021		100,000.00
Total Cash Flows				120,811.00

Series III

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1,000
Number of NCDs held (assumed)	100

Deemed date of allotment	Thursday, November 28, 2019
Tenor	39 Months
Coupon	10.20%
Redemption Date/Maturity Date	Tuesday, February 28, 2023
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual
Effective Yield	10.22%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
1st Coupon/Interest Payment Date	Saturday, November 28, 2020	Monday, November 30, 2020	366	10,200.00
2nd Coupon/Interest Payment Date	Sunday, November 28, 2021	Monday, November 29, 2021	365	10,200.00
3rd Coupon/Interest Payment Date	Monday, November 28, 2022	Monday, November 28, 2022	365	10,200.00
4th Coupon/Interest Payment Date	Tuesday, February 28, 2023	Tuesday, February 28, 2023	92	2,570.96
Redemption of Principal	Tuesday, February 28, 2023	Tuesday, February 28, 2023		100,000.00
Total Cash Flows				133,170.96

Series IV

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Coupon (%)	NA
Tenor	39 Months
Redemption Date/Maturity Date	Tuesday, February 28, 2023
Day Count Convention	Actual/Actual
Effective Yield	10.20%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Redemption Premium	Tuesday, February 28, 2023	Tuesday, February 28, 2023	1188	37,181.00
Redemption of Principal	Tuesday, February 28, 2023	Tuesday, February 28, 2023		100,000.00
Total Cash Flows				137,181.00

Series V

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Tenor	60 months
Coupon	9.95%

Redemption Date/Maturity Date	Thursday, November 28, 2024
Frequency of Interest Payment	Monthly
Day Count Convention	Actual/Actual
Effective Yield	10.41%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
1st Coupon/Interest Payment Date	Wednesday, January 1, 2020	Wednesday, January 1, 2020	34	924.32
2nd Coupon/Interest Payment Date	Saturday, February 1, 2020	Monday, February 3, 2020	31	842.76
3rd Coupon/Interest Payment Date	Sunday, March 1, 2020	Monday, March 2, 2020	29	788.39
4th Coupon/Interest Payment Date	Wednesday, April 1, 2020	Wednesday, April 1, 2020	31	842.76
5th Coupon/Interest Payment Date	Friday, May 1, 2020	Monday, May 4, 2020	30	815.57
6th Coupon/Interest Payment Date	Monday, June 1, 2020	Tuesday, June 2, 2020	31	842.76
7th Coupon/Interest Payment Date	Wednesday, July 1, 2020	Wednesday, July 1, 2020	30	815.57
8th Coupon/Interest Payment Date	Saturday, August 1, 2020	Monday, August 3, 2020	31	842.76
9th Coupon/Interest Payment Date	Tuesday, September 1, 2020	Tuesday, September 1, 2020	31	842.76
10th Coupon/Interest Payment Date	Thursday, October 1, 2020	Thursday, October 1, 2020	30	815.57
11th Coupon/Interest Payment Date	Sunday, November 1, 2020	Monday, November 2, 2020	31	845.07
12th Coupon/Interest Payment Date	Tuesday, December 1, 2020	Tuesday, December 1, 2020	30	817.81
13th Coupon/Interest Payment Date	Friday, January 1, 2021	Friday, January 1, 2021	31	845.07
14th Coupon/Interest Payment Date	Monday, February 1, 2021	Monday, February 1, 2021	31	845.07
15th Coupon/Interest Payment Date	Monday, March 1, 2021	Monday, March 1, 2021	28	763.29
16th Coupon/Interest Payment Date	Thursday, April 1, 2021	Thursday, April 1, 2021	31	845.07
17th Coupon/Interest Payment Date	Saturday, May 1, 2021	Monday, May 3, 2021	30	817.81
18th Coupon/Interest Payment Date	Tuesday, June 1, 2021	Tuesday, June 1, 2021	31	845.07
19th Coupon/Interest Payment Date	Thursday, July 1, 2021	Thursday, July 1, 2021	30	817.81
20th Coupon/Interest Payment Date	Sunday, August 1, 2021	Monday, August 2, 2021	31	845.07
21st Coupon/Interest Payment Date	Wednesday, September 1, 2021	Wednesday, September 1, 2021	31	845.07

