

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

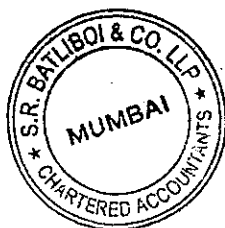
Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102



For and on behalf of the Board of Directors

Deepak Mittal
Deepak Mittal

Managing Director & CEO
DIN : 00010337

Himanshu Kaji
Himanshu Kaji

Executive Director
DIN : 00009438

Sarju Simaria
Sarju Simaria

Chief Financial officer

Jitendra Maheshwari
Jitendra Maheshwari

Company Secretary

Mumbai May 13, 2019

Mumbai May 13, 2019



ECL Finance Limited

Statement of Profit and Loss for year ended March 31, 2019

(Currency: Indian rupees in million)

Revenue from operations

Interest income
Dividend income
Fee and commission income
Net gain on fair value changes

Other income

Total Revenue

Expenses

Finance costs
Net loss on derecognition of financial instruments
Impairment on financial instruments
Employee benefits expense
Depreciation, amortisation and impairment
Other expenses

Total expenses

Profit before tax

Tax expenses

(1) Current tax
(2) Deferred tax (credit)

Profit for the year

Other comprehensive income

(a) Items that will not be reclassified to profit or loss
Remeasurement gain / loss on defined benefit plans (OCI)
Income Tax - OCI - that will not be reclassified

Total

Total comprehensive income

Earnings per equity share

(for continuing operation:) (Face value of ₹ 1 each):

Basic (INR)
Diluted (INR)

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

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

Note	For the year ended March 31, 2019	For the year ended March 31, 2018
31	37,594.49	29,128.04
32	1,903.38	458.59
33	1,173.28	1,656.77
34	(645.16)	1,387.99
35	148.59	92.09
	40,174.58	32,723.48
36	24,398.26	18,858.66
37	970.36	1,366.60
38	1,498.41	2,082.80
39	2,410.29	1,857.53
19	106.53	52.78
40	2,961.28	1,371.13
	32,345.13	25,589.50
	7,829.45	7,133.98
41	2,398.62	2,637.36
	(228.00)	(208.73)
	5,658.83	4,705.35
	(5.08)	3.55
	1.78	(1.24)
	(3.30)	2.31
	5,655.53	4,707.66
	2.73	2.49
	2.73	2.49

1 to 54

For and on behalf of the Board of Directors

Deepak Mittal

Deepak Mittal
Managing Director & CEO
DIN : 00010337

Himanshu Kaji

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Executive Director
DIN : 00009438

Sarju Simaria

Sarju Simaria
Chief Financial officer

Jitendra Maheshwari

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	Debt 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	-	(37.12)	-	-	-	(37.12)
Transfer to statutory reserve	-	(924.10)	924.10	-	-	-
Balance released from debt 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 debt 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

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors

Deepak Mittal
Managing Director & CEO
DIN : 00010337

Himanshu Kaji
Executive Director
DIN : 00009438

Sarju Simaria
Chief Financial officer

Jitendra Maheshwari
Company Secretary

Mumbai May 13, 2019



ECL Finance Limited

Statement of Cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

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)

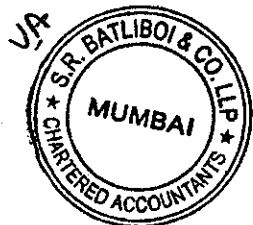
(642.57) (9,222.16)

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



mb



ECL Finance Limited

Statement of Cash flows for the year ended March 31, 2019.

(Currency: Indian rupees in million)

Operational cash flows from interest and dividends

	For the year ended March 31, 2019	For the year ended March 31 2018
Interest paid	22,459.13	20,121.01
Interest received	37,904.45	27,042.31
Dividend received	1,903.38	458.59

Notes:

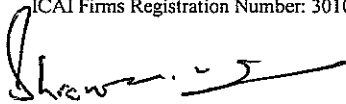
1. Net figures have been reported on account of volume of transactions.
2. for disclosure relating to changes in liabilities arising from financing activities refer note 46

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

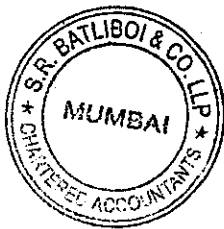
ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

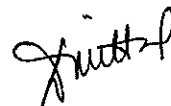
Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors



Deepak Mittal

Managing Director & CEO

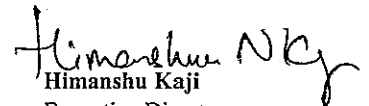
DIN : 00010337



Sarju Simaria

Chief Financial officer

Mumbai May 13, 2019



Himanshu Kaji

Executive Director

DIN : 00009438



Jitendra Maheshwari

Company Secretary



1. Corporate information:

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial services Limited. The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company's Primary business is advancing Loans and financing. The Company focuses on Credit business, a mix of diversified and scalable verticals like retail credit, corporate credit and distressed credit. It offers home finance, retail construction finance, loan against property, SME finance Agri & Rural finance and Loan against securities under retail credit and structured collateralised credits to corporates, Real estate finance to developers under corporate credit.

2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 52 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

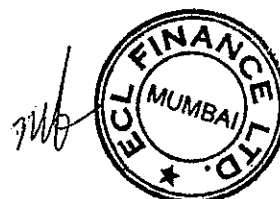
3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 47-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



4. Significant accounting policies

4.1 Recognition of interest income and dividend income

4.1.1 Effective interest rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

4.1.2 Interest income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

4.1.3 Dividend income:

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

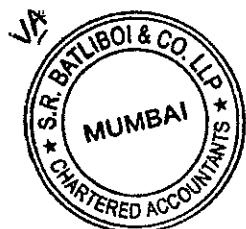
4.2 Financial instruments:

4.2.1 Date of recognition:

Financial Assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

4.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



4.2.3 Day 1 profit and loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.2.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting ate. The changes in fair value of financial assets is recognised in Profit and loss account.

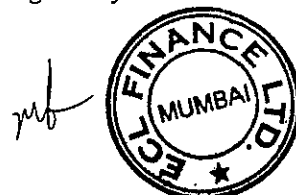
4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.



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

4.3.2 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

4.3.6 Debt securities and other borrowed funds:

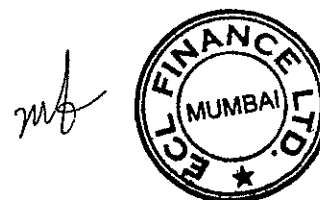
The Company measures debt issued and other borrowed funds at Amoris ed cost at each reporting date. Amoris ed cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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.

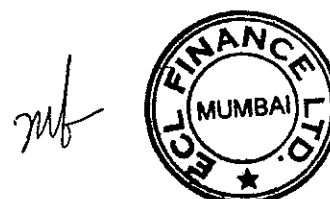
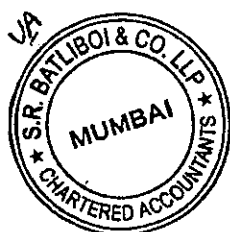
4.3.10 Financial liabilities and equity instruments

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.

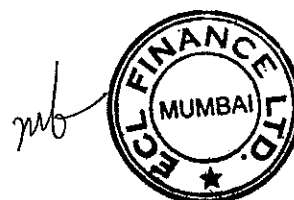
A transfer only qualifies for derecognition if either:

- 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.



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

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

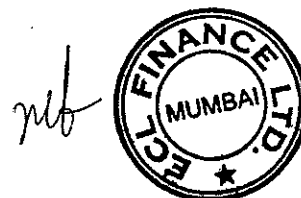
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, 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 categorises 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.

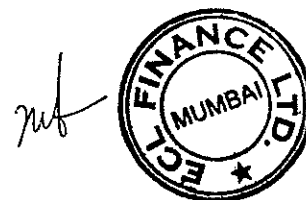
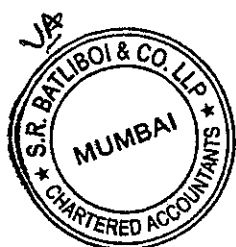
4.7 Collateral valuation:

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.

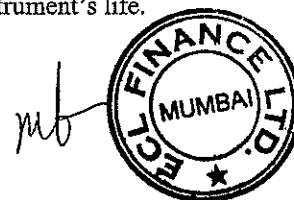
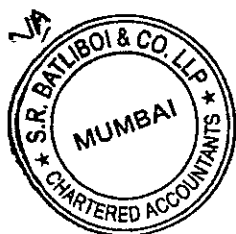
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's 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:

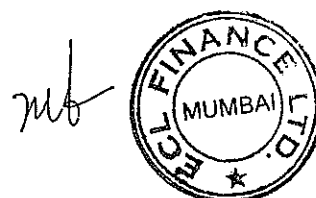
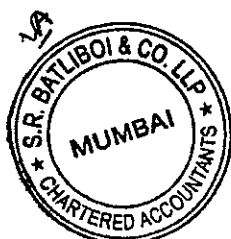
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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.

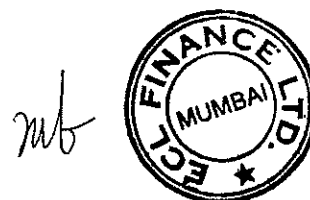
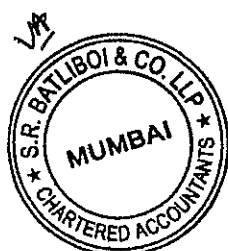
4.15.4 Deferred bonus:

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.

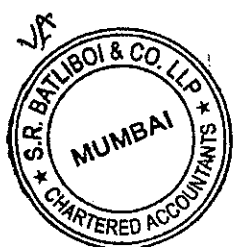
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.



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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.

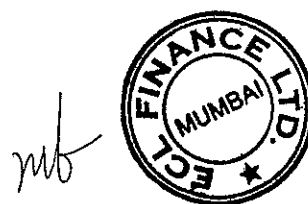
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current 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.

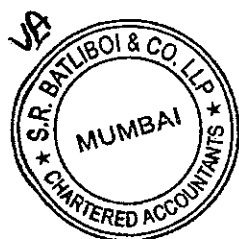
This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

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:

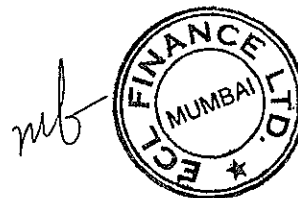
Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

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):

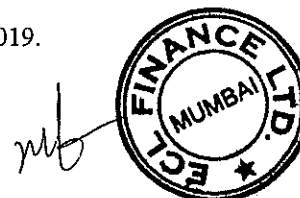
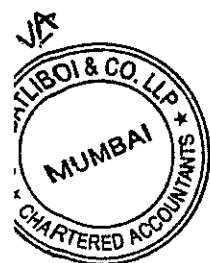
This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- 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.

