

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of ECL Finance Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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



Independent Auditor's Report (Continued)

ECL Finance Limited

Auditor's responsibility (Continued)

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

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

Opinion

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

Report on other legal and regulatory requirements

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

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

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



Independent Auditor's Report (Continued)

ECL Finance Limited

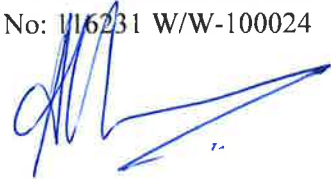
Report on other legal and regulatory requirements (Continued)

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

For **B S R & Associates LLP**

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

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

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

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



ECL Finance Limited

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

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

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

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

ECL Finance Limited

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

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

For **B S R & Associates LLP**

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



ECL Finance Limited

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent limitations of Internal Financial Controls over Financial Reporting

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

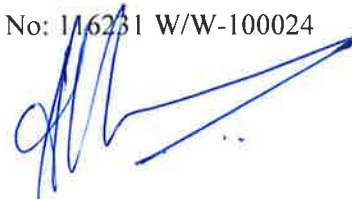
Opinion

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

For **B S R & Associates LLP**

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

ECL Finance Limited

Balance Sheet

(Currency : Indian rupees in million)

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

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

As per our report of even date attached.

For **BSR & Associates LLP**

Chartered Accountants

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


Ashwin Suvarna


Partner

Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090160


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesir Sampat
Chief Financial Officer

Mumbai
16 May 2017


Tarun Khurana
Company Secretary

Mumbai
16 May 2017

ECL Finance Limited

Statement of Profit and Loss

(Currency : Indian rupees in million)

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

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

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

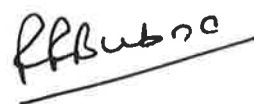


Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors



Raviprakash R. Bubna

Managing Director & CEO

DIN : 00090160



Himanshu Kaji

Executive Director

DIN : 00009438



Nilesh Sampat

Chief Financial Officer



Tarun Khurana

Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Cash Flow Statement

(Currency : Indian rupees in million)

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



ECL Finance Limited

Cash Flow Statement (Continued)

(Currency : Indian rupees)


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

Notes:


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

As per our report of even date attached.


For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024


Ashwin Suvarna
Partner
Membership No: 109503

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN : 00090160


Himanshu Kaji
Executive Director
DIN : 00009438


Nilesh Sampat
Chief Financial Officer


Tarun Khurana
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

ECL Finance Limited

Notes to the financial statements

1 Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

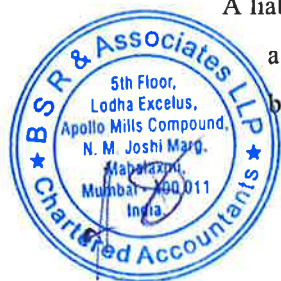
Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

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



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.3 Current-non-current classification (Continued)

- c. It is due to be settled within 12 months after the reporting date; or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

1.4 Revenue recognition

- a. Fee income including processing fees (other than loan against property) and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. In case of loans against property, processing fees collected are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write off.
- c. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non-performing assets, wherein it is accounted on realisation, as per RBI guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value are amortised on time basis and recognised as interest income.
- d. Interest Spread under par structure of securitization/direct assignment of loan receivables is recognized on realization over the tenure of securitized/ direct assigned loan.
- e. Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity, currency interest rate derivative instruments.
- i) Profit/loss on sale of investments / securities is determined based on the weighted average cost of the investments / securities sold and recognised on trade date.
- ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- iii) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on interest rate derivatives' in the statement of profit and loss and the interest received during contract period is recognised as 'Interest income on derivative instruments' in statement of profit and loss. Positions open as on Balance sheet date are marked to market and profit / (loss) is recognised in the statement of profit and loss.



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.4 Revenue recognition (Continued)

iv) In respect of currency derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on currency derivatives' in the statement of profit and loss. Positions open as on Balance sheet date are marked to market and profit / (loss) is recognised in the statement of profit and loss.

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

1.5 Cost of Benchmark linked debentures

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

1.6 Securitisation

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

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

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

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

1.7 Provisioning on receivables from financing business

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

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

1.8 Fixed assets and depreciation / amortisation

Property, Plant and Equipment and Capital work in progress

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

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.8 Fixed assets and depreciation / amortisation (Continued)

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Machinery	15 years
Furniture and fittings	10 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

1.9 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.10 Stock-in-trade

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



ECL Finance Limited

Notes to the financial statements (Continued)

1 Significant accounting policies (continued)

1.11 Investments

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

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

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

1.12 Loan origination costs

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

1.13 Employee benefits

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

Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

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

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

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



ECL Finance Limited

Notes to the financial statements (*Continued*)

1 Significant accounting policies (continued)

1.13 Employee benefits (*Continued*)

Compensated Absences

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

Deferred Bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.14 Taxation

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

Current tax

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

Deferred tax

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

1.15 Operating leases

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

1.16 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.



ECL Finance Limited

Notes to the financial statements *(Continued)*

1 Significant accounting policies (continued)

1.16 Earnings per share (continued)

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.17 Provisions and contingencies

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

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

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
Authorised :		
6,700,000,000 (Previous year: 6,700,000,000) Equity Shares of Re.1 each	6,700.00	6,700.00
4,000,000 (Previous year:4,000,000) preference shares of Rs 10 each	40.00	40.00
	<u>6,740</u>	<u>6,740</u>
Issued, Subscribed and Paid up:		
1,891,848,462 (Previous year:1,891,848,462) equity shares of Re.1 each, fully paid-up	1,891.85	1,891.85
(Of the above 1,499,959,129 (Previous year: 1,499,959,129) fully paid-up equity shares of Re.1 each, are held by Edelweiss Financial Services Limited, the holding company along with its Nominees.).		
	<u>1,891.85</u>	<u>1,891.85</u>

a. Movement in share capital :

	31 March 2017		31 March 2016	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,891,848,462	1,891.85	1,891,848,462	1,891.85
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,891,848,462</u>	<u>1,891.85</u>	<u>1,891,848,462</u>	<u>1,891.85</u>

b. Terms/rights attached to equity shares :

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

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

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

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

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

including 6 shares held by nominees of Edelweiss Financial Services Limited



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.2 Reserves and surplus

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

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 2017	As at 31 March 2016
2.7 Trade Payables		
Payable to :		
Others	479.12	1,576.57
(includes sundry creditors, provision for expenses and customer payables)		
	<u>479.12</u>	<u>1,576.57</u>

2.8 Other current liabilities

Current maturities of secured long term debt		
Term loan from bank (refer note 2.43)	9,963.50	11,042.10
Term loan from other parties (refer note 2.43)	592.07	617.10
Public issue of Non-convertible debentures (refer note 2.41)	6,484.29	3,574.16
Privately Placed Non-convertible debentures (refer note 2.41)	10,625.18	11,968.58
Interest accrued but not due on borrowings	3,993.44	4,541.18
Interest accrued and due on borrowings	-	22.48
Income received in advance	-	91.27
Other Payables		
Accrued salaries and benefits	496.66	494.36
Withholding taxes, service tax and other taxes payable	33.61	54.86
Book overdraft	325.66	358.27
Unamortised processing fees	22.25	18.88
Premium received on outstanding exchange traded options (including MTM)	70.50	168.99
Unrealised gain on loan transfer transactions	13.69	17.31
Mark to Market on interest rate & currency derivatives	41.15	242.52
Others	77.62	12.30
	<u>32,739.62</u>	<u>33,224.36</u>