22nd Coupon/Interest Payment Date	Friday, October 1, 2021	Friday, October 1, 2021	30	817.81
23rd Coupon/Interest Payment Date	Monday, November 1, 2021	Wednesday, November 3, 2021	31	845.07
24th Coupon/Interest Payment Date	Wednesday, December 1, 2021	Wednesday, December 1, 2021	30	817.81
25th Coupon/Interest Payment Date	Saturday, January 1, 2022	Monday, January 3, 2022	31	845.07
26th Coupon/Interest Payment Date	Tuesday, February 1, 2022	Tuesday, February 1, 2022	31	845.07
27th Coupon/Interest Payment Date	Tuesday, March 1, 2022	Tuesday, March 1, 2022	28	763.29
28th Coupon/Interest Payment Date	Friday, April 1, 2022	Friday, April 1, 2022	31	845.07
29th Coupon/Interest Payment Date	Sunday, May 1, 2022	Monday, May 2, 2022	30	817.81
30th Coupon/Interest Payment Date	Wednesday, June 1, 2022	Wednesday, June 1, 2022	31	845.07
31st Coupon/Interest Payment Date	Friday, July 1, 2022	Friday, July 1, 2022	30	817.81
32nd Coupon/Interest Payment Date	Monday, August 1, 2022	Monday, August 1, 2022	31	845.07
33rd Coupon/Interest Payment Date	Thursday, September 1, 2022	Thursday, September 1, 2022	31	845.07
34th Coupon/Interest Payment Date	Saturday, October 1, 2022	Monday, October 3, 2022	30	817.81
35th Coupon/Interest Payment Date	Tuesday, November 1, 2022	Tuesday, November 1, 2022	31	845.07
36th Coupon/Interest Payment Date	Thursday, December 1, 2022	Thursday, December 1, 2022	30	817.81
37th Coupon/Interest Payment Date	Sunday, January 1, 2023	Monday, January 2, 2023	31	845.07
38th Coupon/Interest Payment Date	Wednesday, February 1, 2023	Wednesday, February 1, 2023	31	845.07
39th Coupon/Interest Payment Date	Wednesday, March 1, 2023	Wednesday, March 1, 2023	28	763.29
40th Coupon/Interest Payment Date	Saturday, April 1, 2023	Monday, April 3, 2023	31	845.07
41st Coupon/Interest Payment Date	Monday, May 1, 2023	Tuesday, May 2, 2023	30	817.81
42nd Coupon/Interest Payment Date	Thursday, June 1, 2023	Thursday, June 1, 2023	31	845.07
43rd Coupon/Interest Payment Date	Saturday, July 1, 2023	Monday, July 3, 2023	30	817.81
44th Coupon/Interest Payment Date	Tuesday, August 1, 2023	Tuesday, August 1, 2023	31	845.07
45th Coupon/Interest Payment Date	Friday, September 1, 2023	Friday, September 1, 2023	31	845.07
46th Coupon/Interest Payment Date	Sunday, October 1, 2023	Tuesday, October 3, 2023	30	817.81
47th Coupon/Interest Payment Date	Wednesday, November 1, 2023	Wednesday, November 1, 2023	31	842.76