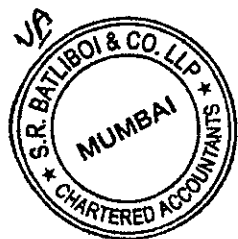
If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

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

Balances with banks

In current accounts

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
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

Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation

(Refer Note 10.A Below)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
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
	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

Axis Bank Limited

Bank Of India Limited

ICICI Bank Limited

Bank guarantee for cash credit lines

ICICI Bank Limited

Security deposit for term loan WCDL facilities

Union Bank of India

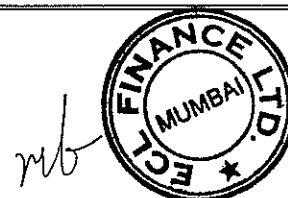
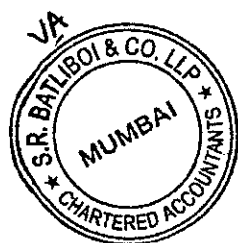
Bank guarantee for securitisation

DCB Bank Limited

ING Vysya Bank Limited

Yes Bank Limited

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
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)

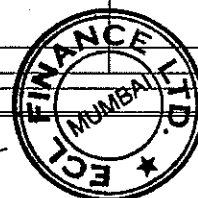
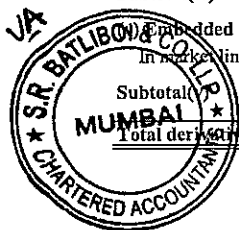
11. Derivative financial instruments

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	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)
(Refer Note 11.A & 50)								
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)
(Refer Note 11.A & 50)								
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)
(Refer Note 11.A & 50)								
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)				
(Refer Note 11.A & 50)								
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)
(Refer Note 11.A & 50)								
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)				-
(Refer Note 11.A & 50)								
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				125.35				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 units	INR	1,00,00,000	-
Currency futures				-				4.72
Less: amounts offset				-				(4.72)
(Refer Note 11.A & 50)								
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)
(Refer Note 11.A & 50)								
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)				
(Refer Note 11.A & 50)								
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)				
(Refer Note 11.A & 50)								
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.

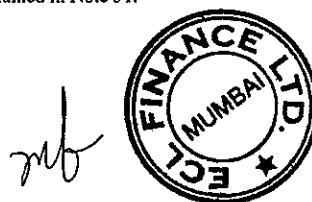
*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. refer Note 4.3.5 for further details.

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

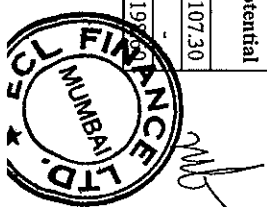
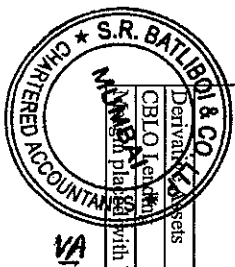
As at March 31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals 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 (TRERPS)	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 (TRERPS)	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	123.35	107.30
CBLO (with broker*)	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

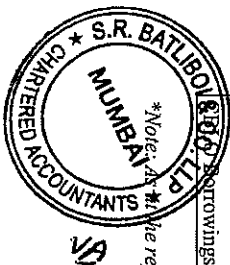
Financial Assets subject to offsetting, netting arrangements

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.



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ECL Finance Limited

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

(Currency: Indian rupees in million)

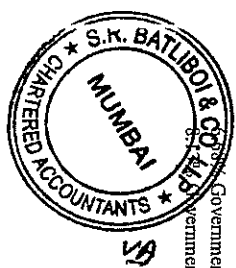
12. Securities held for trading:

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
6.90% Government Stock 13.07.2019 Bonds	100.00
10.03% Government Stock 09.08.2019 Bonds	-
6.35% Government Stock 02.01.2020 Bonds	100.00
7.80% Government Stock 03.05.2020 Bonds	-
8.27% Government Stock 09.06.2020 Bonds	100.00
8.12% Government Stock 10.12.2020 Bonds	100.00
7.80% Government Stock 11.04.2021 Bonds	100.00
7.94% Government Stock 24.05.2021 Bonds	100.00
8.79% Government Stock 08.11.2021 Bonds	100.00
8.20% Government Stock 15.02.2022 Bonds	100.00
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
7.37% Government Stock 16.04.2023 Bonds	100.00
7.16% Government Stock 20.05.2023 Bonds	100.00
6.17% Government Stock 12.06.2023 Bonds	100.00
8.83% Government Stock 25.11.2023 Bonds	100.00
7.68% Government Stock 15.12.2023 Bonds	-
7.32% Government Stock 28.01.2024 Bonds	100.00
7.35% Government Stock 22.06.2024 Bonds	100.00
8.40% Government Stock 28.07.2024 Bonds	-
7.72% Government Stock 25.05.2025 Bonds	100.00
7.59% Government Stock 11.01.2026 Bonds	100.00
6.97% Government Stock 06.09.2026 Bonds	100.00
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
7.17% Government Stock 08.01.2028 Bonds	100.00
6.01% Government Stock 25.03.2028 Bonds	-
7.26% Government Stock 14.01.2029 Bonds	100.00
7.88% Government Stock 19.03.2030 Bonds	-
7.61% Government Stock 09.05.2030 Bonds	-
8.33% Government Stock 17.09.2031 Bonds	-
8.33% Government Stock 22.06.2045 Bonds	100.00

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	55,00,000	558.82	-	-	-
100.00	44,00,000	455.47		100.00	75,00,000	727.14	-	-	-
100.00	10,00,000	98.96		-	-	-	-	-	-
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	-	-	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	605.56		-	-	-	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



30,00,000	310.4
5,00,000	54.1

30,00,000	293.2
30,00,000	284.7
-	-
-	-
-	-

	6,888.6
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	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 II)	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% Stel 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 25.03.2023 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	-	-	-	-	-	-	-	-	-
8.85% Indiabulls Commercial Credit Limited 28.03.2028 Bonds	1,00,000	1,135	112.95	10,00,000	16	16.34	-	-	-
9.00% Shriram Transport Finance Company Limited 28.03.2028 Bonds	-	-	-	1,00,000	8,000	773.01	-	-	-
9.75% Jm Financial Credit Solutions Limited 07.06.2028 Bonds	1,000	37,970	36.75	10,00,000	300	299.13	-	-	-
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% Kudrej Transmission Limited 25.04.2030 Bonds	-	-	-	10,00,000	6	6.68	-	2,740.00	3.21
7.35% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	9	10.02	-	-	-
9.14% Kudrej Transmission Limited 25.04.2031 Ncd	-	-	-	10,00,000	25	25.49	-	-	-
9.00% Yes Bank Limited Perpetual Bonds	-	-	-	10,00,000	1	1.04	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	10,00,000	550	582.59	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	10,00,000	-	-	-	-	-
Total Debt Securities (B)			298.18			4,354.13			145.37
Equity Instruments									
CPSE ETF	10.00	2,65,88,545	724.27	-	-	-	-	-	-
IKB 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% 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)

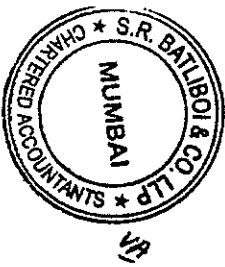
Mutual Fund
 HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option
 HDFC Overnight Fund - Growth Option - Direct Plan
 JM Large Cap Fund - Annual Dividend Option
 Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth
 Edelweiss Short Term Fund - Direct - Growth
 Kotak Mahindra Mutual Fund Collection
 JM Equity Fund - Monthly Dividend Option - Payout
 Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan
 Reliance Medium Term Fund
 Edelweiss Active Bond Fund - Direct - Growth
 LIC Nomura Liquid Fund - Direct - Growth
 Kotak Floater Fund - Direct Plan - Growth
 JM High Liquidity Fund - Direct - Growth

Total Mutual Fund (E)
 Total (A+B+C+D+E)

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
	10,00,000	10.00		10,00,000	10.00	-	10,00,000	10.03
	3,06,132	864.02	-	-	-	-	-	-
	16,26,89,805	2,513.85	-	-	-	-	-	-
	40,00,000	42.60	-	-	-	-	-	-
	30,66,864	52.62	-	-	-	-	-	-
	-	-	4,61,398	1,010.22	-	-	-	-
	-	-	4,77,24,041	570.71	-	-	-	-
	-	-	2,36,429	1,002.45	-	-	-	-
	-	-	2,71,68,155	1,010.13	-	-	-	-
	-	-	-	-	-	7,18,52,978	1,300.42	-
	-	-	-	-	-	3,39,185	1,000.27	-
	-	-	-	-	-	5,62,086	1,500.42	-
	-	-	-	-	-	2,24,71,506	1,000.48	-
		3,483.09			3,603.51			4,811.62
		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.

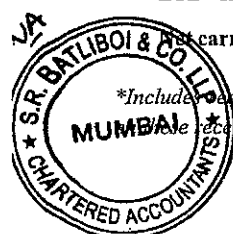
c) Trade receivables days past due

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

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

14. Loans (at amortised cost)

Term Loans;

Corporate credit

Retail credit

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

Secured by tangible assets (property including land & building)

Secured by inventories, fixed deposits, unlisted securities, project receivables & other marketable securities

Unsecured

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

Loans in India

Public sector

Others

Total gross

Less: Impairment loss allowance
(Refer Note 14.B)

Total net

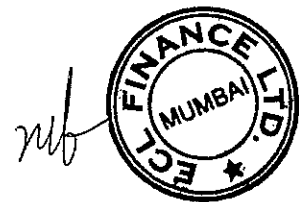
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Corporate credit	1,49,405.54	1,38,890.78	1,11,930.05
Retail credit	94,679.89	85,895.20	63,654.44
Total gross	2,44,085.43	2,24,785.98	1,75,584.49
Less: Impairment loss allowance (Refer Note 14.B)	(6,118.69)	(4,761.28)	(3,944.09)
Total net	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

Loans Given to Directors

(refer note 48 related party disclosure)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Loans Given to Directors	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	25,864.50		2,12,533.38	2,07,186.27	12,900.51		2,07,186.27	1,54,301.98	17,489.51		1,54,301.98
Standard grade				25,864.50				12,900.51				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

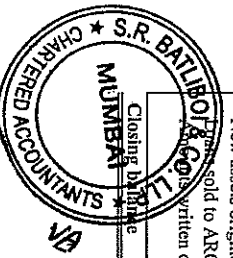
b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate 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	
	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	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 I	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	-	-		
Stage III to Stage II	-	(3.45)	-	(30.61)	65.81	555.69	24,534.31	1,078.03		
Remeasurement of ECL arising from transfer of stage (net)	24,269.01	491.73	199.49	-	(4,992.44)	(117.82)	(4,992.44)	(117.82)		
New assets originated /repayments received (net)	-	-	-	-	(242.42)	(227.00)	(242.42)	(227.00)		
Transfers written off	-	-	-	-	-	-	-	-		
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

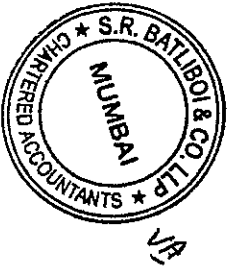
Notes to the financial statement for the year ended March 31, 2019

(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 I	Stage II	Stage III	Total
	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
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	-	-
New assets originated / repayments received (net)	61,661.12	574.71	(6,063.41)	141.70	(329.98)	55,267.73
Loans sold to ARC	-	-	-	-	(4,286.03)	(4,286.03)
Amounts written off	-	-	-	-	(1,780.21)	(1,780.21)
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



(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

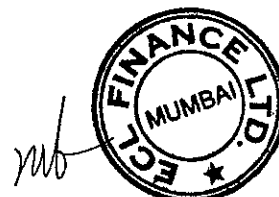
As at April 01, 2017	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Equity instruments	-	-	66.80	-	66.80	227.50	294.30
Preference 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:

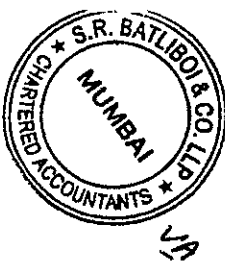
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 51.D.1 and policies on ECL allowances are set out in Note 4.6

Performing High grade	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
	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.



