

January 31, 2022

BSE Limited
P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

Dear Sir/ Madam,

Sub: Submission of Financial Results for the quarter and nine months ended December 31, 2021, as per Regulation 52 and Outcome of the Board Meeting under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/madam,

With reference to the captioned subject, we enclose the following:

- a) Unaudited Financial Results of the Company for quarter and nine months ended December 31, 2021, duly approved by the Board of Directors at its meeting held on January 31, 2022, together with the Limited Review Report of the Auditors' thereon; and
- b) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, we would like to inform that the Board of Directors of the Company at its meeting held on January 31, 2022, have approved, inter-alia,

- a) Issuance of Secured Redeemable Non-Convertible Debentures for an amount up to Rs. 700 crores, in one or more tranches; and
- b) Re-appointment (second term) of Mr. Kunnasagaran Chinniah as the Independent Director of the Company.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For ECL Finance Limited

KASHMIRA JOJI Digitally signed by KASHMIRA JOJI
MATHEW
Date: 2022.01.31 14:23:29 +05'30'

Kashmira Mathew
Head - Governance & Compliance

Chetan T. Shah & Co.
Chartered Accountants
Office No. 3, Wing-A, Ground floor,
Satyam Shopping Centre,
Ghatkopar-(East),
Mumbai – 400077

V. C. Shah & Co.
Chartered Accountants
205-206, Regent Chambers, 2nd floor
Jamnalal Bajaj Road,
208, Nariman Point
Mumbai – 400 021

Independent Joint Auditor’s Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
ECL Finance Limited

1. We Chetan T. Shah & Co. ('CTSC') and V. C. Shah & Co. ('VCSC') have jointly reviewed the accompanying statement of unaudited financial results of ECL Finance Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to Note 4 to the Statement, which describes that the potential impact of the COVID-19 Pandemic on the Company's results are dependent on future developments, which continues to be uncertain.

Our conclusion is not modified in respect of this matter.

6. The comparative financial information of the Company for the quarter ended September 30, 2021 has been reviewed by one of the Joint auditor along with the predecessor auditor, corresponding quarter and nine months ended December 31, 2020 have not been subjected to review and have been traced based on the management certified financial results for the period then ended and the financial statements of the company for the year ended March 31, 2021 were audited by predecessor auditor and accordingly, we express conclusion on the comparative figures to the extent applicable to the current joint auditors. Our conclusion is not modified in respect of this matter.

For Chetan T. Shah & Co.

Chartered Accountants

ICAI Firm Registration Number: 116652W

Chetan T. Shah

Partner

Membership No.: 101828

UDIN: 22101828AAAAAF5660

Mumbai, January 31, 2022



For V. C. Shah & Co.

Chartered Accountants

ICAI Firm Registration Number: 109818W

Viral J. Shah

Partner

Membership No.: 110120

UDIN: 22110120AAAAAU2568

Mumbai, January 31, 2022



ECL Finance Limited

Corporate Identity Number : U65990MH2005PLC154854
 Regd. Off: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirod Road, Kurla (west), Mumbai - 400070
 Tel: +91-22-40094400 Fax: +91-22-40863610
 website: www.edelweissfn.com