48th Coupon/Interest Payment Date	Friday, December 1, 2023	Friday, December 1, 2023	30	815.57
49th Coupon/Interest Payment Date	Monday, January 1, 2024	Monday, January 1, 2024	31	842.76
50th Coupon/Interest Payment Date	Thursday, February 1, 2024	Thursday, February 1, 2024	31	842.76
51st Coupon/Interest Payment Date	Friday, March 1, 2024	Friday, March 1, 2024	29	788.39
52nd Coupon/Interest Payment Date	Monday, April 1, 2024	Monday, April 1, 2024	31	842.76
53rd Coupon/Interest Payment Date	Wednesday, May 1, 2024	Thursday, May 2, 2024	30	815.57
54th Coupon/Interest Payment Date	Saturday, June 1, 2024	Monday, June 3, 2024	31	842.76
55th Coupon/Interest Payment Date	Monday, July 1, 2024	Monday, July 1, 2024	30	815.57
56th Coupon/Interest Payment Date	Thursday, August 1, 2024	Thursday, August 1, 2024	31	842.76
57th Coupon/Interest Payment Date	Sunday, September 1, 2024	Monday, September 2, 2024	31	842.76
58th Coupon/Interest Payment Date	Tuesday, October 1, 2024	Tuesday, October 1, 2024	30	815.57
59th Coupon/Interest Payment Date	Friday, November 1, 2024	Friday, November 1, 2024	31	845.07
60th Coupon/Interest Payment Date	Thursday, November 28, 2024	Thursday, November 28, 2024	27	736.03
Redemption of Principal	Thursday, November 28, 2024	Thursday, November 28, 2024		100,000.00
Total Cash Flows				149,754.32

Series VI

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Tenor	5 years
Coupon	10.40%
Redemption Date/Maturity Date	Thursday, November 28, 2024
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual
Effective Yield	10.39%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
1st Coupon/Interest Payment Date	Saturday, November 28, 2020	Monday, November 30, 2020	366	10,400.00
2nd Coupon/Interest Payment Date	Sunday, November 28, 2021	Monday, November 29, 2021	365	10,400.00
3rd Coupon/Interest Payment Date	Monday, November 28, 2022	Monday, November 28, 2022	365	10,400.00

4th Coupon/Interest Payment Date	Tuesday, November 28, 2023	Tuesday, November 28, 2023	365	10,400.00
5th Coupon/Interest Payment Date	Thursday, November 28, 2024	Thursday, November 28, 2024	366	10,400.00
Redemption of Principal	Thursday, November 28, 2024	Thursday, November 28, 2024		100,000.00
Total Cash Flows				152,000.00

Series VII

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Coupon (%)	NA
Tenor	60 months
Redemption Date/Maturity Date	Thursday, November 28, 2024
Day Count Convention	Actual/Actual
Effective Yield	10.40%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
Redemption Premium	Thursday, November 28, 2024	Thursday, November 28, 2024	1827	64,090.00
Redemption of Principal	Thursday, November 28, 2024	Thursday, November 28, 2024		100,000.00
Total Cash Flows				164,090.00

Series VIII

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment (assumed)	Thursday, November 28, 2019
Tenor	10 years
Coupon	9.95%
Redemption Date/Maturity Date (assumed)	Wednesday, November 28, 2029
Frequency of Interest Payment	Monthly
Day Count Convention	Actual/Actual
Effective Yield	10.41%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
1st Coupon/Interest Payment Date	Wednesday, January 1, 2020	Wednesday, January 1, 2020	34	924.32
2nd Coupon/Interest Payment Date	Saturday, February 1, 2020	Monday, February 3, 2020	31	842.76
3rd Coupon/Interest Payment Date	Sunday, March 1, 2020	Monday, March 2, 2020	29	788.39
4th Coupon/Interest Payment Date	Wednesday, April 1, 2020	Wednesday, April 1, 2020	31	842.76
5th Coupon/Interest Payment Date	Friday, May 1, 2020	Monday, May 4, 2020	30	815.57
6th Coupon/Interest Payment Date	Monday, June 1, 2020	Monday, June 1, 2020	31	842.76
7th Coupon/Interest Payment Date	Wednesday, July 1, 2020	Wednesday, July 1, 2020	30	815.57
8th Coupon/Interest Payment Date	Saturday, August 1, 2020	Monday, August 3, 2020	31	842.76
9th Coupon/Interest Payment Date	Tuesday, September 1, 2020	Tuesday, September 1, 2020	31	842.76
10th Coupon/Interest Payment Date	Thursday, October 1, 2020	Thursday, October 1, 2020	30	815.57
11th Coupon/Interest Payment Date	Sunday, November 1, 2020	Monday, November 2, 2020	31	845.07
12th Coupon/Interest Payment Date	Tuesday, December 1, 2020	Tuesday, December 1, 2020	30	817.81
13th Coupon/Interest Payment Date	Friday, January 1, 2021	Friday, January 1, 2021	31	845.07