Handwritten signature

A circular black and white stamp. The outer ring contains the text "S.R. BATLIBOI & CO." at the top and "CHARTERED ACCOUNTANTS" at the bottom, separated by stars. The center of the stamp contains the word "MUMBAI" in a bold, sans-serif font.

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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
-	-	-	-	-	-	10	2,26,42,893	66.80
-	-	-	-	-	-	-	-	66.80
-	-	-	-	-	-	10	2,27,50,000	227.50
-	-	-	-	-	-	-	-	227.50
10	10,00,000	711.13	10.00	10,00,000	653.09	10	10,00,000	945.95
-	-	-	-	-	-	10	2,20,000	158.74
-	-	711.13	-	-	653.09	-	-	1,104.69
1,000	1,04,500	68.38	1,000	1,04,500	51.28	1,000	1,04,500	51.28
1,000	71,488	0.11	1,000	71,487	44.20	1,000	71,487	97.11
1,000	54,000	28.80	-	-	-	-	-	-
1,000	46,800	23.40	-	-	-	-	-	-
1,000	7,68,570	357.87	1,000	352	362.15	1,000	7,68,570	1,060.73
1,000	-	-	-	-	-	1,000	77,180	28.98
1,000	6,33,500	619.22	-	-	-	-	-	-
1,000	3,40,000	281.71	-	-	-	-	-	-
1,000	23,37,500	979.54	1,000	23,37,500	1,081.35	1,000	23,37,500	2,495.28
1,000	2,55,000	191.25	-	-	-	-	-	-
1,000	2,76,760	194.90	-	-	-	-	-	-
1,000	17,00,000	1,700.00	1,000	17,00,000	1,901.38	1,000	17,00,000	1,650.45
1,000	33,182	26.35	1,000	5,18,470	543.48	-	-	-
1,000	2,40,550	173.89	1,000	2,40,550	127.85	-	-	-
1,000	23,427	28.37	-	-	-	-	-	-
1,000	71,400	108.13	1,000	71,400	96.03	-	-	-
1,000	711	0.65	-	-	-	-	-	-
1,000	2,88,000	288.98	1,000	2,88,000	281.32	-	-	-

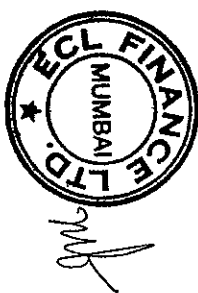
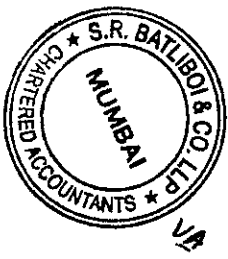
ECL Finance Limited

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-I	1,000	56,728	11.75	-	-	-	-	-	-
Total (D)			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
Total (E)			139.84			195.36			210.02
Total (A+B+C+D+E)			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)

16. Other financial assets

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
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
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Deferred tax liabilities
Property, plant and equipment and intangibles

Difference between book and tax depreciation	26.98	24.29	16.70
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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

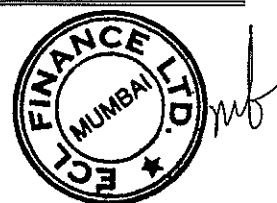
Effective interest rate on financial liabilities	229.96	91.00	117.21
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Others

	-	2.85	-
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	531.34	457.34	351.23
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	1,486.22	1,516.32	1,364.72
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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
	Buildings	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	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
Depreciation and Impairment:										
Opening balance*	-	-	-	-	-	-	-	-	-	-
Add: Depreciation/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: Depreciation/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.

Against secured redeemable non-convertible debentures (Refer note 22.B)



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

(Currency: Indian rupees in million)

20. 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 cash or in kind or for value to be received	0.75	-	2.75
Advances to employees	3.36	6.01	3.04
Others	17.11	38.52	2.49

As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
431.41	214.87	72.95

21. Trade Payables

Payable to :

Trade payables to non-related parties

(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)

Trade payables to related parties

2,560.85	814.48	418.83
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.

22. Debt securities

at amortised cost

(Refer Note 22.A and 22.B)

Redeemable non-convertible debentures - secured

Privately placed

Public issue

Market linked debentures

INR Bonds

INR denominated USD settled notes (masala bonds)

Redeemable non-convertible debentures - unsecured

Privately placed

Commercial papers - unsecured

Less : Unamortised discount

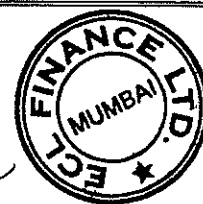
Total

Debt securities in India

Debt securities outside India

Total

As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
45,351.78	44,885.23	29,905.88
29,552.37	3,246.45	10,213.07
8,237.72	9,635.39	17,582.38
5,197.22	5,174.33	5,154.70
906.16	829.20	748.69
5,650.00	8,250.00	31,620.00
(23.40)	(187.16)	(397.41)
5,626.60	8,062.84	31,222.59
94,871.85	71,833.44	94,827.31
89,674.63	66,659.11	89,672.61
5,197.22	5,174.33	5,154.70
94,871.85	71,833.44	94,827.31



(Currency: Indian rupees in million)

22.A Maturity profile and rate of interest of debt securities are set out below:

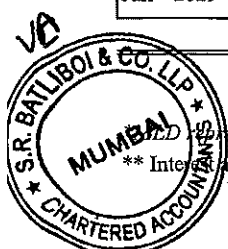
As at March 31, 2019

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

83,141.87



* Represents market linked debentures

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



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

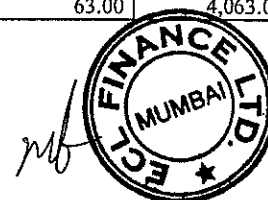
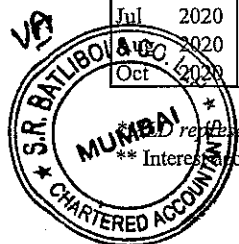
Add: interest accrued & effective interest rate amortisation** 174.56

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

represents market linked debentures

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



(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**

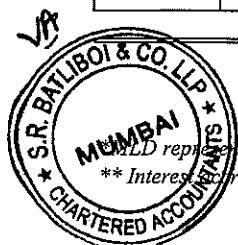
Month	Rate of Interest					Grand Total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00

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

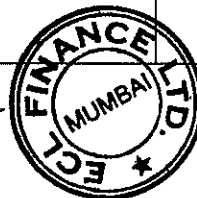
22.A Maturity profile and rate of interest of debt securities are set out below:

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
Feb 2025	-	-	500.00	-	-	-	500.00
Mar 2026	-	-	-	100.00	-	-	100.00
Mar 2028	-	-	70.00	-	-	-	70.00
Mar 2030	-	-	250.00	-	-	-	250.00

*MLD represents market linked debentures



(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
							<u>57,701.33</u>

INR Bonds

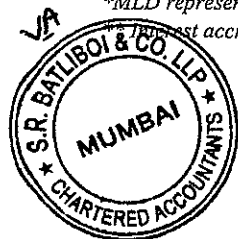
Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	
Dec 2019	-	-	5,020.00	-	-	5,020.00
	-	-	5,020.00	-	-	5,020.00
Add: interest accrued & effective interest rate amortisation**						134.70
Total						<u>5,154.70</u>

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						<u>748.69</u>

*MLD represents market linked debentures

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



22.A Maturity profile and rate of interest of debt securities are set out below:**Commercial papers - unsecured****As at March 31, 2019**

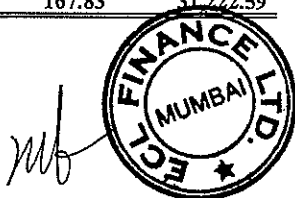
Month	Rate of Interest			Grand total
	7% - 8%	8% - 9%	9% - 10%	
Apr 2019	-	4,987.15	-	4,987.15
May 2019	-	-	493.07	493.07
Jul 2019	-	-	146.38	146.38
	-	4,987.15	639.45	5,626.60

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:

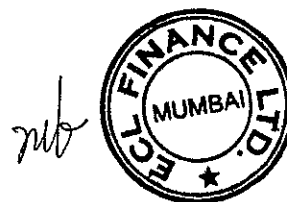
Market linked debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

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.

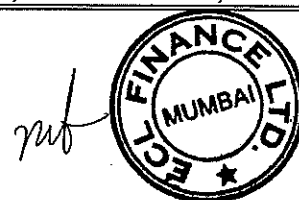
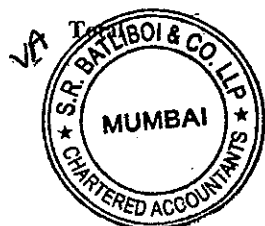


ECL Finance Limited

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			
Term loan from bank	77,944.85	84,104.23	46,139.81
[Secured by charge on receivables from financing business] (Refer Note 23.A)			
Term loans from other parties	7,009.22	4,048.69	2,788.15
[Secured by charge on receivables from financing business] (Refer note 23.A)			
Other borrowings			
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			
Loan from related parties (refer note 48)	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	-	-	-
	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

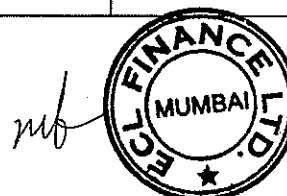
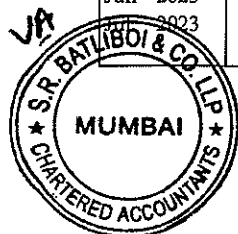
(Currency: Indian rupees in million)

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



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

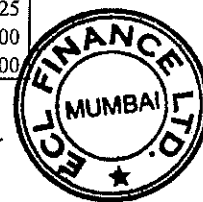
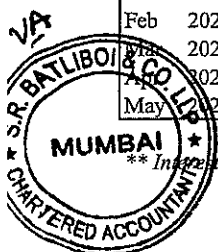
Add: interest accrued & effective interest rate amortisation** 89.60

84,954.07

As at March 31, 2018Term 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



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

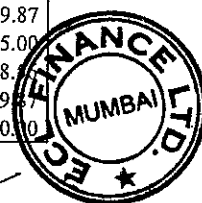
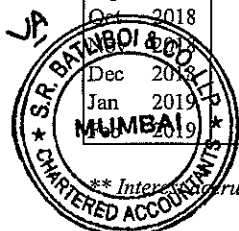
Add: interest accrued & effective interest rate amortisation**

27.39

88,152.92

As at April 01, 2017Term 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

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.)