2.9 Short-term provisions

Provision for employee benefits :		
Compensated absences	2.29	2.33
Deferred bonus	188.82	164.62
Others		
Provision for non performing assets	1,265.84	1,676.51
Provision for standard assets	348.48	228.61
Provision for tax	175.55	99.20
(net of advance taxes Rs 3,009.54 million ; previous year :Rs 2,641.23 million)		
	<u>1,980.98</u>	<u>2,171.27</u>



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency - Indian rupees in million)

2.10 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 1 April 2016	Charge for the year	Deductions during the year	As at 31 March 2017	As at 31 March 2016
Property, Plant and Equipment								
Building	270.94	2.32	-	55.72	10.78	-	66.50	215.22
Leasehold improvements	3.47	1.05	-	1.43	0.95	-	2.38	2.04
Furniture and Fixtures	0.85	0.46	0.03	0.30	0.16	0.03	0.43	0.55
Vehicles	50.88	5.51	2.75	26.82	8.55	2.13	33.24	24.06
Office equipment	7.42	0.86	0.63	4.49	1.42	0.62	5.29	2.93
Computers	35.39	12.20	3.36	20.51	12.30	2.81	30.00	14.88
A	368.95	22.40	6.77	109.27	34.16	5.59	137.84	259.68
Intangible assets								
Software	25.35	6.53	-	13.43	8.43	-	21.86	11.92
B	25.35	6.53	-	13.43	8.43	-	21.86	11.92
Total (A+B)	394.30	28.93	6.77	122.70	42.59	5.59	159.70	271.60



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.10 Fixed assets

Description of Assets	Gross Block				Depreciation			Net Block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Property, Plant and Equipment									
Building	270.94	-	-	270.94	44.39	-	11.33	55.72	226.54
Leasehold improvements	2.30	1.17	-	3.47	0.73	-	0.70	1.43	1.57
Furniture and Fixtures	0.43	0.42	-	0.85	0.18	-	0.12	0.30	0.26
Vehicles	43.98	11.95	5.05	50.88	20.90	-	9.45	26.82	23.08
Office equipment	5.07	2.36	0.01	7.42	2.72	-	1.77	4.49	2.35
Computers	21.56	13.83	-	35.39	10.76	-	9.75	20.51	10.80
A	344.28	29.73	5.06	368.95	79.68	-	33.12	109.27	264.60
Intangible assets									
Software	22.03	3.32	-	25.35	5.70	-	7.73	13.43	16.33
B	22.03	3.32	-	25.35	5.70	-	7.73	13.43	16.33
Total (A+B)	366.31	33.05	5.06	394.30	85.38	-	40.85	122.70	280.93



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

	As at 31 March 17			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.11 Non-current investments						
Others (unquoted)						
<i>Investments in equity shares of companies (fully paid up)</i>						
Aeon Credit Services India Pvt Limited (associate company)	10	22,750,000	227.50	10	22,750,000	227.50
			<u>227.50</u>			<u>227.50</u>
<i>Investments in preference shares of companies (fully paid up)</i>						
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Commodities Services Limited	10	1,000,000	1,000.00	10	1,000,000	1,000.00
7% Non Cumulative Non Convertible Redeemable Preference Shares of Ecap Equities Limited	-	-	-	10	1,800,000	1,800.00
1% Non cumulative Non Convertible Redeemable Preference shares of Edelweiss Investment Adviser Limited	10	220,000	220.00	10	220,000	220.00
11% Non-cumulative Optionally Convertible Preference Shares of Edelweiss Broking Limited	-	-	-	10	600,000	600.00
7% Non Cumulative Non Convertible Redeemable Preference Shares of Styrax Commodities Limited	-	-	-	10	1,800,000	1,800.00
			<u>1,220.00</u>			<u>5,420.00</u>
<i>Investments in securitisation trust securities</i>						
- EARC Trust SC 6	-	-	-	1,000	218,500	217.30
- EARC Trust SC 7	1,000	104,500	94.40	1,000	104,500	94.40
- EARC Trust SC 8	-	-	-	1,000	77,045	130.10
- EARC Trust SC 9	1,000	71,487	92.19	1,000	71,487	94.80
- EARC Trust SC 14	-	-	-	1,000	78,375	188.60
- EARC Trust SC 43	-	-	-	1,000	54,000	54.00
- EARC Trust SC 55	-	-	-	1,000	46,800	46.80
- EARC Trust SC 57	-	-	-	1,000	72,250	59.60
- EARC Trust SC 102	1,000	768,570	748.72	1,000	768,570	748.72
- EARC Trust SC 104	1,000	77,180	28.98	1,000	77,180	63.70
- EARC Trust SC 109	-	-	-	1,000	633,500	526.64
- EARC Trust SC 112	-	-	-	1,000	340,000	335.10
- EARC Trust SC 177	-	-	-	1,000	124,750	125.40
- EARC Trust SC 223	1,000	2,337,500	2,337.50	-	-	-
- EARC Trust SC 251	1,000	1,700,000	1,700.00	-	-	-
<i>Investments in units of fund</i>						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	25,000	214.24	10,000	8,125	58.61
			<u>5,216.03</u>			<u>2,743.77</u>
			<u>6,663.53</u>			<u>8,391.27</u>
Aggregate of unquoted investment						
- At carrying value			6,663.53			8,391.27



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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





ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade

7.58% Government Stock 11.01.2026 BONDS						
7.94% Government Stock 24.05.2021 BONDS						
8.15% Government Stock 11.06.2022 BONDS						
8.20% Government Stock 15.02.2022 BONDS						
7.35% Government Stock 22.06.2024 BONDS						
8.53% Maharashtra Government Stock 27.10.2020 BONDS						
8.28% Tamil Nadu State Development Loans 09.09.2019 BONDS						

(D)

6,164.59

24,247.80

Debtentures and bonds (unquoted)

Credit Substitute						
18.50% Manyata Developers Private Limited 30.06.2020 NCD	1,000,000	2,167	1,000,000			2,589
18.50% Kamla Landmark Property Leasing & Finance Private Limited 10.06.2018 NCD	734,595	870	734,595			870
14.00% SKI Shipyard Holdings Private Limited 21.01.2019 NCD	3,370,000	275	3,370,000			275
14.00% Bce Infrastructures Private Limited 31.05.2021 NCD	1,000,000	2,100	1,000,000			
6.25% Avantha Holdings Limited 28.07.2018 NCD	10,000,000	1,600	10,000,000			1,600
18.00% YGN Developers Private Limited 31.07.2018 NCD	817,692	1,180	817,692			1,183
12.25% Smit Textiles Private Limited 21.09.2018 NCD	10,000,000	208	10,000,000			190
9.00% Gombel Coffee Estate Private Limited 14.05.2017 NCD	10,000,000	248	10,000,000			235
13.00% Parsvnath Developers Limited 15.04.2019 NCD	500,000	350	500,000			2,500
0.00% Wonder Value Realty Developers Private Limited 22.05.2018 NCD	1,000,000	2,000	1,000,000			2,000
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	1,000,000	1,760	1,000,000			
14.00% Neptune Developers Limited 17.11.2020 NCD	1,000,000	2,350	1,000,000			
18.00% Easy Home Solutions Private Limited 12.11.2019 NCD	1,000,000	250	1,000,000			
0.00% Champalaji Finance Private Limited 28.11.2019 NCD	100,000	630	100,000			
15.75% Klp Projects Private Limited 28.02.2021 NCD	823,529	2,550	823,529			
14.00% Spenta Enclave Private Limited 28.02.2021 NCD	1,000,000	1,610	1,000,000			1,800
14.00% Sava Homes Private Limited 30.09.2019 Ncd	1,000,000	1,010	1,000,000			
18.00% Krishna Enterprises (Housing & Infrastructures) Private Limited 13.10.2020 NCD	500,000	800	500,000			
17.00% Samidhi Infra Square Private Limited 09.12.2020 NCD	500,000	1,100	500,000			
17.00% Meeti Developers Private Limited 31.08.2020 NCD						
14.25% Avantha Holdings Limited 06.01.2017 NCD						
12.00% KLP Projects Private Limited 17.08.2019 NCD						
20.00% Geetanjali Effective Realty Solutions Private Limited 30.03.2019 NCD						
16.00% MG Holding Private Limited 02.12.2019 NCD						
12.50% Atrive Economic Zone (Mumbai) Private Limited 30.05.2020 NCD						
13.00% Anilme Construction Company Private Limited 30.09.2022 NCD	10,000,000	200	10,000,000			
13.00% Neekanth Realtors Private Limited 30.09.2020 NCD	100,000	5,500	100,000			
18.00% International Trading & Manufacturing Company Developers Private Limited	1,000,000	750	1,000,000			
31.12.2020 NCD	500,000	1,500	500,000			
18.00% Century Real Estate Holdings Private Limited 22.01.2021 NCD	1,000,000	810	1,000,000			