14th Coupon/Interest Payment Date	Monday, February 1, 2021	Monday, February 1, 2021	31	845.07
15th Coupon/Interest Payment Date	Monday, March 1, 2021	Monday, March 1, 2021	28	763.29
16th Coupon/Interest Payment Date	Thursday, April 1, 2021	Thursday, April 1, 2021	31	845.07
17th Coupon/Interest Payment Date	Saturday, May 1, 2021	Monday, May 3, 2021	30	817.81
18th Coupon/Interest Payment Date	Tuesday, June 1, 2021	Tuesday, June 1, 2021	31	845.07
19th Coupon/Interest Payment Date	Thursday, July 1, 2021	Thursday, July 1, 2021	30	817.81
20th Coupon/Interest Payment Date	Sunday, August 1, 2021	Monday, August 2, 2021	31	845.07
21st Coupon/Interest Payment Date	Wednesday, September 1, 2021	Wednesday, September 1, 2021	31	845.07
22nd Coupon/Interest Payment Date	Friday, October 1, 2021	Friday, October 1, 2021	30	817.81
23rd Coupon/Interest Payment Date	Monday, November 1, 2021	Monday, November 1, 2021	31	845.07
24th Coupon/Interest Payment Date	Wednesday, December 1, 2021	Wednesday, December 1, 2021	30	817.81
25th Coupon/Interest Payment Date	Saturday, January 1, 2022	Monday, January 3, 2022	31	845.07
26th Coupon/Interest Payment Date	Tuesday, February 1, 2022	Tuesday, February 1, 2022	31	845.07
27th Coupon/Interest Payment Date	Tuesday, March 1, 2022	Tuesday, March 1, 2022	28	763.29
28th Coupon/Interest Payment Date	Friday, April 1, 2022	Friday, April 1, 2022	31	845.07
29th Coupon/Interest Payment Date	Sunday, May 1, 2022	Monday, May 2, 2022	30	817.81
30th Coupon/Interest Payment Date	Wednesday, June 1, 2022	Wednesday, June 1, 2022	31	845.07
31st Coupon/Interest Payment Date	Friday, July 1, 2022	Friday, July 1, 2022	30	817.81
32nd Coupon/Interest Payment Date	Monday, August 1, 2022	Monday, August 1, 2022	31	845.07

33rd Coupon/Interest Payment Date	Thursday, September 1, 2022	Thursday, September 1, 2022	31	845.07
34th Coupon/Interest Payment Date	Saturday, October 1, 2022	Monday, October 3, 2022	30	817.81
35th Coupon/Interest Payment Date	Tuesday, November 1, 2022	Tuesday, November 1, 2022	31	845.07
36th Coupon/Interest Payment Date	Thursday, December 1, 2022	Thursday, December 1, 2022	30	817.81
37th Coupon/Interest Payment Date	Sunday, January 1, 2023	Monday, January 2, 2023	31	845.07
38th Coupon/Interest Payment Date	Wednesday, February 1, 2023	Wednesday, February 1, 2023	31	845.07
39th Coupon/Interest Payment Date	Wednesday, March 1, 2023	Wednesday, March 1, 2023	28	763.29
40th Coupon/Interest Payment Date	Saturday, April 1, 2023	Monday, April 3, 2023	31	845.07
41st Coupon/Interest Payment Date	Monday, May 1, 2023	Tuesday, May 2, 2023	30	817.81
42nd Coupon/Interest Payment Date	Thursday, June 1, 2023	Thursday, June 1, 2023	31	845.07
43rd Coupon/Interest Payment Date	Saturday, July 1, 2023	Monday, July 3, 2023	30	817.81
44th Coupon/Interest Payment Date	Tuesday, August 1, 2023	Tuesday, August 1, 2023	31	845.07
45th Coupon/Interest Payment Date	Friday, September 1, 2023	Friday, September 1, 2023	31	845.07
46th Coupon/Interest Payment Date	Sunday, October 1, 2023	Tuesday, October 3, 2023	30	817.81
47th Coupon/Interest Payment Date	Wednesday, November 1, 2023	Wednesday, November 1, 2023	31	842.76
48th Coupon/Interest Payment Date	Friday, December 1, 2023	Friday, December 1, 2023	30	815.57
49th Coupon/Interest Payment Date	Monday, January 1, 2024	Monday, January 1, 2024	31	842.76
50th Coupon/Interest Payment Date	Thursday, February 1, 2024	Thursday, February 1, 2024	31	842.76
51st Coupon/Interest Payment Date	Friday, March 1, 2024	Friday, March 1, 2024	29	788.39