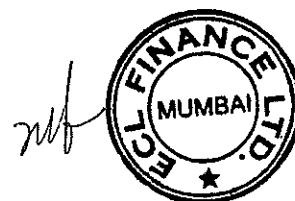
Month	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total
Mar 2019	62.50	1,641.39	280.93	-	1,984.81
Apr 2019	-	247.37	50.00	-	297.37
May 2019	-	25.00	-	-	25.00
Jun 2019	62.50	1,516.39	249.68	-	1,828.56
Jul 2019	-	247.37	50.00	-	297.37
Aug 2019	-	150.00	-	-	150.00
Sep 2019	62.50	1,491.39	139.90	-	1,693.79
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

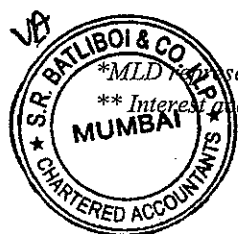
Subordinated debt (unsecured)

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

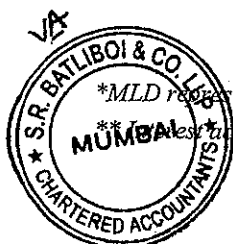
16,306.94

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

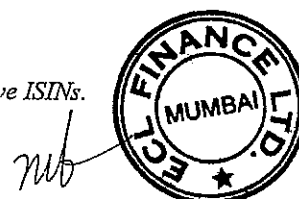
Add: interest accrued & effective interest rate amortisation** 272.82

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:

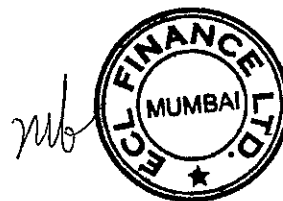
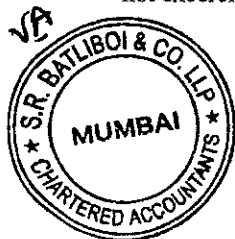
Market Linked Debentures:

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.



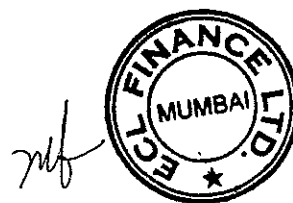
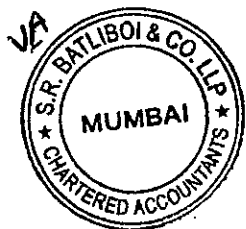
ECL Finance Limited

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)

29. Equity share capital

Authorised :

Equity shares of Re.1 each
Preference shares of Rs 10 each

	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
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

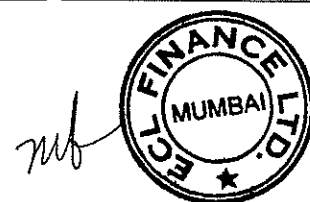
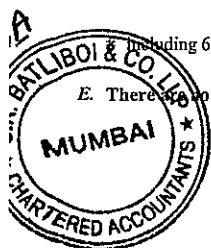
	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,49,99,59,129	77.00%	1,49,99,59,129	79.29%
Fellow subsidiaries						
Edelweiss Securities 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

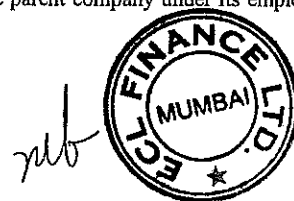
The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFCs has to maintain debenture redemption reserve upto 25% of the value of debentures issued through public issue. The amounts 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

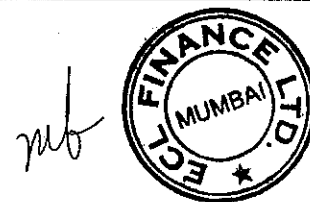
Notes to the financial statement for the year ended March 31, 2019

(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)

31. Interest Income

On financial assets measured at amortised cost

Interest on loans

Loans

35,233.31 26,627.64

Interest income from investments

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

Interest income from investments

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)

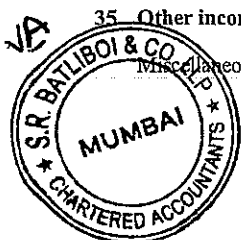
(645.16) 1,387.99

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)

36. Finance costs

On financial liabilities measured at amortised cost

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings other than debt securities	12,369.14	8,852.96
Interest on debt securities	10,191.50	8,144.23
Interest on subordinated liabilities	1,404.30	1,289.37
Other finance cost and bank charges	433.32	572.10

24,398.26 18,858.66

37. Net loss on derecognition of financial instruments

Loss on sale of credit impaired assets (Refer note 53.D)	970.36	1,366.60
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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

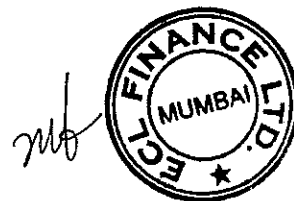
39. Employee benefit expenses

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.



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.

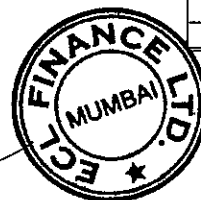
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at 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	-
	4.40	0.74				



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:

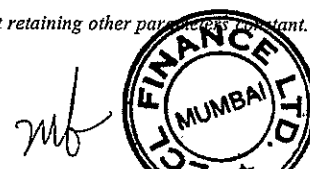
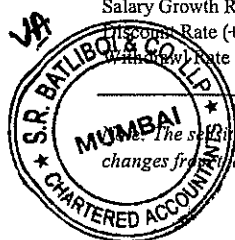
- a) The discount rate are based on the benchmark yields available on Government Bonds at reporting date.
b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
c) Assumptions regarding future mortality experience are set in accordance 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%)	5,361.00	(4,930.00)	3,330.00	(3,259.00)	2,370.00	(2,347.00)
Discount Rate (+/- 1%)	(4,886.00)	5,413.00	(3,221.00)	3,352.00	(2,329.00)	2,398.00
Withdrawal Rate (+/- 1%)	800.00	(783.00)	369.00	(366.00)	437.00	(425.00)

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

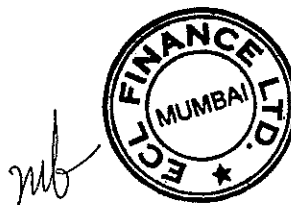
The Company expects to contribute Rs.5 million to the fund in the next financial year.

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	4.40	(0.74)	(3.36)

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**

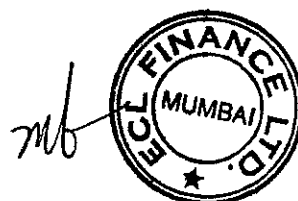
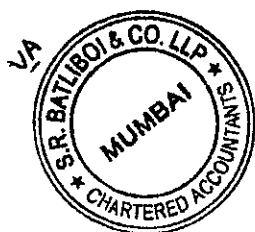
(Currency: Indian rupees in million)

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)

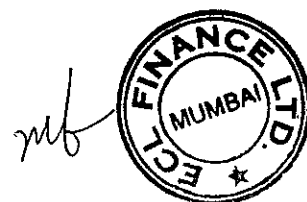
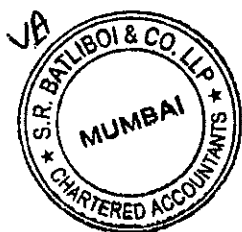
41. Income tax

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%



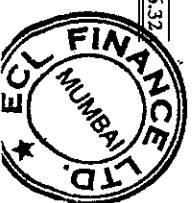
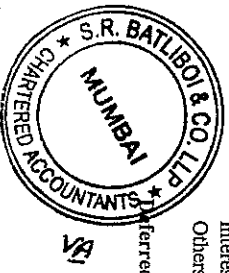
ECL Finance Limited

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

	As at March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2019
For the year ended 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					
Deferred tax assets					
Expected credit loss provision	1,169.07	281.32	-	-	1,450.39
Effective interest rate on financial assets	225.62	111.24	-	-	336.86
Retirement benefits	99.83	(54.35)	(1.24)	-	45.47
Tax break on employee stock option scheme	317.00	-	-	(57.12)	259.88
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(16.70)	(7.59)	-	-	(24.29)
Effective interest rate on financial Liabilities	(140.17)	6.81	-	-	(133.36)
Stage 3 Income recognition	(128.50)	(10.52)	-	-	(139.02)
Fair valuation of assets and liabilities	(155.80)	(115.70)	-	-	(271.50)
Interest spread on assignment transactions	(5.63)	0.37	-	-	(5.26)
Others	-	(2.85)	-	-	(2.85)
Deferred tax asset (net)	1,364.72	208.73	(1.24)	(57.12)	1,516.32



ECL Finance Limited

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

(Currency: Indian rupees in million)

42. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit attributable to Equity holders of the Company - A	5,658.83	4,705.35
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	1,948.11	1,891.85
- Number of equity shares issued during the year	190.16	56.26
Total number of equity shares outstanding at the end of the year	2,138.27	1,948.11
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,072.55	1,892.16
Basic and diluted earnings per share (in rupees) (A/B)	2.73	2.49

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

43. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

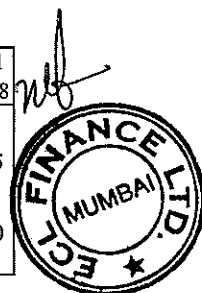
	For the year ended March 31, 2019	For the year ended March 31, 2018
Taxation matters of assessment year 2013-14, assessment year 2014-15 and assessment year 2015-16 in respect of which appeal is pending	Nil	Nil
Litigation pending against the Company	657.51	111.98

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

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote"

Commitment

	For the year ended March 31, 2019	For the year ended March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances and not provided for	33.00	33.25
Undrawn committed credit lines	31,481.63	45,446.60



ECL Finance Limited

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

(Currency: Indian rupees in million)