(E)

29,646.82

18,560.91

Mutual funds (quoted)

ICICI Prudential Liquid - Direct Plan - Growth						
Axis Liquid Fund - Direct - Growth						
DFFL Franconia Instra Cash Plus Fund - Direct Plan - Growth						
JM High Liquidity Fund - Direct - Growth						
Principal Cash Management Funds - Direct Plan - Growth	10	22,471,506	1,000,000			
Sundaram Money Fund - Direct Plan - Growth						
Taurus Short Term Bond Fund - Direct - Growth						
Brookly Pioneer Liquid Fund - Plan B - Growth						
Indira Infra Income Plus Fund - Direct - Growth	10	339,185	1,000,000			
Indira Ultra Short Term Fund - Direct Plan Growth						
5th Fibroid Health Fund For Cancer Cure - 2014	10	1,000,000				
Lodha Excellence Health Bond Fund - Direct - Growth	10	1,300,000				
Kedar Flower Fund - Direct Plan - Growth	10	71,852,978	1,300,000			
Kedar Flower Fund - Direct Plan - Growth	10	562,086	1,500,000			

(F)

4,810.00

6,460.00



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade

Equity shares (quoted)

	As at 31 March 2017	As at 31 March 2016
	Quantity	Quantity
	Amount	Amount
	Face Value	Face Value
Coal India Limited	10	1,915,900
Hindustan Zinc Limited	2	1,136,000
		560.69
		328.08
		888.77

Debt securities and bonds (quoted)

	As at 31 March 2017	As at 31 March 2016
	Quantity	Quantity
	Amount	Amount
	Face Value	Face Value
Credit Substitute		
20.00% A B T Investments (India) Private Limited 31.08.2018 NCD	500	500.00
12.00% Future Corporate Resources Limited 28.01.2020 NCD (SR-I)	35	350.00
12.00% Future Corporate Resources Limited 28.01.2020 NCD (SR-II)	125	1,250.00
5.00% SVL Limited 20.09.2020 NCD	392	386.56
13.50% Nspira Management Services Private Limited 30.06.2020 NCD	387	387.00
15.00% Pantaloon Industries Limited 31.03.2017 NCD	50	500.00
11.75% Reliance Infrastructure Limited 30.05.2018 NCD	1,815	1,815.00
12.00% Pantaloon Industries Limited 28.01.2020 NCD	100	1,000.00
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020 NCD	2,715	2,715.00
12.75% Mahan Synthetic Textiles Private Limited 18.12.2016 NCD	-	80.00
18.00% Omate Spaces Private Limited 28.02.2019 NCD	-	13,500
20.00% Som Infratech Private Limited 31.12.2015 NCD	-	1,350.00
18.00% Ruparel Homes India Private Limited 13.02.2018 NCD	-	625,000
10.00% Abellon Cleanenergy Limited 02.06.2020 NCD	2,207	500.00
12.00% Shivakar Infra Private Limited 30.09.2021 NCD	217	217.00
10.00% Nspira Management Services Private Limited 30.09.2020 NCD	2,000	2,000.00
12.00% Sheltrex Kanjar Private Limited 31.03.2022 NCD	129	129.00
14.00% Paritree Realty Private Limited 15.01.2021 NCD	900	900.00
10.00% Unitech Machines Limited 29.02.2024 NCD	4,200	2,100.00
	2,500	2,500.00
		16,749.56

Others

7.35% IRFC 2031 (Retail Coupon 7.64%)	-	1,000	6.97
7.35% Nabard 2031 (7.64% Retail)	-	1,000	47.76
7.35% Nabard 2031	-	1,000	0.32
8.49% National Thermal Power Corporation Limited 25.03.2025 Ncd	13	-	-
7.35% National Highway Authority Of India 11.01.2031 Bonds	1,000	-	-
8.65% Indiabulls Housing Finance Limited 26.09.2019 Bonds	1,000	-	-
9.75% Sri Equipment Finance Limited 17.01.2022 Bonds	81,210	-	-
8.35% National Insurance Company Limited 26.05.2027 Bonds	4	-	-
8.41% India Infrastructure Finance Company Limited 22.01.2024 Bonds	15,000	-	-
8.41% National Thermal Power Corporation Limited 16.12.2023 NCD	6,333	-	-
8.50% National Highways Authority Of India 05.02.2029 Bonds	14,700	-	-
			55.05

Government bonds (quoted)

10.03% Government Stock 09.08.2019 BONDS	100	2,000,000	214.98
6.35% Government Stock 02.01.2020 BONDS	-	-	-
8.40% Government Stock 28.07.2024 BONDS	100	5,000,000	540.63
7.80% Government Stock 03.05.2020 BONDS	-	-	-
8.27% Government Stock 09.06.2020 BONDS	-	-	-
8.13% Government Stock 22.06.2045 BONDS	100	1,000,000	107.95
8.15% Government Stock 24.11.2026 BONDS	100	30,000,000	3,199.57
8.19% Government Stock 16.01.2020 BONDS	-	-	-
5.64% Government Stock 02.01.2019 BONDS	-	-	-
6.90% Government Stock 13.07.2019 BONDS	100	360,000	36.31
7.61% Government Stock 09.05.2030 BONDS	100	3,500,000	362.53
7.68% Government Stock 15.12.2023 BONDS	100	1,500,000	156.16
8.13% Government Stock 21.09.2022 BONDS	-	-	-
8.08% Government Stock 02.08.2022 BONDS	-	-	-
7.80% Government Stock 11.04.2021 BONDS	100	3,000,000	311.15
8.12% Government Stock 08.12.2020 BONDS	-	-	-
8.79% Government Stock 08.11.2021 BONDS	-	-	-
7.72% Government Stock 23.05.2021 BONDS	-	-	-
8.35% Government Stock 14.03.2022 BONDS	-	-	-
7.88% Government Stock 19.03.2020 BONDS	100	1,000,000	104.50



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.16 Stock in trade
T-Bills (Quoted)
T-BILL 15.02.2018 (364 DAYS)
T-BILL 24.08.2017 (182 DAYS)