52nd Coupon/Interest Payment Date	Monday, April 1, 2024	Monday, April 1, 2024	31	842.76
53rd Coupon/Interest Payment Date	Wednesday, May 1, 2024	Thursday, May 2, 2024	30	815.57
54th Coupon/Interest Payment Date	Saturday, June 1, 2024	Monday, June 3, 2024	31	842.76
55th Coupon/Interest Payment Date	Monday, July 1, 2024	Monday, July 1, 2024	30	815.57
56th Coupon/Interest Payment Date	Thursday, August 1, 2024	Thursday, August 1, 2024	31	842.76
57th Coupon/Interest Payment Date	Sunday, September 1, 2024	Monday, September 2, 2024	31	842.76
58th Coupon/Interest Payment Date	Tuesday, October 1, 2024	Tuesday, October 1, 2024	30	815.57
59th Coupon/Interest Payment Date	Friday, November 1, 2024	Friday, November 1, 2024	31	845.07
60th Coupon/Interest Payment Date	Sunday, December 1, 2024	Monday, December 2, 2024	30	817.81
61st Coupon/Interest Payment Date	Wednesday, January 1, 2025	Wednesday, January 1, 2025	31	845.07
62nd Coupon/Interest Payment Date	Saturday, February 1, 2025	Monday, February 3, 2025	31	845.07
63rd Coupon/Interest Payment Date	Saturday, March 1, 2025	Monday, March 3, 2025	28	763.29
64th Coupon/Interest Payment Date	Tuesday, April 1, 2025	Tuesday, April 1, 2025	31	845.07
65th Coupon/Interest Payment Date	Thursday, May 1, 2025	Friday, May 2, 2025	30	817.81
66th Coupon/Interest Payment Date	Sunday, June 1, 2025	Monday, June 2, 2025	31	845.07
67th Coupon/Interest Payment Date	Tuesday, July 1, 2025	Tuesday, July 1, 2025	30	817.81
68th Coupon/Interest Payment Date	Friday, August 1, 2025	Friday, August 1, 2025	31	845.07
69th Coupon/Interest Payment Date	Monday, September 1, 2025	Monday, September 1, 2025	31	845.07
70th Coupon/Interest Payment Date	Wednesday, October 1, 2025	Wednesday, October 1, 2025	30	817.81