44. Segment Reporting

Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

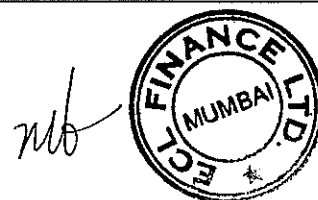
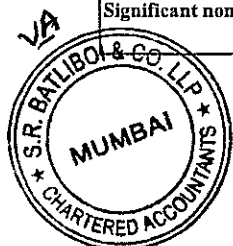
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	35,276.06	2,316.05	2.38	37,594.49
Other Operating income	1,460.02	1,064.20	55.87	2,580.09
Total Revenue from Operations	36,736.08	3,380.25	58.25	40,174.58
Interest Expenses	22,072.60	2,322.43	3.22	24,398.25
Other Expenses	7,366.49	434.17	146.22	7,946.88
Total Expenses	29,439.09	2,756.60	149.44	32,345.13
Segment profit/(loss) before taxation	7,296.99	623.65	(91.19)	7,829.45
Income Tax Expenses			2,170.62	2,170.62
Profit for the year				5,658.83
Other Comprehensive Income			(3.30)	(3.30)
Total comprehensive income				5,655.53
Segment Assets	2,41,472.53	30,910.51	2,262.85	2,74,645.89
Segment Liabilities	2,11,466.04	24,328.36	356.97	2,36,151.37
Capital expenditure	210.96	-	-	210.96
Depreciation and amortisation	106.53	-	-	106.53
Significant non-cash items	2,654.58	1.00	0.06	2,655.64



ECL Finance Limited

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

(Currency: Indian rupees in million)

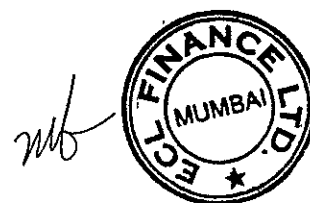
44. Segment Reporting

Segment information as at and for the year ended March 31, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	26,704.77	2,422.77	0.50	29,128.04
Other Operating income	1,995.98	1,599.46	-	3,595.44
Total Revenue from Operations	28,700.75	4,022.23	0.50	32,723.48
Interest Expenses	17,523.83	1,334.82	-	18,858.65
Other Expenses	6,318.62	300.49	111.74	6,730.85
Total Expenses	23,842.45	1,635.31	111.74	25,589.50
Segment profit/(loss) before taxation	4,858.30	2,386.92	(111.24)	7,133.98
Income Tax Expenses			2,428.63	2,428.63
Profit for the year				4,705.35
Other Comprehensive Income			2.31	2.31
Total comprehensive income				4,707.66
Segment Assets	2,23,762.10	37,847.11	2,094.67	2,63,703.88
Segment Liabilities	2,03,477.70	30,523.11	691.28	2,34,692.09
Capital expenditure	427.75	-	-	427.75
Depreciation and amortisation	52.78	-	-	52.78
Significant non-cash items	2,211.87	(128.16)	0.01	2,083.72

Segment information as at and for the year ended April 01, 2017

Particulars	Financing business	Capital based business	Unallocated	Total
Segment Assets	1,76,978.82	29,870.47	1,769.73	2,08,619.02
Segment Liabilities	1,56,145.85	28,802.93	211.36	1,85,160.14



ECL Finance Limited

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

(Currency: Indian rupees in million)

45. Transfer of financial assets

45.A Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets (held as Collateral)	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:

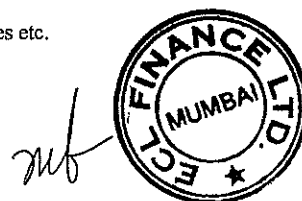
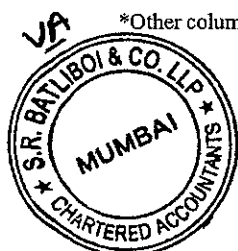
The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

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.



ECL Finance Limited

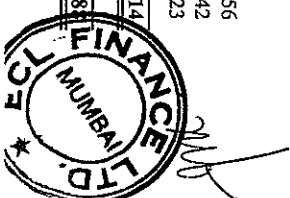
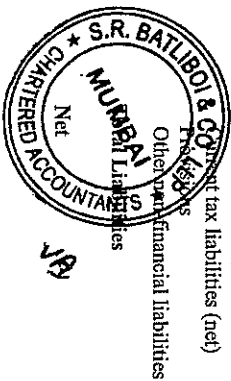
Notes to the financial statement for the year ended March 31, 2019

(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
Trade payables	212.49	29.29	241.78	173.81	147.47	321.28	111.23	288.42	400.05
Other non-financial liabilities	-	-	-	-	-	-	-	-	-
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 Assets	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



ECL Finance Limited

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:

Name of related parties by whom control is exercised :

Holding company

Fellow subsidiaries

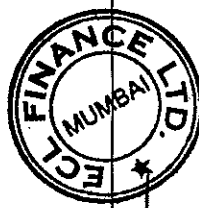
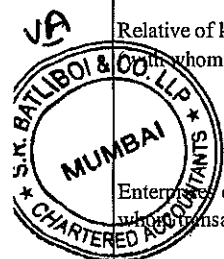
(with whom transactions have taken place)

Edelweiss Financial Services Limited
 Edelweiss Housing Finance Limited
 Edelweiss Finvest Private Limited
 EC Commodity Limited
 ECap Equities Limited
 Edel Investments Limited
 Edelweiss General Insurance Company Limited
 EFSL Trading Limited (Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1st August 2018)
 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 Company Limited
 Edelweiss Retail Finance Limited
 Edelweiss Alternative Asset Advisors Limited
 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 Asset Reconstruction Company Limited - SC 263
 Edelweiss Asset Reconstruction Company Limited - SC 283
 Edelweiss Asset Reconstruction Company Limited - SC 348
 Edelweiss Asset Reconstruction Company Limited - SC 298
 Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)
 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)
 Kunasagaran Chinniah (w.e.f. 18th February 2019)
 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)
 Ravi R Bubna HUF (upto 31st March 2019)
 Evyavan Global Private Limited (upto 31st March 2019)
 Evyavan Mercantile Private Limited (upto 31st March 2019)

Key management personnel

Relative of key management personnel
 (with whom transactions have taken place)

Enterprises over which promoter /KMPs/ relatives exercise significant influence , with
 whom transactions have taken place



ECL Finance Limited

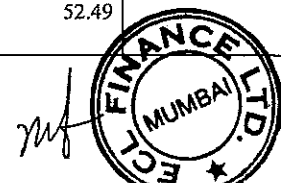
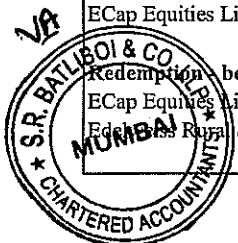
Notes to financial statements

(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
<u>Capital account transactions</u>		
Issuance of equity share capital		
Edelweiss Financial Services Limited	3,456.10	-
Edel Finance Company Limited	600.00	1,200.00
<u>Current account transactions</u>		
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 of benchmark linked debentures		
ECap Equities Limited	3,731.23	1,458.90
Edelweiss Rural & Corporate Services Limited	52.49	-



ECL Finance Limited

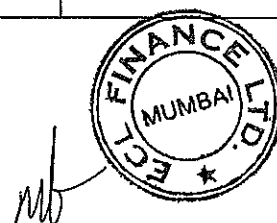
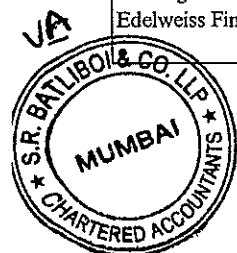
Notes to financial statements

(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
Secondary market transactions		
Purchases of securities from		
ECap Equities Limited	1,365.64	2,145.71
Edelweiss Rural & Corporate Services Limited	20,531.67	19,267.21
Edelweiss Finance and Investments Limited	2,448.82	8,549.20
Edelweiss Broking Limited	53.47	-
Edelweiss Tokio Life Insurance Company Limited	1,309.09	-
Edelweiss Finvest Private Limited	3,592.75	641.31
Edelweiss General Insurance Company Limited	108.19	-
Edelcap Securities Limited	240.13	-
Sale / subscription* of securities		
ECap Equities Limited	782.51	2,741.55
Edelweiss Rural & Corporate Services Limited*	26,356.82	22,575.99
Edelweiss Finance and Investments Limited	2,625.64	5,915.17
Edelweiss Securities Limited	1,188.74	-
Edelweiss Broking Limited	400.54	-
Edelweiss Tokio Life Insurance Company Limited	477.46	1,046.27
Edelweiss Housing Finance Limited	1,622.95	-
Edelweiss General Insurance Company Limited	-	186.72
Edelweiss Finvest Private Limited	-	245.17
Margin placed with		
Edelweiss Securities Limited	6,737.27	0.43
Edelweiss Custodial Services Limited	3,259.46	236.07
Margin refund received from		
Edelweiss Securities Limited	6,736.50	1.25
Edelweiss Custodial Services Limited	1,883.67	747.43
Amount paid to broker for trading in cash segment		
Edelweiss Securities Limited	23,632.51	5,787.73
Amount received from broker for trading in cash segment		
Edelweiss Securities Limited	24,341.93	6,619.06
Assignment of loan book from		
Edelweiss Housing Finance Limited	4,481.59	1,614.34
Purchase of securities receipts from		
Edelweiss Finvest Private Limited	1,833.30	-
Sale of loans to		
Edelweiss Asset Reconstruction Company Limited - SC 263	-	1,600.00
Edelweiss Asset Reconstruction Company Limited - SC 283	-	1,000.00
Edelweiss Asset Reconstruction Company Limited - SC 348	1,700.00	-
Edelweiss Asset Reconstruction Company Limited - SC 298	3,850.00	-
Edelweiss Asset Reconstruction Company Limited - SC 342(Class A)	278.60	-
Income		
Arranger fees received from		
Edelweiss Finvest Private Limited	17.36	45.29



ECL Finance Limited

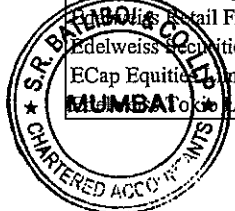
Notes to financial statements

(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
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. Chadrashekhar	1.22	-
Edelweiss Rural & Corporate Services Limited	9.94	44.35
Ravi R Bubna	-	0.01
Ramautar S. Bubna	-	0.01
Sandhya R Bubna	-	0.01
Sharda R. Bubna	-	0.01
Interest received on securities		
Edelweiss Housing Finance Limited	6.95	1.47
Edelweiss Rural & Corporate Services Limited	15.37	9.22
Edelweiss Finance and Investments Limited	-	5.41
Edelweiss Retail Finance Limited	-	1.74
Rent received from		
Alternative Investment Market Advisors Private Limited	0.01	-
EC Commodity Limited	0.02	-
Edel Investments Limited	0.01	-
Edelcap Securities Limited	0.01	-
Edelweiss Alternative Asset Advisors Limited	3.41	-
Edelweiss Broking Limited	0.55	0.95
Edelweiss Business Services Limited	0.10	-
Edelweiss Rural & Corporate Services Limited	0.80	-
Edelweiss Custodial Services Limited	2.29	-
Edelweiss Finance and Investments Limited	0.03	-
Edelweiss Financial Services Limited	0.94	-
Edelweiss Finvest Private Limited	0.53	0.11
Edelweiss General Insurance Company Limited	14.35	-
Edelweiss Global Wealth Management Limited	1.34	-
Edelweiss Housing Finance Limited	11.54	0.53
Edelweiss Retail Finance Limited	0.53	0.15
Edelweiss Securities Limited	1.28	0.82
ECap Equities Limited	0.56	-
Edelweiss Tokio Life Insurance Company Limited	3.03	-