	As at 31 March 17		As at 31 March 2016	
	Face Value	Quantity	Face Value	Quantity
(G)	100	3,000,000	282.41	
	100	3,000,000	290.94	
			573.35	
Total			<u>58,975.94</u>	<u>58,745.76</u>
			888.77	-
			888.77	-
Aggregate of stock-in-trade in quoted Equity shares			23,630.35	46,545.59
			23,639.49	46,713.17
Aggregate of stock-in-trade in quoted debentures and Government bonds & T-Bills			29,646.82	5,740.17
Aggregate of stock-in-trade in unquoted debentures and bonds			4,810.00	6,460.00
			4,811.61	6,460.50
Aggregate of stock-in-trade in units of quoted mutual fund				

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

- At carrying value
- At market value

- At carrying value
- At market value

- At carrying value

- At carrying value
- At net asset value



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

2.19 Short-term loans and advances

Secured

(Considered good, unless stated otherwise)

Receivables from financing business

- considered good

- considered non performing assets

As at
31 March 2017

As at
31 March 2016

	24,002.67	44,977.75
	1,182.25	1,801.51
	25,184.92	46,779.26

Unsecured

(Considered good, unless stated otherwise)

Receivables from financing business

- considered good

- considered non performing assets

	28,130.64	3,243.73
	482.93	363.16

Other loans and advances

Deposits placed with/exchange/depositories

Deposits- others^

Prepaid expenses

Unamortised loan origination costs

Loans and advances to employees

Vendor Advances

Input tax credit

Advance income taxes

(net of provision for tax Rs 1,479.91 million ; previous year : Rs 1,318.23 million)

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

	91.05	116.05
	-	-
	5.44	5.18
	21.21	21.15
	5.54	4.00
	55.87	16.61
	-	35.52
	138.53	22.02

	62.28	20.97
	28,993.49	3,848.39

	54,178.41	50,627.65
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2.20 Other current assets

Accrued interest on fixed deposits

Accrued interest on debt instruments

Accrued interest on loans given

Accrued interest on margin

Accrued interest on Investments

Interest Accrued but not due on loans given

Interest Accrued but not due on debt instruments

Mark to market on interest rate swap & Currency derivatives

Margin placed with Counterparty for derivatives

Premium paid on outstanding exchange traded options (including MTM)

Future interest receivable on loan transfer transaction

Margin placed with broker

Others

	0.21	5.88
	114.52	-
	1,243.40	1,825.71
	0.32	0.54
	-	0.58
	1,390.83	795.07
	1,597.06	1,169.54
	33.64	154.51
	45.10	74.44
	723.34	50.85
	13.69	17.31
	696.90	1,012.57
	31.17	-
	5,890.18	5,107.00

^ Amount is less than Rs 0.01 million



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended
31 March 2017

for the year ended
31 March 2016

2.25 Employee benefit expenses

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

2.26 Finance costs

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

for the year ended
31 March 2017

for the year ended
31 March 2016

2.27 Other expenses

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

Auditors' remuneration:

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.28 Segment reporting

Primary Segment (Business segment)

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

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

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

Secondary Segment

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

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

Particulars	As at/ For the year ended 31 March 2017	As at/ For the year ended 31 March 2016
I Segment Revenue		
a) Capital based business	4,234.26	2,161.22
b) Financing business	20,715.51	16,703.81
c) Unallocated	0.62	0.80
Total Income	24,950.39	18,865.83
II Segment Results		
a) Capital based business	606.48	(798.92)
b) Financing business	5,422.94	4,657.06
c) Unallocated	(99.71)	(69.32)
Profit before taxation	5,929.71	3,788.82
Less : Provision for taxation	2,026.53	1,288.19
Profit after taxation	3,903.18	2,500.63
III Segment Assets		
a) Capital based business	29,598.44	41,842.75
b) Financing business	180,756.05	128,172.71
c) Unallocated	1,285.43	1,159.72
Total	211,639.92	171,175.18
IV Segment Liabilities		
a) Capital based business	28,831.55	40,597.82
b) Financing business	159,023.71	110,599.72
c) Unallocated	211.36	155.34
Total	188,066.62	151,352.88
V Capital expenditure (Including intangibles under development)		
a) Capital based business	-	4.15
b) Financing business	315.45	33.67
c) Unallocated	-	0.06
Total	315.45	37.88
VI Depreciation and amortisation		
a) Capital based business	7.25	4.47
b) Financing business	35.21	36.31
c) Unallocated	0.13	0.07
Total	42.59	40.85
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	35.04	66.16
b) Financing business	992.16	1,160.85
c) Unallocated	-	0.01
Total	1,027.20	1,227.02



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

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

i. List of related parties and relationship:

(Rupees in Millions)

Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited - Holding company
Associates	Aeon Credit Services India Pvt Ltd
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) ECap Equities Limited EdelGive Foundation Edelweiss Broking Limited Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited Edelweiss Investment Adviser Limited Edelweiss Securities Limited Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited) Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss AIF Fund I - EW Clover Scheme - 1 Edelweiss Global Wealth Management Limited Edelweiss Tokio Life Insurance Company Limited Edelcap Securities Limited Edelweiss Custodial Services Limited Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited) Edel Commodities Limited Edelweiss Capital Markets Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Retail Finance Limited Edelweiss Alternative Asset Advisors Limited Eternity Business Centre Limited Edel Finance Company Limited EFSL Trading Limited (Formerly known as EFSL Commodities Limited) Auris Corporate Centre Limited Burlington Business Solutions Limited Edelweiss Insurance Brokers Limited
Key Management Personnel (with whom transactions have taken place)	Raviprakash R. Bubna Rashesh Shah Himanshu Kaji

ii. Transactions with related parties :

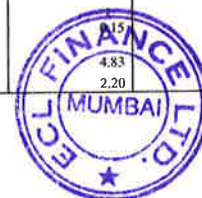
Nature of Transaction	Related Party Name	2017	2016
Capital account transactions			
Investment in Equity Shares of	Aeon Credit Services India Pvt Ltd	-	125.00
Sale of Preference Shares to	Edelweiss Commodities Services Limited	2,400.00	-
Loans taken from (refer note-2 below)	Edelweiss Financial Services Limited	-	14,412.29
	Edelweiss Commodities Services Limited	64,169.55	17,338.01
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	60.34	147.70
	Edelweiss Finance & Investments Limited	450.00	-
Loan repaid to (refer note-2 below)	Edelweiss Financial Services Limited	-	14,463.75
	Edelweiss Commodities Services Limited	50,836.28	16,590.56
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	208.04	-
	Edelweiss Finance & Investments Limited	450.00	-
Loans given to (refer note-2 below)	Edelweiss Commodities Services Limited	4,530.32	2,950.00
	Edelweiss Financial Services Limited	-	21.91
	Ravi R. Bubna HUF	-	58.35
	Vidya Shah	-	335.14
	Edelweiss AIF Fund I - EW Clover Scheme I	500.00	-
Repayment of loans by (refer note-2 below)	Edelweiss Commodities Services Limited	4,530.32	4,450.00
	Edelweiss Financial Services Limited	-	21.91
	Ravi R. Bubna HUF	-	22.63
	Vidya Shah	-	428.68
	Edelweiss AIF Fund I - EW Clover Scheme I	500.00	-
Redemption - benchmark linked debentures	ECap Equities Limited	5,139.20	7,388.00
Debt instruments issued to	Edelweiss Commodities Services Limited	-	5,000.00
Sale / Redemption of Commercial Papers to	Edelweiss Commodities Services Limited	31,818.98	8,506.97
	ECap Equities Limited	635.82	100.00