Financial results for the quarter and nine months ended 31 December 2021

Particulars	Quarter Ended			Nine Months Ended		(₹ in Crores)
	December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	Year Ended March 31, 2021 (Audited)
1 Revenue from operations						
(a) Interest income	286.20	320.60	413.29	941.90	1,392.55	1,751.14
(b) Dividend income	0.03	0.37	-	0.57	-	2.34
(c) Fee and commission income	15.80	19.15	1.39	58.39	43.19	84.99
(d) Net gain/(loss) on fair value changes (including Treasury income)	178.72	80.05	6.92	284.70	185.57	152.79
Total revenue from operations	480.75	420.17	421.60	1,285.56	1,621.31	1,991.26
2 Other income	1.38	10.81	2.98	13.67	8.58	20.79
3 Total Income (1+2)	482.13	430.98	424.58	1,299.23	1,629.89	2,012.05
4 Expenses						
(a) Finance costs	348.11	360.96	411.76	1,096.04	1,274.76	1,686.07
(b) Employee benefits expense	30.28	18.76	20.59	73.62	84.08	101.26
(c) Depreciation and amortisation expense	5.90	3.07	4.90	12.44	16.28	20.12
(d) Net loss on derecognition of financial instruments under amortised cost category	15.72	2.35	11.92	53.79	408.29	372.42
(e) Impairment on financial instruments	11.34	(13.70)	(67.81)	(57.71)	(303.93)	(417.94)
(f) Other expenses	32.80	40.29	106.25	117.72	347.57	410.23
Total expenses	444.15	411.73	487.61	1,295.90	1,827.05	2,172.16
5 Profit / (Loss) before tax (3-4)	37.98	19.25	(63.03)	3.33	(197.16)	(160.11)
6 Tax expense						
Current tax	-	-	-	-	-	-
Short/(Excess) tax for earlier years	-	-	(54.73)	-	(54.73)	(55.76)
Deferred tax	5.88	1.25	-	(32.54)	-	(106.58)
7 Net Profit / (Loss) for the period (5-6)	32.10	18.00	(8.30)	35.87	(142.43)	2.23
8 Other Comprehensive Income	-	-	2.73	0.43	2.71	1.74
9 Total Comprehensive Income/(Loss) (7+8)	32.10	18.00	(5.57)	36.30	(139.72)	3.97
10 Earnings Per Share (₹) (Face Value of ₹ 1/- each)						
- Basic (Not Annualised)	0.15	0.08	(0.04)	0.17	(0.67)	0.01*
- Diluted (Not Annualised)	0.12	0.07	(0.04)	0.13	(0.67)	0.01*

*Annualised

Notes:

- ECL Finance Limited (the 'Company') has prepared unaudited financial results (the 'Statement') for the quarter and nine months ended December 31 2021 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India.
- The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meeting held on January 31, 2022.
- The results for the quarter ended December 31, 2021 being the derived figures between unaudited figures in respect to nine months ended December 31, 2021 and the year to date figures upto the half year ended September 30, 2021.
- The uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signalling a return in economic growth. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.
- During the quarter and nine months ended December 31, 2021, the Company had sold certain financial assets amounting to Rs. 131.00 crores and Rs.815.15 crores (net of provisions and losses) respectively, to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 111.35 crores and Rs. 667.38 crores respectively from these ARC Trusts. Ind AS 109 - 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial result. EFSL, the holding Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the Company's financial result. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the period ended December 31, 2021 and in earlier years) and in light of various factors viz. exposures to certain sectors, and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Company and EFSL has recorded fair value gain of Rs. 178.16 crores and Rs 37.34 crores for the quarter ended and Rs. 249.55 crores and Rs 139.46 crores for the nine month ended December 31, 2021, included in "Net gain / (loss) on fair value change" respectively.

For Identification.



ECL Finance Limited

Corporate Identity Number : U65990MH2005PLC154854
 Regd. Off: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiro Road, Kurla (west), Mumbai - 400070
 Tel: +91-22-40094400 Fax: +91-22-40863610
 website: www.edelweissfn.com



6. Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances
 The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06, 2018, circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020.

Type of borrower	No. of accounts restructured	Amount (₹ in crore)
MSME	311	94.18

*Excludes accounts closed / written off during the period

7. Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 / 21.04.048 / 2021-22 dated May 5, 2021.

Description	Individual Borrowers*		Small businesses *
	Personal Loans	Business Loans	(₹ in crore)
(A) Number of requests received for invoking resolution process under Part A	12	23	53
(B) Number of accounts where resolution plan has been implemented under this window	12	-	53
(C) Exposure to accounts mentioned at (B) before implementation of the plan	4.09	-	39.01
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F) Increase in provisions on account of the implementation of the resolution plan	0.44	-	2.39

*Excludes accounts closed / written off during the period

8. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

- (a) Details of transfer through assignment in respect of loans not in default during the nine months ended December 31, 2021.