ECL Finance Limited

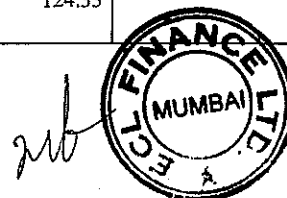
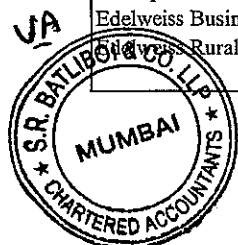
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	26.72	141.50
Edelweiss Housing Finance Limited	169.49	57.97
Corporate guarantee support fee paid to		
Edelweiss Financial Services Limited	3.21	9.92
Clearing charges paid to		
Edelweiss Custodial Services Limited	0.27	0.24
Edelweiss Securities Limited	18.12	-
Collateral management fees paid		
Edelweiss Agri Value Chain Limited	16.67	37.46
Commission and brokerage paid to		
Edelweiss Global Wealth Management Limited	334.74	307.19
Edelweiss Investment Advisors Limited	2.70	2.26
Edelweiss Securities Limited	155.47	11.45
Edel Investments Limited	0.02	-
Cost reimbursement paid to		
ECap Equities Limited	2.26	2.09
Edelweiss Agri Value Chain Limited	0.66	0.33
Edelweiss Asset Management Limited	0.99	0.08
Edelweiss Broking Limited	3.54	3.58
Edelweiss Business Services Limited	0.07	-
Edelweiss Rural & Corporate Services Limited	13.10	15.38
Edelweiss Financial Services Limited	33.66	5.17
Edelweiss Global Wealth Management Limited	0.11	-
Edelweiss Housing Finance Limited	6.51	4.17
Edelweiss Retail Finance Limited	25.02	0.91
Edelweiss Alternative Asset Advisors Limited	0.97	-
Edelweiss Securities Limited	1.43	1.31
EFSL Trading Limited	-	0.16
Edelweiss Finance and Investments Limited	-	0.01
Reimbursement paid to		
Edelweiss Retail Finance Limited	-	0.89
Edelweiss Financial Services Limited	-	0.01
Edelweiss Rural & Corporate Services Limited	-	16.77
Edelweiss Business Services Limited	-	27.20
Edelcap Securities Limited	-	1.05
Edelweiss Alternative Asset Advisors Limited	-	1.79
Edelweiss Housing Finance Limited	-	0.14
Corporate Social responsibility expenses paid to		
EdelGive Foundation	122.24	96.72
Enterprise Service charge paid to		
Edelweiss Business Services Limited	217.34	107.17
Edelweiss Rural & Corporate Services Limited	124.33	-



ECL Finance Limited

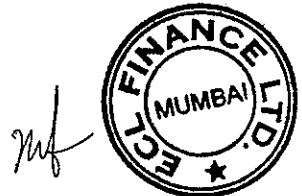
Notes to financial statements

(Currency: Indian rupees in million)

48. Related party disclosure for the year April 1, 2018 to March 31, 2019

Transactions with related parties:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest paid on loan		
Edelweiss Rural & Corporate Services Limited	1,539.93	1,304.69
Edelweiss Financial Services Limited	-	81.36
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	184.00	116.45
Rating support fees paid to		
Edelweiss Financial Services Limited	2.10	1.74
Rent paid to		
ECap Equities Limited	21.35	18.32
Edelweiss Agri Value Chain Limited	1.70	0.71
Edelweiss Asset Management Limited	4.44	0.85
Edelweiss Broking Limited	7.61	6.03
Edelweiss Business Services Limited	0.11	-
Edelweiss Rural & Corporate Services Limited	93.30	91.41
Edelweiss Global Wealth Management Limited	0.50	-
Edelweiss Retail Finance Limited	27.76	2.60
Edelweiss Housing Finance Limited	6.86	3.38
Edelweiss Securities Limited	4.81	2.90
Interest paid on bench mark linked debentures		
ECap Equities Limited	785.33	506.03
Edelweiss Rural & Corporate Services Limited	10.49	-
Interest paid on securities		
ECap Equities Limited	7.82	2.73
Edelweiss Finance and Investments Limited	0.37	29.53
Interest expenses on non-convertible debentures		
Edelweiss Rural & Corporate Services Limited	5.79	23.56
Edelweiss Finance and Investments Limited	0.04	-
Edelweiss Finvest Private Limited	-	13.43
ECap Equities Limited	-	0.34
ESOP cost reimbursement		
Edelweiss Financial Services Limited	45.69	-
Remuneration paid to		
Raviprakash R. Bubna	33.04	72.54
Himanshu Kaji	50.00	20.00
Rashesh Shah	68.00	67.50
Deepak Mittal	9.85	-
Sitting fees paid		
PN Venkatachalam	0.44	0.24
Biswamohan Mahapatra	0.30	0.12
Sunil Mitra	-	0.12
Kunnasagaran Chinniah	0.02	-



ECL Finance Limited

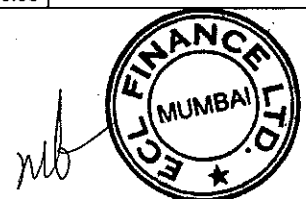
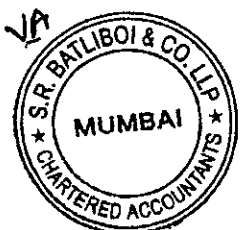
Notes to financial statements

(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
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	-



ECL Finance Limited

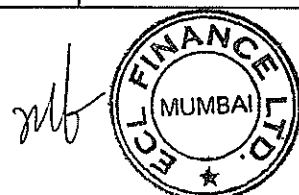
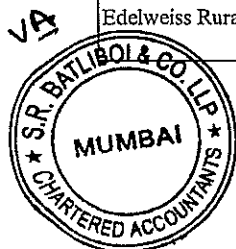
Notes to financial statements

(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
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

(Currency: Indian rupees in million)

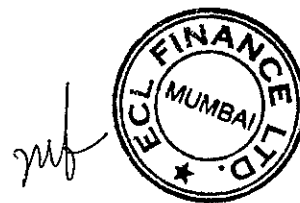
48. Related party disclosure for the year April 1, 2018 to March 31, 2019

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:

1. 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.
2. The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.



ECL Finance Limited

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

(Currency: Indian rupees in million)

49. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

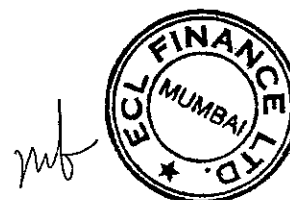
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

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

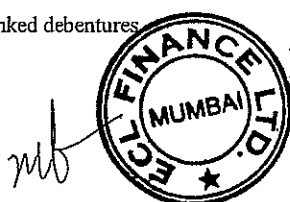
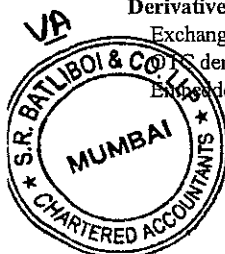
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by 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



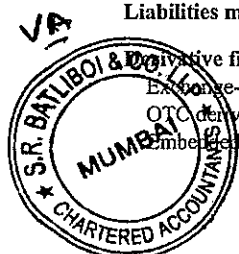
ECL Finance Limited

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	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	775.20	-	-	775.20
OTC derivatives	-	33.64	-	33.64
Embedded derivatives in market-linked debentures	-	-	226.24	226.24
Total derivative financial instruments - A	775.20	33.64	226.24	1,035.08
Financial assets held for trading				
Government debt securities	6,888.64	-	-	6,888.64
Other debt securities	-	145.37	-	145.37
Mutual fund units	4,811.62	-	-	4,811.62
Equity instruments	888.77	-	-	888.77
Total financial assets held for trading - B	12,589.03	145.37	-	12,734.40
Investments				
Equity instruments	66.80	-	-	66.80
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:

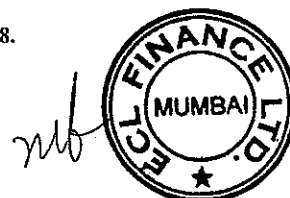
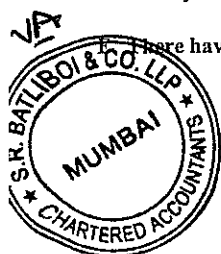
An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

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

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



ECL Finance Limited

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

(Currency: Indian rupees in million)

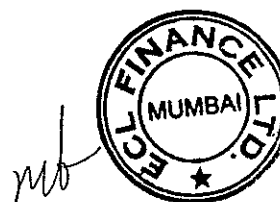
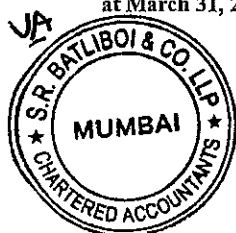
50. Fair Value measurement:

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2019	Security receipts	Units of AIF	Total
Investments - at April 1, 2018	4,878.84	195.36	5,074.20
Purchase	10,510.89	-	10,510.89
Sale/Redemption proceeds	(10,090.84)	(61.60)	(10,152.44)
Profit for the year recognised in profit or loss	435.54	6.08	441.62
Investments - at March 31, 2019	<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
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	<u>4,878.84</u>	<u>195.36</u>	<u>5,074.20</u>
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	<u>28.77</u>	<u>279.25</u>	<u>(250.48)</u>
Financial year ended March 2018	Embedded Options		
	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	<u>93.94</u>	<u>223.89</u>	<u>(129.95)</u>



ECL Finance Limited

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

(Currency: Indian rupees in million)

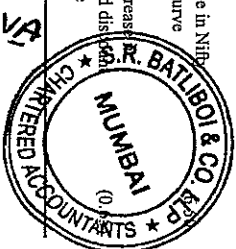
50. Fair Value measurement:

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)	230.48	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)



ECL Finance Limited

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

(Currency: Indian rupees in million)

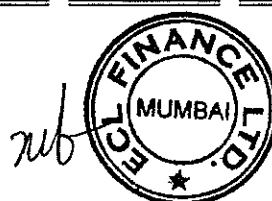
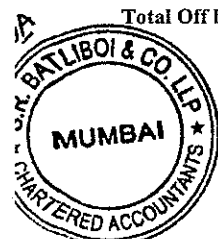
50. Fair Value measurement:

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

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

(Currency: Indian rupees in million)

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

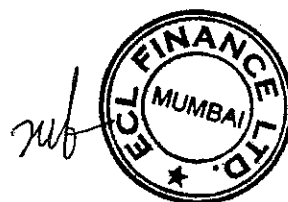
The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

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

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

(Currency: Indian rupees in million)

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.