71st Coupon/Interest Payment Date	Saturday, November 1, 2025	Monday, November 3, 2025	31	845.07
72nd Coupon/Interest Payment Date	Monday, December 1, 2025	Monday, December 1, 2025	30	817.81
73rd Coupon/Interest Payment Date	Thursday, January 1, 2026	Thursday, January 1, 2026	31	845.07
74th Coupon/Interest Payment Date	Sunday, February 1, 2026	Monday, February 2, 2026	31	845.07
75th Coupon/Interest Payment Date	Sunday, March 1, 2026	Monday, March 2, 2026	28	763.29
76th Coupon/Interest Payment Date	Wednesday, April 1, 2026	Wednesday, April 1, 2026	31	845.07
77th Coupon/Interest Payment Date	Friday, May 1, 2026	Monday, May 4, 2026	30	817.81
78th Coupon/Interest Payment Date	Monday, June 1, 2026	Monday, June 1, 2026	31	845.07
79th Coupon/Interest Payment Date	Wednesday, July 1, 2026	Wednesday, July 1, 2026	30	817.81
80th Coupon/Interest Payment Date	Saturday, August 1, 2026	Monday, August 3, 2026	31	845.07
81st Coupon/Interest Payment Date	Tuesday, September 1, 2026	Tuesday, September 1, 2026	31	845.07
82nd Coupon/Interest Payment Date	Thursday, October 1, 2026	Thursday, October 1, 2026	30	817.81
83rd Coupon/Interest Payment Date	Sunday, November 1, 2026	Monday, November 2, 2026	31	845.07
84th Coupon/Interest Payment Date	Tuesday, December 1, 2026	Tuesday, December 1, 2026	30	817.81
85th Coupon/Interest Payment Date	Friday, January 1, 2027	Friday, January 1, 2027	31	845.07
86th Coupon/Interest Payment Date	Monday, February 1, 2027	Monday, February 1, 2027	31	845.07
87th Coupon/Interest Payment Date	Monday, March 1, 2027	Monday, March 1, 2027	28	763.29
88th Coupon/Interest Payment Date	Thursday, April 1, 2027	Thursday, April 1, 2027	31	845.07
89th Coupon/Interest Payment Date	Saturday, May 1, 2027	Monday, May 3, 2027	30	817.81

90th Coupon/Interest Payment Date	Tuesday, June 1, 2027	Tuesday, June 1, 2027	31	845.07
91st Coupon/Interest Payment Date	Thursday, July 1, 2027	Thursday, July 1, 2027	30	817.81
92nd Coupon/Interest Payment Date	Sunday, August 1, 2027	Monday, August 2, 2027	31	845.07
93rd Coupon/Interest Payment Date	Wednesday, September 1, 2027	Wednesday, September 1, 2027	31	845.07
94th Coupon/Interest Payment Date	Friday, October 1, 2027	Friday, October 1, 2027	30	817.81
95th Coupon/Interest Payment Date	Monday, November 1, 2027	Monday, November 1, 2027	31	842.76
96th Coupon/Interest Payment Date	Wednesday, December 1, 2027	Wednesday, December 1, 2027	30	815.57
97th Coupon/Interest Payment Date	Saturday, January 1, 2028	Monday, January 3, 2028	31	842.76
98th Coupon/Interest Payment Date	Tuesday, February 1, 2028	Tuesday, February 1, 2028	31	842.76
99th Coupon/Interest Payment Date	Wednesday, March 1, 2028	Wednesday, March 1, 2028	29	788.39
100th Coupon/Interest Payment Date	Saturday, April 1, 2028	Monday, April 3, 2028	31	842.76
101st Coupon/Interest Payment Date	Monday, May 1, 2028	Tuesday, May 2, 2028	30	815.57
102nd Coupon/Interest Payment Date	Thursday, June 1, 2028	Thursday, June 1, 2028	31	842.76
103rd Coupon/Interest Payment Date	Saturday, July 1, 2028	Monday, July 3, 2028	30	815.57
104th Coupon/Interest Payment Date	Tuesday, August 1, 2028	Tuesday, August 1, 2028	31	842.76
105th Coupon/Interest Payment Date	Friday, September 1, 2028	Friday, September 1, 2028	31	842.76
106th Coupon/Interest Payment Date	Sunday, October 1, 2028	Tuesday, October 3, 2028	30	815.57
107th Coupon/Interest Payment Date	Wednesday, November 1, 2028	Thursday, November 2, 2028	31	845.07
108th Coupon/Interest Payment Date	Friday, December 1, 2028	Friday, December 1, 2028	30	817.81