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

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

Nature of Transaction	Related Party Name	2017	2016
Purchase / Subscription of Commercial Papers from	Edelweiss Commodities Services Limited	9,777.26	23,852.99
	ECap Equities Limited	588.09	-
Purchase of debt instruments from	Edelweiss Commodities Services Limited	-	50.00
	Edelweiss Finance & Investments Limited	2,588.51	1,266.35
Purchases of securities (Stock in trade) from	ECap Equities Limited	722.43	3,002.52
	Edelweiss Commodities Services Limited	10,741.46	9,666.41
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	414.41	627.87
	Edelweiss Securities Limited	767.45	-
	Edelcap Securities Limited	4,276.33	-
	Edelweiss Commodities Services Limited	-	738.13
Purchase of certificate of deposit from	Edelweiss Commodities Services Limited	-	738.13
	Edelweiss Finance & Investments Limited	11,094.34	8,779.22
Sale of securities (Stock in trade)	ECap Equities Limited	496.28	2,253.00
	Edelweiss Commodities Services Limited	6,006.92	1,669.28
	Edelweiss Tokio Life Insurance Company Limited	31.08	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	634.07
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	689.28	-
	Edelcap Securities Limited	7,526.48	-
	Edelweiss Securities Limited	1,681.69	1,988.66
	Edelweiss Custodial Services Limited	2,206.04	-
Margin placed with (refer note -2 below)	Edelweiss Securities Limited	2,692.07	1,369.09
	Edelweiss Custodial Services Limited	1,568.44	-
Margin refund received from	Edelweiss Securities Limited	1,538.69	-
	Edelweiss Custodial Services Limited	2,131.68	-
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	2,007.32	-
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	-	172.05
Sale of Securities receipts to	Edelweiss Financial Services Limited	537.47	295.93
	Edelweiss Commodities Services Limited	6.99	0.04
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	0.86	-
	Edelweiss Finance & Investments Limited	895.56	1,726.18
Interest expense on benchmark linked debentures	ECap Equities Limited	48.22	8.16
Interest expense on non convertible debentures	Edelweiss Commodities Services Limited	12.58	0.51
	Edelweiss Finance & Investments Limited	0.57	-
	ECap Equities Limited	4.36	-
Interest expense on Commercial Papers	ECap Equities Limited	53.84	-
	Edelweiss Commodities Services Limited	11.15	13.05
Interest income on margin placed with brokers	Edelweiss Securities Limited	1.53	-
	Edelweiss Custodial Services Limited	3.53	-
Interest income on Commercial Papers	Edelweiss Housing Finance Limited	0.01	-
	Edelweiss Commodities Services Limited	-	-
Interest income on loans given to	Edelweiss Financial Services Limited	-	0.97
	Edelweiss Commodities Services Limited	58.57	71.82
	Ravi R Bubna HUF	-	2.72
	Edelweiss AIF Fund I - EW Clover Scheme I	1.15	-
	Vidya Shah	-	1.38
Dividend received on investments	Edelweiss Commodities Services Limited	0.70	0.70
	ECap Equities Limited	1.26	-
Director nomination deposit received	Edelweiss Financial Services Limited	-	0.20
Directors nomination deposit refunded	Edelweiss Financial Services Limited	0.20	-
Arranger fees received from	Edelweiss Housing Finance Limited	33.20	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	22.10	-
Management Fees received from	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	1.56	-
	Edelweiss Financial Services Limited	3.21	28.42
Cost reimbursement paid to	Edelweiss Housing Finance Limited	0.19	0.70
	Edelweiss Commodities Services Limited	9.31	28.22
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.74	0.54
	Edelweiss Capital Markets Limited	0.14	-
	Edelweiss Asset Reconstruction Company Limited	0.04	-
	Edelweiss Retail Finance Limited	-	1.17
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	-	-
	Edelweiss Alternative Asset Advisors Limited	4.83	-
	Eternity Business Centre Limited	2.20	-
		0.15	-
		4.83	-
		2.20	-



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

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

Nature of Transaction	Related Party Name	2017	2016
Cost reimbursement paid to (continued)	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.11
	Edelweiss Broking Limited	0.26	-
	Edelcap Securities Limited	0.51	-
	Edel Finance Company Limited	4.52	-
	Edelweiss Finance & Investments Limited	1.00	-
Cost reimbursement received from	Edelweiss Finance & Investments Limited	0.34	-
	Edelweiss Securities Limited	0.03	0.80
	Edelweiss Broking Limited	-	0.18
	Edelcap Securities Limited	0.11	-
	Edelweiss Asset Reconstruction Company Limited	0.22	-
	Edelweiss Commodities Services Limited	0.48	-
	Edelweiss Housing Finance Limited	-	0.08
	Edelweiss Financial Services Limited	-	1.48
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.01	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.10	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.18	-
Reimbursement paid to	Edelweiss Securities Limited	-	4.63
	Edelweiss Financial Services Limited	114.80	858.39
	Edelweiss Commodities Services Limited	203.53	0.40
Rating support fees paid to	Edelweiss Financial Services Limited	155.70	185.00
Clearing charges paid to	Edelweiss Securities Limited	0.33	0.37
	Edelweiss Custodial Services Limited	0.02	-
Commission and brokerage paid to	Edelweiss Securities Limited	0.01	0.03
	Edelweiss Investment Adviser Limited	4.53	4.02
Donation to	EdelGive Foundation	71.00	56.00
Advisory fees paid to	Edelweiss Housing Finance Limited	-	23.04
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.69	-
	Edelweiss Asset Reconstruction Company Limited	22.79	-
Collateral management fees paid	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	9.10	9.63
Rent paid to	Auris Corporate Centre Limited	-	3.06
	Burlington Business Solutions Limited	-	4.13
	Edelweiss Broking Limited	2.32	-
	Edelweiss Commodities Services Limited	56.22	-
	Eternity Business Centre Limited	19.32	-
Remuneration paid to	Raviprakash R. Bubna	74.78	99.77
	Himanshu Kaji	20.00	-
	Rashesh Shah	67.50	45.00
Balances with related parties			
Short term borrowings	Edelweiss Commodities Services Limited	14,080.73	747.46
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	147.70
Trade payables	Edelweiss Financial Services Limited	1.14	274.66
	Edelweiss Finance & Investments Limited	0.67	14.29
	Edelweiss Housing Finance Limited	-	25.00
	Edelweiss Broking Limited	0.16	0.49
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.21	1.07
	Edelweiss Investment Adviser Limited	0.52	0.66
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	1.39	0.57
	Edelweiss Commodities Services Limited	46.20	-
	Edelweiss Alternative Asset Advisors Limited	4.83	-
	Edelweiss Capital Markets Limited	0.14	-
	Edelcap Securities Limited	0.51	-
Edel Finance Company Limited	5.20	-	
Non convertible debentures (borrowings)	Edelweiss Commodities Services Limited	503.20	618.44
	Edelweiss Finance & Investments Limited	-	72.30
	Edelweiss Tokio Life Insurance Company Limited	-	12.67
	ECap Equities Limited	-	92.20
Commercial Papers (borrowings)	Edelweiss Commodities Services Limited	3,758.76	-
Other payables	Edelweiss Commodities Services Limited	-	11.47
	Edelweiss Retail Finance Limited	-	1.17
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.11
	Burlington Business Solutions Limited	-	4.31
	Auris Corporate Centre Limited	-	3.20
Interest accrued and due on borrowings	Edelweiss Commodities Services Limited	-	22.44
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	0.04
Interest accrued but not due on borrowings	Edelweiss Commodities Services Limited	0.03	52.41
	ECap Equities Limited	-	28.28