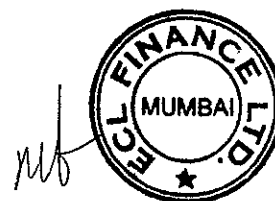
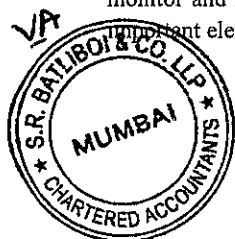
51.C Risk mitigation and risk culture

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

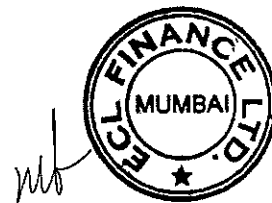
(Currency: Indian rupees in million)

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



ECL Finance Limited

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

(Currency: Indian rupees in million)

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.

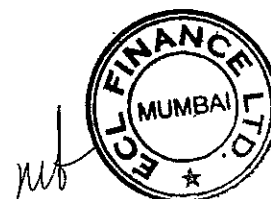
The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various 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-



ECL Finance Limited

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

(Currency: Indian rupees in million)

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.



ECL Finance Limited

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

(Currency: Indian rupees in million)

51.D.1 Credit Risk

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

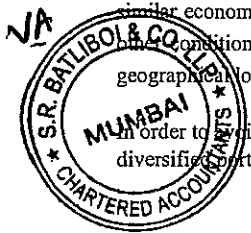
	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortised costs of financial assets modified during the year	1,116.03	-
Net modification loss	(4.55)	-

there were no/ previously modified financial assets for which loss allowance has changed to 12mECL measurement during the year:

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

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



ECL Finance Limited

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

(Currency: Indian rupees in million)

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

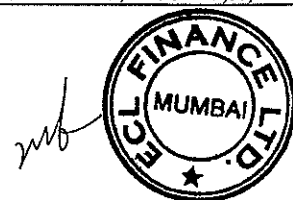
Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	985.40	-	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	470.24	-	-	-	-	-	470.24
Derivative 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



ECL Finance Limited

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

(Currency: Indian rupees in million)

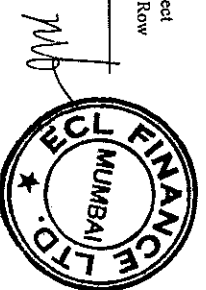
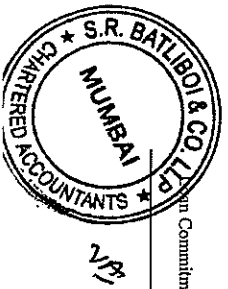
51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

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	
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.



ECL Finance Limited

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

(Currency: Indian rupees in million)

51.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2019

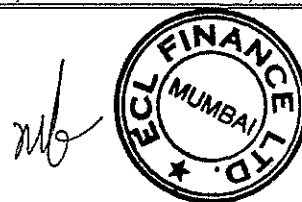
	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	5,201.43	3,252.45	1,948.98	2,352.68
Retail Credit	486.12	106.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.36	3,363.53	2,328.83	2,845.50

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	4,552.08	2,646.85	1,905.23	5,208.68
Retail Credit	147.12	25.58	121.54	222.30
Trade Receivables	4.75	4.75	-	-
	4,703.95	2,677.18	2,026.77	5,430.98

Maximum exposure to credit risk as at April 01, 2017

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	3,649.79	2,323.18	1,326.61	4,722.98
Retail Credit	143.21	21.08	122.13	279.96
Trade Receivables	4.62	4.62	-	-
	3,797.62	2,348.88	1,448.74	5,002.94



ECL Finance Limited

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

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

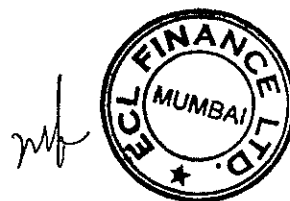
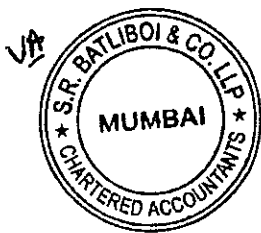
Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Government Debt Securities	13,873.50	16,662.92	6,888.64
Mutual Fund Investments	3,483.09	3,603.51	4,811.62
Total Liquidity cushion	17,356.59	20,266.43	11,700.26

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	1,732.63	3,194.64	15,063.64



ECL Finance Limited

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

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2019

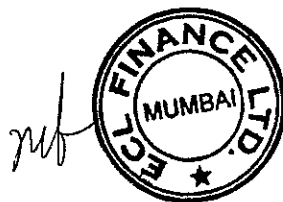
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	985.40	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	110.56	196.69	206.24	-	513.49
Derivative financial instruments	-	383.29	-	-	-	383.29
Securities held for trading	2,093.45	-	16,285.90	-	-	18,379.35
Trade receivables	-	721.02	-	-	-	721.02
Loans	-	25,180.86	41,111.33	2,18,043.39	44,272.64	3,28,608.22
Investments	-	-	-	6,874.25	-	6,874.25
Other financial assets	1,625.80	-	-	4,313.44	190.88	6,130.12
Total undiscounted financial assets	4,704.65	26,395.73	57,593.92	2,29,437.32	44,463.52	3,62,595.14
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	-	476.84
Trade payables	-	2,961.80	451.50	-	-	3,413.30
Debt securities	-	8,673.86	22,485.11	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	1,182.49	1,28,988.49
Subordinated Liabilities	-	376.02	907.25	12,000.82	12,167.50	25,451.59
Other financial liabilities	673.67	2,151.71	-	750.24	-	3,575.62
Total undiscounted financial liabilities	2,767.12	24,956.25	72,847.59	1,45,593.97	37,825.47	2,83,990.40
Total net financial assets / (liabilities)	1,937.53	1,439.48	(15,253.67)	83,843.35	6,638.05	78,604.74

Notes:

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 8.1), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.



ECL Finance Limited

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

(Currency: Indian rupees in million)

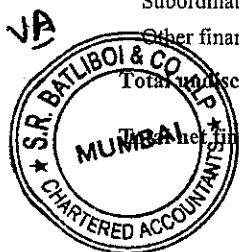
51.D.2 Liquidity Risk

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,627.97	-	-	-	-	1,627.97
Bank balances other than cash and cash equivalents	-	13.35	271.75	821.00	-	1,106.10
Derivative financial instruments	-	125.35	-	-	-	125.35
Securities held for trading	15,325.41	-	9,619.35	-	-	24,944.76
Trade receivables	-	5,474.53	-	-	-	5,474.53
Loans	-	27,760.61	44,769.61	2,10,537.25	21,499.61	3,04,567.08
Investments	-	-	-	6,074.19	-	6,074.19
Other financial assets	198.60	-	-	1,593.51	186.48	1,978.59
Total undiscounted financial assets	17,151.98	33,373.84	54,660.71	2,19,025.95	21,686.09	3,45,898.57
Financial Liabilities						
Derivative financial instruments	-	450.32	-	-	-	450.32
Trade payables	-	1,001.89	300.04	-	-	1,301.93
Debt securities	-	7,115.60	12,317.14	45,736.73	19,765.22	84,934.69
Borrowings (other than debt securities)	15,325.41	18,597.77	38,994.35	83,495.21	-	1,56,412.74
Subordinated Liabilities	-	-	-	7,012.74	19,694.56	26,707.30
Other financial liabilities	-	2,428.39	-	-	-	2,428.39
Total undiscounted financial liabilities	15,325.41	29,593.97	51,611.53	1,36,244.68	39,459.78	2,72,235.37
Total net financial assets / (liabilities)	1,826.57	3,779.87	3,049.18	82,781.27	(17,773.69)	73,663.20

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	10,850.13	-	-	-	-	10,850.13
Bank balances other than cash and cash equivalents	-	714.24	132.49	144.91	-	991.64
Derivative financial instruments	-	983.22	-	-	-	983.22
Securities held for trading	6,536.84	6,197.54	-	-	-	12,734.38
Trade receivables	-	1,169.30	-	-	-	1,169.30
Loans	-	36,661.93	35,834.11	1,36,718.08	18,224.54	2,27,438.66
Investments	-	-	1,227.50	5,880.65	-	7,108.15
Other financial assets	742.02	-	-	95.00	91.03	928.05
Total undiscounted financial assets	18,128.99	45,726.23	37,194.10	1,42,838.64	18,315.57	2,62,203.53
Financial Liabilities						
Derivative financial instruments	-	667.18	-	-	-	667.18
Trade payables	-	316.00	163.12	-	-	479.12
Debt securities	-	33,097.63	19,716.06	39,946.04	14,490.77	1,07,250.50
Borrowings (other than debt securities)	6,536.84	20,011.27	14,843.15	43,658.47	101.31	85,151.04
Subordinated Liabilities	-	376.71	796.31	8,935.21	8,677.23	18,785.46
Other financial liabilities	-	325.66	496.66	-	-	822.32
Total undiscounted financial liabilities	6,536.84	54,794.45	36,015.30	92,539.72	23,269.31	2,13,155.62
Total net financial assets / (liabilities)	11,592.15	(9,068.22)	1,178.80	50,298.92	(4,953.74)	49,047.91



ECL Finance Limited

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

(Currency: Indian rupees in million)

51.D.2 Liquidity Risk

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			31,481.63			31,481.63
Estimated amount of contracts capital account	-	-	33.00	-	-	33.00
	-	-	31,514.63	-	-	31,514.63

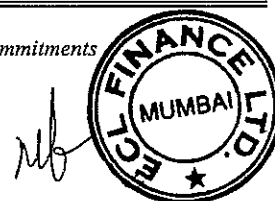
As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			45,446.60			45,446.60
Estimated amount of contracts capital account	-	-	33.25	-	-	33.25
	-	-	45,479.85	-	-	45,479.85

As at April 01, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines			20,354.19			20,354.19
Estimated amount of contracts capital account	-	-	54.55	-	-	54.55
	-	-	20,408.74	-	-	20,408.74

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



ECL Finance Limited

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

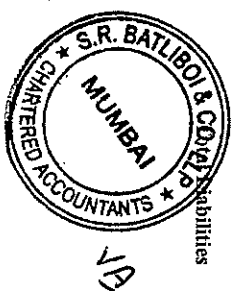
(Currency: Indian rupees in million)

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	3,375.60	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)	-
Floating 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	-

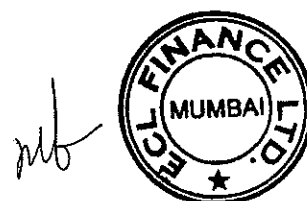
As at March 31, 2018

	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	-
Floating 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

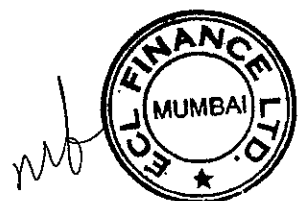
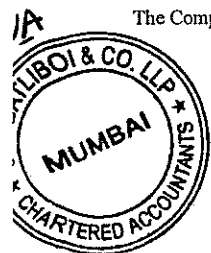
The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017)

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

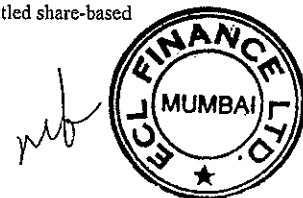
Reference notes to reconciliation of Equity and profit & Loss

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

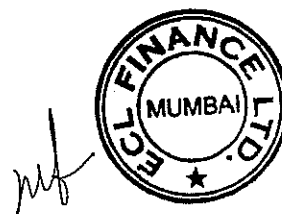
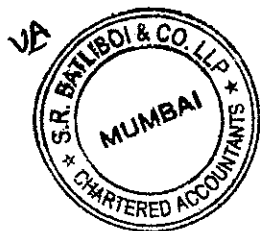
Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary 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.