109th Coupon/Interest Payment Date	Monday, January 1, 2029	Monday, January 1, 2029	31	845.07
110th Coupon/Interest Payment Date	Thursday, February 1, 2029	Thursday, February 1, 2029	31	845.07
111th Coupon/Interest Payment Date	Thursday, March 1, 2029	Thursday, March 1, 2029	28	763.29
112th Coupon/Interest Payment Date	Sunday, April 1, 2029	Monday, April 2, 2029	31	845.07
113th Coupon/Interest Payment Date	Tuesday, May 1, 2029	Wednesday, May 2, 2029	30	817.81
114th Coupon/Interest Payment Date	Friday, June 1, 2029	Friday, June 1, 2029	31	845.07
115th Coupon/Interest Payment Date	Sunday, July 1, 2029	Monday, July 2, 2029	30	817.81
116th Coupon/Interest Payment Date	Wednesday, August 1, 2029	Wednesday, August 1, 2029	31	845.07
117th Coupon/Interest Payment Date	Saturday, September 1, 2029	Monday, September 3, 2029	31	845.07
118th Coupon/Interest Payment Date	Monday, October 1, 2029	Monday, October 1, 2029	30	817.81
119th Coupon/Interest Payment Date	Thursday, November 1, 2029	Thursday, November 1, 2029	31	845.07
120th Coupon/Interest Payment Date	Wednesday, November 28, 2029	Wednesday, November 28, 2029	27	736.03
Redemption of Principal	Wednesday, November 28, 2029	Wednesday, November 28, 2029		100,000.00
Total Cash Flows				199,504.32

Series IX

Company Name	ECL Finance Limited
Face Value per NCD (in Rs.)	1000.00
Number of NCDs held (assumed)	100
Deemed date of allotment	Thursday, November 28, 2019
Tenor	10 years
Coupon	10.40%
Redemption Date/Maturity Date	Wednesday, November 28, 2029
Frequency of Interest Payment	Annual
Day Count Convention	Actual/Actual
Effective Yield	10.39%

Cash Flows	Due Date	Actual Payout Date	No. of Days in Coupon Period	For all Categories of Investors(Rs.)
1st Coupon/Interest Payment Date	Saturday, November 28, 2020	Monday, November 30, 2020	366	10,400.00
2nd Coupon/Interest Payment Date	Sunday, November 28, 2021	Monday, November 29, 2021	365	10,400.00
3rd Coupon/Interest Payment Date	Monday, November 28, 2022	Monday, November 28, 2022	365	10,400.00
4th Coupon/Interest Payment Date	Tuesday, November 28, 2023	Tuesday, November 28, 2023	365	10,400.00
5th Coupon/Interest Payment Date	Thursday, November 28, 2024	Thursday, November 28, 2024	366	10,400.00
6th Coupon/Interest Payment Date	Friday, November 28, 2025	Friday, November 28, 2025	365	10,400.00
7th Coupon/Interest Payment Date	Saturday, November 28, 2026	Monday, November 30, 2026	365	10,400.00
8th Coupon/Interest Payment Date	Sunday, November 28, 2027	Monday, November 29, 2027	365	10,400.00
9th Coupon/Interest Payment Date	Tuesday, November 28, 2028	Tuesday, November 28, 2028	366	10,400.00
10th Coupon/Interest Payment Date	Wednesday, November 28, 2029	Wednesday, November 28, 2029	365	10,400.00
Redemption of Principal	Wednesday, November 28, 2029	Wednesday, November 28, 2029		100,000.00
Total Cash Flows				204,000.00

Assumptions:

1. Investors should note that the below examples are solely for illustrative purposes and is not specific to the Tranche II Issue.
2. For the purpose of illustration, it is assumed that Saturdays and Sundays are non-Working Days
3. The Deemed Date of Allotment is assumed to be November 28, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
4. Interest payable during the Financial Year 2020, 2024 and 2028 being a leap year, has been calculated for 366 days.
5. In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is Rs. 1,574.90/-, then the amount shall be rounded off to Rs. 1,575/-. In the above table, interest payable per NCD is round off to nearest integer only for purpose of illustration. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder.

Note:

The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.