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

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

Nature of Transaction	Related Party Name	2017	2016
Remuneration payable	Raviprakash R. Bubna	65.00	90.00
	Himanshu Kaji	20.00	-
	Rashesh Shah	67.50	45.00
Corporate guarantee taken from	Edelweiss Financial Services Limited	5,026.99	33,881.70
Investments in equity shares	Aeon Credit Services India Pvt Ltd	227.50	227.50
Investments in preference shares	Edelweiss Commodities Services Limited	1,000.00	1,800.00
	Ecap Equities Limited	-	1,800.00
	Edelweiss Investment Adviser Limited	220.00	220.00
	Edelweiss Broking Limited	-	600.00
Trade receivables	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.58
	Edelweiss Financial Services Limited	-	1.58
	Edelweiss Housing Finance Limited	35.12	0.74
	Edelweiss Finance & Investments Limited	-	0.25
	Edelweiss Securities Limited	3.96	598.38
	Edelcap Securities Limited	0.11	-
	Edelweiss Commodities Services Limited	0.48	-
	Edelweiss Insurance Brokers Limited	0.06	-
	Edelweiss Custodial Services Limited	0.16	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	23.21	-
	Edelweiss Asset Reconstruction Company Limited	0.19	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.12	-
	Edelweiss Multi Strategy Funds Management Private Limited (Formerly known as Forefront Capital Management Private Limited)	1.71	-
	Loans and advances	Ravi R Bubna HUF	-
Short-term loans and advances	Edelweiss Broking Limited	0.01	0.18
		-	1.48
		-	0.80
		-	0.01
		0.22	-
		-	-
Other current assets	Edelweiss Securities Limited	-	0.38
		-	-
Margin money balance with	Edelweiss Securities Limited	2.19	1,012.57
	Edelweiss Custodial Services Limited	637.61	-

^ Amount is less than Rs 0.01 million

Note :

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

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

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

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

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

Note 6 : The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2017.

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

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

2.30 Earnings per share

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

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

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

ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

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

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

Amount of **Rs. 42.60** million (previous year: Rs.31.64 million) is recognised as expenses and included in "Employee benefit expenses".

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Expenses recognised in the Profit and Loss Account

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

Balance Sheet

Reconciliation of Defined Benefit Obligation (DBO)

	2017	2016
Present value of DBO at start of year	44.64	29.87
Interest cost	2.76	2.37
Current service cost	10.27	8.66
Transfer In	(7.32)	0.55
Benefits paid	(1.18)	(1.31)
Actuarial (Gain) / Loss	(2.22)	4.50
Present value of DBO at end of year	46.95	44.64

Reconciliation of Fair Value of Plan Assets

	2017	2,015
Fair value of plan assets at start of year	45.17	29.79
Expected Return on Plan Assets	3.30	-
Contributions by Employer	-	15.01
Benefits paid	(1.18)	(1.31)
Actuarial (loss)/ gain:	3.02	(0.59)
Fair value of plan assets at end of the year	50.31	45.17

Net Liability / (Asset) recognised in Balance Sheet

Particulars	2017	2016	2015	2014	2013
Present value of DBO	46.95	44.64	29.87	19.38	11.54
Fair value of plan assets	50.31	45.17	29.79	12.23	5.12
Net (Assets) /Liability	(3.36)	(0.53)	0.08	7.15	6.42

Experience Adjustments

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

Actuarial assumptions

	2017	2016
Discount rate	6.80%	7.40%
Salary Growth Rate	7%	7%
Withdrawal / Attrition Rate (based on categories)	13%-25%	13%-25%
Expected return on Plan Assets	7.40% p.a.	7.8% p.a.
Mortality rate	IALM 2006-08 (Utl.)	IALM 2006-08 (Utl.)
Expected average remaining working lives of employee	5 years	5 years



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.32 Encumbrances' on fixed deposits held by the Company

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

2.33 Open interest in equity index/ stock futures

Long Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Nifty	Hedging	29-Jun-17	343	25,725
2	Nifty	Hedging	25-May-17	681	51,075
3	Nifty	Hedging	27-Apr-17	2,298	172,350

Short Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Stock Future	Hedging	27-Apr-17	1482	3,051,900

Long Position as at 31 March 2016

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	Nifty	Hedging	26-May-16	1,174	88,050
2	Nifty	Hedging	28-Apr-16	3,329	249,675

Short Position as at 31 March 2016

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

Open interest in Currency derivatives with exchanges

Long Position as at 31 March 2017

No.	Particulars	Purpose	Expiry date	No. of Contracts	No. of units
1	USDINR	Hedging	26-Apr-17	10,000	10,000,000

Long Position as at 31 March 2016

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

Open interest in Interest rate derivatives with exchanges

Short Position as at 31 March 2017

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

Long Position as at 31 March 2016

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



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

2.34 Option contracts outstanding:

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

2.35 Open interest in interest rate derivatives other than exchanges:

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

2.36 Open interest in currency derivatives other than exchanges :

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

2.37 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2017 aggregated to Rs. 7.37 million (Previous year: Rs. 6.51 million) which has been included under the head other expenses – Rent in the Statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows :

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

2.38 Contingent liabilities and commitments

Contingent liabilities

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

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Commitments

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.39 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2015-16), Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.25 and 2.27 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.40 Details of dues to micro and small enterprises

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

2.41 Details of Secured Debentures

Details of the Secured Debentures as at 31 March 2017

- The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 4,000** million (previous year : Rs 4,000 million) by way of charge on immovable property, floating charge on movable properties in the form of receivables.
- The Company has an asset cover in excess of 125% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 572.50** million (previous year Rs 3,429.60 million) by way of charge on immovable property, floating charge on movable properties in the form of stock-in-trade and receivables and corporate guarantee from holding company.
- The Company has an asset cover in excess of 120% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 16,397.58** million (previous year Rs 1,714.70 million) by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables.
- The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 26,929.22** million (previous year Rs 24,599.50 million) by way of charge on immovable property and floating charge on movable properties in the form of stock-in-trade and receivables. The above **Rs. 26,929.22** million (previous year : Rs 24,599.50 million) includes Rs. 4,994.35 million (previous year : Rs.Nil million) of Masala Bonds issued during the year.
- The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to **Rs. 11,205.63** million (previous year : Rs 23,610.26 million) by way of charge on immovable property and floating charge on movable properties in the form of receivables. The above **Rs. 11,205.63** million (previous year : Rs 23,610.26 million) includes **Rs. Nil** million (previous year : Rs.12,892.76 million) public issue.
- In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).
- During the year, the Company has raised **Rs.4,981.77** (Previous year : Rs Nil million) (net of issue expenses) ("net proceeds") through issue of 50,200 (previous year :Nil) number of Redeemable Non-Convertible Debentures (INR denominated USD settled notes (Masala Bonds) vide a Public Issue at a discount of 0.59%. As at March 31 2017 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the Prospectus. The Masala Bonds issued by the Company are listed on the Singapore Stock Exchange and Stock Exchange of Mauritius.
- Debt Equity and Asset cover Ratio:

Debt Equity Ratio

	2017	2016
Shareholder's fund		
Paid up capital	1,891.85	1,891.85
Add: Reserve and surplus	21,681.45	17,930.45
Less: Deferred tax asset	880.39	917.01
Equity (A)	22,692.91	18,905.29
Debt		
Long-term borrowings	91,933.54	65,632.49
Short-term borrowings	58,812.99	47,333.91
Current maturities of long term debt	27,665.04	27,201.94
Total Debt (B)	178,411.57	140,168.34
Debt equity Ratio (B/A)	7.86	7.41

Asset cover Ratio

	2017	2016
Assets available		
Loans and advances [@]	170,816.84	121,703.22
Stock in trade	12,579.56	30,762.84
Total (A)	183,396.40	152,466.06
Secured debt		
Long-term Secured borrowings	80,323.54	57,232.49
Short-term Secured borrowings	13,509.67	37,072.69
Current maturities of secured long term debt	27,665.04	27,201.94
Total (B)	121,498.25	121,507.12
Asset cover (A/B)	1.51	1.25

[@] Includes debentures in the nature of loan and advances, hereinafter referred to as loans and advances



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

2.41 *Details of Secured Debentures (Continued)*

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

As at 31 March 2017

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

As at 31 March 2016

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

2.42 *Details of unsecured debentures*

Details of unsecured debentures as at 31 March 2017

As at 31 March 2017

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

As at 31 March 2016

Rate	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
8%-9%	-	-	-	-	-	-	-	-	-	-
9%-10%	-	-	-	-	-	-	-	-	-	-
10%-11%	-	-	-	-	-	-	-	-	-	200.00
11%-12%	-	-	-	4,700.00	-	500.00	-	-	3,000.00	-
Benchmark linked Debentures	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	4,700.00	500.00	500.00	-	-	3,200.00	-



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

2.43 Details of the loan taken from Banks and other parties

As at 31 March 2017

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

As at 31 March 2016

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

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

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

	2017	2016
Opening stock		
Equity shares	-	-
Preference shares	-	277.65
Debt instruments	52,285.77	23,186.29
Mutual Fund	6,460.00	10.00
Total	58,745.77	23,473.94
Purchase		
Equity shares	1,047.23	27.69
Preference shares	-	871.57
Debt instruments	1,042,451.29	360,176.31
Mutual Fund	1,251,582.70	271,470.00
Total	2,295,081.22	632,545.57
Sales		
Equity shares	74.48	27.63
Preference shares	-	1,148.75
Debt instruments	1,043,049.79	331,138.71
Mutual Fund	1,253,874.96	265,224.67
Total	2,296,999.23	597,539.76
Closing stock		
Equity shares	888.77	-
Preference shares	-	-
Debt instruments	53,277.17	52,285.77
Mutual Fund	4,810.00	6,460.00
Total	58,975.94	58,745.77
Profit/(loss) on sale of securities	2,148.18	266.02



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

2.45 Key Ratios

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

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

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

2.46 Banking facilities

The Company has obtained borrowing facilities from below mentioned banks:

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

2.47 Investments

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.48 Foreign currency

The Company has undertaken the following transactions in foreign currency

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

2.49 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2017	2016
i) The notional principal of swap agreements	31,750.00	28,600.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	32.17	14.87
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps*	100%	100%
v) The fair value of the swap book	(8.99)	(227.66)

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

B) Exchange Traded Interest Rate (IR) Derivatives

	2017	2016
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	2,763.00	4,383.20
ii) Notional principal amount of exchange traded IR derivatives outstanding	187.60	64.40
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

Disclosure on risk exposure in derivatives

C) Qualitative disclosure for derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative disclosure

	2017		2016	
	Currency Derivative	Interest Rate Derivatives	Currency Derivative	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging	1,297.69	31,937.60	10,178.29	28,664.40
ii) Marked to Market Positions				
a) Assets (+)	1.47	32.17	139.64	14.87
b) Liability (-)	-	(41.15)	-	(242.52)
iii) Credit Exposure	12.99	292.50	143.87	276.00
iv) Unhedged Exposures	-	-	4,311.64	-



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

2.50 Capital to Risk Assets Ratio (CRAR)

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

2.51 Securitisation/ Direct Assignment:

The Company sells loans through securitisation and direct assignment.
The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

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

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

	2017	2016
1 No. of SPVs sponsored by the NBFC for securitisation transactions	2	2
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	271.96	445.83
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	27.20	44.58
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	27.20	44.58
- Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	110.96	93.58
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	110.96	93.58
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

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

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



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

2.51 Securitisation/ Direct Assignment: (Continued)

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

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

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

	2017	2016
1 No. of transactions assigned by the NBFC	4	4
2 Total amount outstanding	325.68	685.23
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	36.19	76.14
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	-	-
- Others	36.19	76.14
4 Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own assignments		
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own assignments		
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments		
- First loss	-	-
- Others	-	-

Details of assignment transactions during the year ended 31 March.

	2017	2016
i) No. of accounts	-	50
ii) Aggregate value (net of provisions) of accounts sold	-	322.18
iii) Aggregate consideration	-	322.18
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

Details of non-performing financials assets purchased from / sold to other NBFCs

During the year, the Company has neither purchased nor sold any non-performing financials assets to other NBFCs. (Previous year : Nil)



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.52 Exposure to real estate sector, both direct and indirect

	2017	2016
A Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to Rs.15 lakhs may be shown separately)	4,756.06	4,022.49
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	53,247.75	33,956.39
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (not covered above)	11,992.02	8,515.45

2.53 Exposure to Capital Market

	2017	2016
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	329.39
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	17,118.13	9,941.43
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	34,294.43	34,722.31
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	1,461.46	1,072.19
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,380.67	314.22
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix) others (not covered above)	5,443.93	2,820.79



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

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

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

As at 31 March 2016

Particulars	Liabilities			Assets	
	Borrowings from Banks	Other Borrowings	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	279.17	25,075.65	16,568.77	-	27,328.05
Over One months to 2 months	1,041.67	7,517.20	4,456.18	-	1,000.00
Over 2 months up to 3 months	2,263.64	3,384.59	3,436.33	-	-
Over 3 months to 6 months	2,096.97	3,640.31	2,797.14	102.32	2,434.78
Over 6 months to 1 year	16,382.04	12,854.61	28,272.02	-	-
Over 1 year to 3 years	12,228.99	22,925.07	44,397.12	-	-
Over 3 years to 5 years	4,556.68	17,416.85	13,887.54	2,742.77	-
Over 5 years	-	8,504.90	7,888.13	5,648.50	-
Total	38,849.16	101,319.19	121,703.22	8,493.59	30,762.82

2.55 *Movements in Non Performing Advances:*

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

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

* Includes NPA written off during the year Rs. 322.45 million (Previous year: Rs 759.13 million)



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

2.56 Details of 'Provisions and Contingencies'

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

2.57 Concentration of Deposits, Advances, Exposures and NPAs

	2017	2016
A) Concentration of Advances		
Total Advances to twenty largest borrowers	47,681.00	41,452.66
% of Advances to twenty largest borrowers to Total Advances	27.91%	34.06%
B) Concentration of Exposures ⁵		
Total Exposures to twenty largest borrowers / Customers	47,681.00	43,252.66
% of Exposures to twenty largest borrowers / Customers to Total Advances	27.91%	35.54%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	1.48%	1.75%
D) Sector-wise NPAs		
	% of NPAs to Total Advances in that sector	
	2017	2016
1 Agriculture & allied activities	0.01%	0.00%
2 MSME	0.00%	0.00%
3 Corporate borrowers	1.34%	2.86%
4 Services	10.47%	0.00%
5 Unsecured personal loans	0.00%	0.15%
6 Auto loans	0.00%	0.00%
7 Other personal loans	1.37%	0.82%