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	-	-

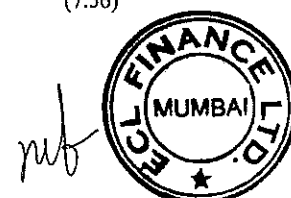
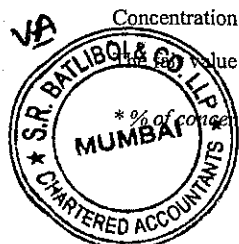
II) Movement of provisions held towards depreciation/appreciation on investments.

	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



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**

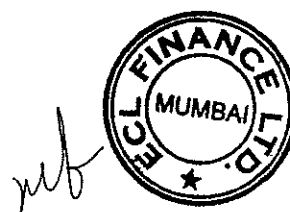
The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark 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	-	-	-	-



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.

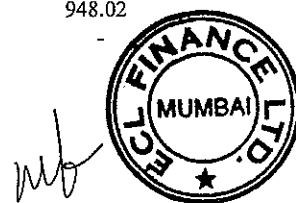
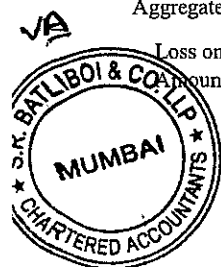
53.D Disclosures relating to securitisation

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	-	-



53. Regulatory disclosures - RBI

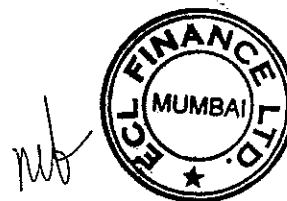
The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 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



53. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

53.E Asset liability management**Maturity pattern of certain items of assets and liabilities as at March 31, 2019**

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	11,842.19	18,379.37	1,684.76	8,229.45
Over One months to 2 months	5,204.51	-	225.00	1,314.32
Over 2 months up to 3 months	4,481.72	-	6,290.42	1,465.36
Over 3 months to 6 months	8,182.28	-	5,528.90	6,318.13
Over 6 months to 1 year	19,800.63	-	36,802.55	16,185.80
Over 1 year to 3 years	1,15,658.80	-	42,455.48	45,520.75
Over 3 years to 5 years	56,322.95	6,585.40	10,300.66	16,682.84
Over 5 years	22,592.35	-	-	29,149.47
	2,44,085.43	24,964.77	1,03,287.77	1,24,866.12

*Investments also include securities held for trading

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

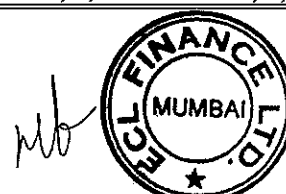
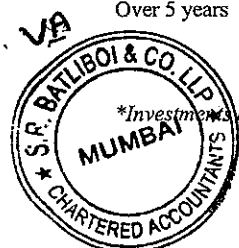
Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs (Refer Note 8.1), wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

Maturity pattern of certain items of assets and liabilities as at March 31, 2018

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	10,443.76	24,944.75	23,052.58	28,697.78
Over One months to 2 months	10,004.60	-	187.50	3,553.49
Over 2 months up to 3 months	4,937.68	-	4,232.07	3,451.39
Over 3 months to 6 months	8,997.43	-	5,173.82	6,941.95
Over 6 months to 1 year	16,815.83	-	9,712.22	7,235.08
Over 1 year to 3 years	1,03,705.83	-	44,090.86	34,571.77
Over 3 years to 5 years	51,477.00	5,727.29	20,434.47	14,230.63
Over 5 years	18,403.85	-	-	24,056.15
	2,24,785.98	30,672.04	1,06,883.52	1,22,738.24

*Investments also include securities held for trading



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****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)

	As at March 31, 2019	As at March 31, 2018
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	-	-

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.

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**

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

	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)	-	-

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

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.

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.

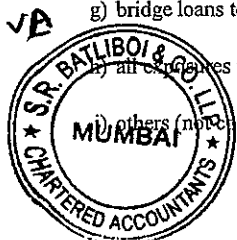
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.

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)



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

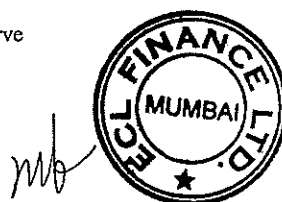
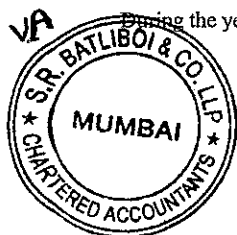
Name of Director	Nature	For the year ended March 31, 2019	For the year ended March 31, 2018
PN Venkatachalam	Sitting Fees	0.44	0.24
Biswamohan Mahapatra	Sitting Fees	0.30	0.12
Kunnasagaran Chinniah (w.e.f. February 18, 2019.)	Sitting Fees	0.02	-
Sunil Mitra (upto August 2, 2017)	Sitting Fees	-	0.12

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



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
Concentration of advances		
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%
Concentration of exposures		
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%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	4,619.37	4,309.56

Sector-wise Stage 3 Assets**% of Stage 3 assets to Total Advances in that sector**

Sectors	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%

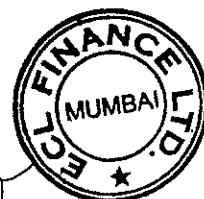
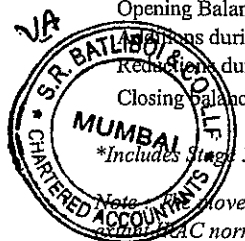
53.P Movement of Stage 3 assets

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 total 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		
<i>(excluding provision on Stage 1/Stage 2)</i>		
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: Movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per RBI norms prescribed by the Reserve Bank of India



53. Regulatory disclosures - RBI

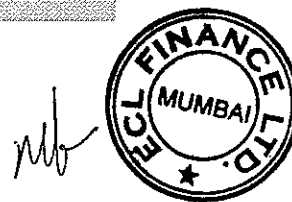
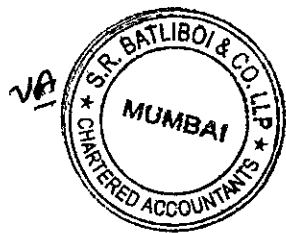
The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 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. 008/03.10.11/2016-17 dated September 01, 2016 as amended.

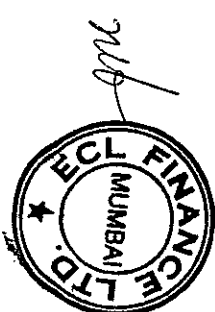
as at March 31, 2019	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA/ Stable	2,50,300.00	ICRA AA	3,12,862.50	CARE AA	1,73,465.20	BWR AA+, BWR AA	18,000.00	ACUTE AA + /Stable	4,500.00
Short term instruments	CRISIL 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/	15,000.00 3,000.00	SMERA AA+/ Stable SMERA AA/	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+/ 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



2019



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)

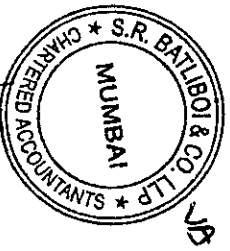
Disclosure of Restructured Accounts for the year ended March 31, 2019

SI 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
1	Restructured accounts as on 1st April, 2018 (Opening figures)	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which cease to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Degradations of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2019 (Closing figures)	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

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

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



ECL Finance Limited

Notes to the financial 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 DBPS CO. PD. No. 367/03.10.01/2013-14 dated January 23, 2014)

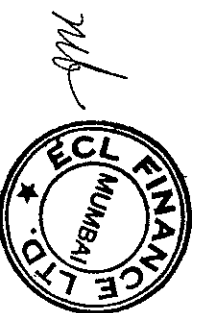
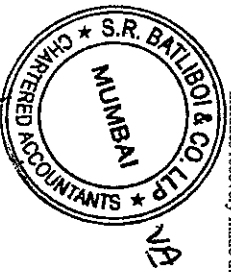
Disclosure of Restructured Accounts for the year ended March 31, 2018

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

Note :

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

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



ECL Finance Limited

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

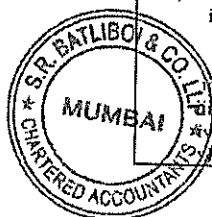
(Currency: Indian rupees in million)

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.

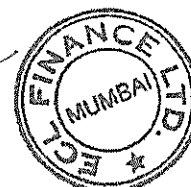
	As at March, 31, 2019		As at March, 31, 2018	
	Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of 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		
a) Lease assets including lease rentals under sundry debtors:	NA	NA
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	-	-
Debentures and Bonds	-	-
Units of Mutual Funds	-	-
Government Securities	0.43	0.43
Others	-	-



V/A

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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

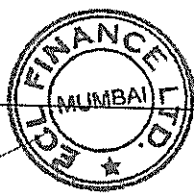
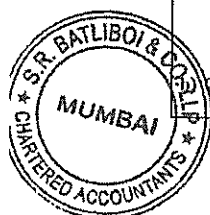
	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	2,12,998.72	24,968.02	2,37,966.74

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

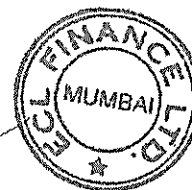
Notes to the financial statement for the year ended March 31, 2019

(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.

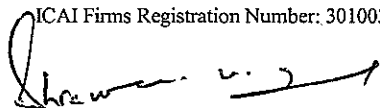
54.B There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

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

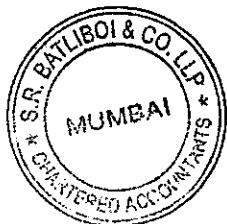
ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

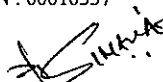
For and on behalf of the Board of Directors



Deepak Mittal

Managing Director & CEO

DIN : 00010337



Sarju Simaria

Chief Financial officer

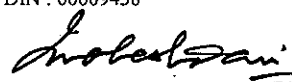
Mumbai May 13, 2019



Himanshu Kaji

Executive Director

DIN : 00009438



Jitendra Maheshwari

Company Secretary