Particulars	Amount
Count of Loan accounts Assigned	44
Amount of Loan account Assigned (₹ in crore)	100.58
Retention of beneficial economic interest (MRR)	10%
Weighted Average Maturity (Residual Maturity) (in years)	5.87
Weighted Average Holding Period (in years)	3.06
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

- (b) (i) Details of stressed loans transferred during the nine months ended December 31, 2021.

Particulars	To ARCs
Number of accounts	121
Aggregate principal outstanding of loans transferred (₹ in crore) *	1,240.67
Weighted average residual tenor of the loans transferred (in years)	1.42
Net book value of loans transferred (at the time of transfer) (₹ in crore)	812.86
Aggregate consideration (₹ in crore)	815.15
Additional consideration realized in respect of accounts transferred in earlier years	-

* includes interest accrued, penal interest & other charges due from borrower as included in the sale agreement.

- (ii) The Company has not acquired any stressed loan during the nine months ended December 31, 2021.

9. Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", we have aligned our NPA assessment methodology as per the new norms. The company has considered impact of such alignment on the financial results for the quarter and nine months ended December 31, 2021.

10. 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. Further, on March 25, 2019, the Company had applied for approval from the Reserve Bank of India in relation to the said merger, which was approved by the RBI on September 27, 2019. The Company is in process to obtain NOCs from all the lending banks.

11. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

For Identification.



ECL Finance Limited

Corporate Identity Number : U65990MH2005PLC154854
Regd. Off: Tower 3, Wing 'B', Kohinoor City Mall , Kohinoor City, Kirod Road, Kurla (West), Mumbai - 400070
Tel: +91-22-40094400 Fax: +91-22-40863610
website: www.edelweissfn.com



- 12. The accounting policies adopted in the preparation of the financial results are consistent with those followed in the previous period unless otherwise stated.
- 13. Figures for the previous period / year have been regrouped/ reclassified wherever necessary to conform to current period / year presentation.

on behalf of the Board of Directors

Mumbai, January 31, 2022

For Identification.



Subramanian Ranganathan
Managing Director
DIN:00125493

ECL Finance Limited

Annexure - A

Disclosure in compliance with regulation 52(4) of of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the nine months ended December 31, 2021

Sr. No.	Particulars	Ratio
1	Debt-equity Ratio (refer note 1)	3.68
2	Debt service coverage ratio (DSCR)	NA
3	Interest service coverage ratio (ISCR)	NA
4	Outstanding redeemable preference shares (quantity and value)	NA
5	Debenture redemption reserve (Rupees in Crores)	273.64
6	Net worth (refer note 2) (Rupees in Crores)	2,524.16
7	Net profit after tax (Rupees in Crores)	35.87
8	Earnings per share (not annualised)	
8.a	Basic (Rupees)	0.17
8.b	Diluted (Rupees)	0.13
9	Current ratio	NA
10	Long term debt to working capital	NA
11	Bad debts to Account receivable ratio	NA
12	Current liability ratio	NA
13	Total debts to total assets (refer note 3)	0.76
14	Debtors turnover	NA
15	Inventory turnover	NA
16	Operating margin (%)	NA
17	Net profit margin (%) (refer note 4)	2.79%
18	Sector specific equivalent ratios as on September 30, 2021	
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	26.41%
	(b) Tier I CRAR (%)	15.21%
	(c) Tier II CRAR (%)	11.20%
	(d) Stage 3 ratio (gross) (%) (refer note 5)	2.79%
	(e) Stage 3 ratio (net) (%) (refer note 6)	2.00%

Notes:

1. Debt-equity Ratio = Total Debt ((Debt Securities-Compulsorily Convertible Debentures (CCD)) + Borrowings other than debt securities + sub-ordinated liabilities) / (Net worth + CCD)
2. Net worth = Equity share capital + Other equity
3. Total debts to total assets = Total Debt / Total assets
4. Net profit margin (%) = Net profit after tax / Revenue from Operations
5. Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans
6. Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans


For Identification.



The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of the Company's identified immovable property as stated in the debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan Receivables and other assets, to the extent stated in the respective information memorandum read with the underlying debenture trust deed. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.

For Identification.

For ECL Finance Limited



**S Ranganathan
Managing Director**