\$ - includes Loans and advances and investments

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

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

2.59 Customer Complaints

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



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

2.60 Disclosure of Restructured Accounts
(as required by RBI guidelines under reference DNBS, CO, PD, No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total					
		Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2016 (Opening figures)																		
	Details																		
	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	Downgradations of restructured accounts during the year																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2017 (Closing figures)																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note :

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

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



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

2.60 *Disclosure of Restructured Accounts*
(as required by RBI guidelines under reference DNBS, CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total				
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
1	Restructured accounts as on 1st April, 2015 (Opening figures)																	
	Details	No. of borrowers	6	1	7	620.51	197.13	817.64	-	817.64	620.51	197.13	817.64	-	817.64	-	-	-
		Amount outstanding	620.51	197.13	817.64	620.51	197.13	817.64	-	817.64	620.51	197.13	817.64	-	817.64	-	-	-
		Provision thereon	93.08	29.57	122.65	93.08	29.57	122.65	-	122.65	93.08	29.57	122.65	-	122.65	-	-	-
2	Fresh restructuring during the year																	
	Details	No. of borrowers	-	3	3	-	55.33	55.33	-	55.33	-	55.33	55.33	-	55.33	-	-	-
		Amount outstanding	-	55.33	55.33	-	55.33	55.33	-	55.33	-	55.33	55.33	-	55.33	-	-	-
		Provision thereon	-	55.33	55.33	-	55.33	55.33	-	55.33	-	55.33	55.33	-	55.33	-	-	-
3	Upgradations of restructured accounts to Standard category																	
	Details	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																	
	Details	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year																	
	Details	No. of borrowers	4	4	8	3.97	3.97	7.94	-	7.94	3.97	3.97	7.94	-	7.94	-	-	-
		Amount outstanding	3.97	3.97	7.94	3.97	3.97	7.94	-	7.94	3.97	3.97	7.94	-	7.94	-	-	-
		Provision thereon	3.97	3.97	7.94	3.97	3.97	7.94	-	7.94	3.97	3.97	7.94	-	7.94	-	-	-
6	Write-offs of restructured accounts during the year																	
	Details	No. of borrowers	-	1	1	-	96.73	96.73	-	96.73	-	96.73	96.73	-	96.73	-	-	-
		Amount outstanding	-	96.73	96.73	-	96.73	96.73	-	96.73	-	96.73	96.73	-	96.73	-	-	-
		Provision thereon	-	96.73	96.73	-	96.73	96.73	-	96.73	-	96.73	96.73	-	96.73	-	-	-
7	Restructured accounts as on 31st Mar, 2016 (Closing figures)																	
	Details	No. of borrowers	2	7	9	255.72	59.30	315.02	-	315.02	255.72	59.30	315.02	-	315.02	-	-	-
		Amount outstanding	255.72	59.30	315.02	255.72	59.30	315.02	-	315.02	255.72	59.30	315.02	-	315.02	-	-	-
		Provision thereon	38.36	6.23	44.59	38.36	6.23	44.59	-	44.59	38.36	6.23	44.59	-	44.59	-	-	-



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.61 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2017)

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2017	2016	2017	2016
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures: (other than those falling within the meaning of Public deposit)*				
(i) Secured	59,104.93	62,471.40	-	-
(ii) Unsecured	11,610.00	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	48,883.65	29,715.99	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	31,222.59	9,366.07	-	-
f) Other loans	20,617.57	33,117.02	-	-
(i) Loan from Bank				
- Working Capital Demand Loan	3,100.00	2,262.23	-	-
- Overdraft	3,872.83	8,794.49	-	-

* Please see Note 1 below

Assets side:

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.61 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2017) - Continued

	Amount Outstanding	
	2017	2016
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-
4) Break up of Investments (Continued)		
Long-Term Investments (Net of Provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	227.50	227.50
Preference	1,220.00	5,420.00
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	5,001.79	2,685.16
- Investment in Units of E-STAR Fund	214.24	58.61

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

As at 31 March 2017

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

As at 31 March 2016

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

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

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2017	2016	2017	2016
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,447.50	3,847.50	1,447.50	3,847.50
(c) Other related parties	-	-	-	-
2) Other than related parties	5,283.26	4,646.34	5,283.26	4,646.09
TOTAL	6,730.76	8,493.84	6,730.76	8,493.59

** As per Accounting Standard 18 - Related Party Disclosures

7) Other Information

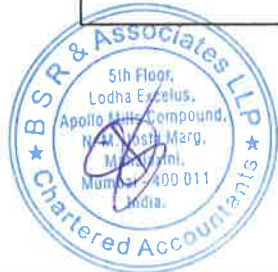
Particulars	2017	2016
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	3,155.11	2,283.93
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	1,077.73	585.12
c) Assets acquired in satisfaction of debt	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

2.62 Details of transaction with non executive directors

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



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2.63 Details of ratings assigned by credit rating agencies

As at 31 March 2017

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

As at 31 March 2016

Instrument category	CRISIL	ICRA	CARE	Brickworks
i) Long Term Instruments				
Rating	AA-/Stable	AA	AA	AA+
Amount	35,600.00	107,000.00	105,250.00	13,500.00
ii) Short term instruments				
Rating	A1+	A1+	A1+	-
Amount	36,000.00	37,000.00	36,000.00	-
iii) Market linked debentures				
a Short Term				
Rating	PP- MLD A1+R	PP-MLD [ICRA]A1+	-	-
Amount	12,000.00	9,000.00	-	-
b Long Term				
Rating	PP MLD AA -r/stable	PP-MLD [ICRA]AA	PP MLD-AA	-
Amount	12,250.00	6,000.00	8,000.00	-

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

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

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3.89	-	3.89
(+) Permitted receipts	-	0.16	0.16
(-) Permitted payments	-	0.09	0.09
(-) Amount deposited in Banks	3.89	0.01	3.90
Closing cash in hand as on 30.12.2016	-	0.06	0.06

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

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

2.66 Corporate Social Responsibility (CSR)

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

a) Gross Amount required to be spent by the Company during the year was **Rs 71.43 million** (previous year : Rs 55.96 million).

b) Amount spent during the year on :

Sr No	Particulars	2017			2016		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any assets on purpose other than (i) above	71.74	-	71.74	56.47	-	56.47



ECL Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

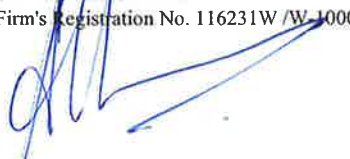
- 2.67 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.
- 2.68 Registration obtained from other financial sector regulators None
- 2.69 Overseas Assets - Nil(Previous year - nil)
- 2.70 Details of financing of parent company products - None(Previous year - none)
- 2.71 Off-Balance sheet SPV sponsored - None(Previous year - none)
- 2.72 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

As per our report of even date attached.

For B S R & Associates LLP


Chartered Accountants

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



Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
16 May 2017

For and on behalf of the Board of Directors


Raviprakash R. Bubna
Managing Director & CEO
DIN: 00090160

Mumbai
16 May 2017


Himanshu Kaji
Executive Director
DIN : 00009438


Tarun Khurana
Company Secretary